

Iron Bear Project PFS delivers outstanding results

1 Highlights

- **Maiden Probable Ore Reserve** of 3.3 Bt at 29.1% Fe (JORC) supporting 23 Mtpa of high-grade iron ore production for 44 years Life Of Mine (LOM)
- **A resource giant:** 13.6 Bt @ 30.03% Fe Mineral Resource Estimate (MRE) (JORC), current mine plan drawing on less than 25% of MRE
- **23 Mtpa production target:** 4.5 Mtpa BF Concentrate and 18.4 Mtpa Direct Reduction (DR) Pellets ramping up over 3 stages across 13 years
- **Premium-grade products:** 69.1% Fe, 3.5% (SiO₂+Al₂O₃) BF concentrate, upgradable to a 71% Fe, 1.2% (SiO₂+Al₂O₃) DR concentrate for the production of **Direct Reduction Pellets**, all three products with ultra-low deleterious elements
- **A low 0.44 stripping ratio** drives efficient, low-cost open pit mining
- **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
- **100% renewable hydropower** at a very low USD 0.0315 /kWh and keeps emissions to just 29 kg/t sales, among the lowest in the industry
- **Economics** underpinned by conservative premiums to the **65% Fe CFR benchmark** long term price of USD 120/t CFR
- **Clear upside ahead:** a Project Value Improvement (PVI) phase targets further gains in flowsheet design, capital efficiency, power costs and mine planning before the BFS
- **Project Funding:** Tier 1 support for project development and CAPEX through Development Agreement with Vale¹
- **Delivered** to AACE Class 4 standard (+/- 30%) **by tier-one consultants** Hatch Ltd, Snowden Optiro, Fortin Pipelines PL and IDOM Consulting

NPV_{8%} UNLEVERAGED
USD 9.0B
Post Tax

IRR
15.2%
Post Tax

PRE-PRODUCTION CAPEX
USD 4.2B

PRODUCTION
23 Mtpa
BF Concentrate: 4.5 Mtpa
DR Pellets: 18.4 Mtpa

LIFE OF MINE
44 years

ORE RESERVE
3.3 Bt @ 29.1% Fe

MINERAL RESOURCE
13.6 Bt @ 30.03% Fe

OPEX FOB
BF Concentrate: USD 64/DMT
DR Pellets: USD 87/DMT

SALES PRICE ASSUMPTIONS FOB
BF Concentrate: USD 144 /DMT
DR Pellets: USD 204 /DMT

¹ Refer to ASX announcement 17th February 2025

1.1 Maiden Probable Ore Reserve

- JORC compliant **Maiden Probable Ore Reserve of 3.3 Bt at 29.1% Fe** supporting the production of ~23 Mtpa of high-grade iron ore products for a **Life Of Mine (LOM) of 44 years**.
- Ore reserve was evaluated at a long term 62% Fe iron ore price of USD 100/t and is based on the modifying factors and cutoff grade methodology disclosed in JORC Table 1 (Attachment 2). The Ore reserve was signed off by TME Mine Consulting Pty Ltd, and forms a subset of the Mineral Resource by Snowden Optiro (Refer to ASX announcement 12 May 2026).
- 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.
- The overall JORC compliant **Mineral Resource Estimate (MRE) is 13.6 Bt @ 30.03% Fe** at a magnetic Fe cutoff grade of 12.5%. The mill feed associated with the mining operation over the Life Of Mine represents less than 25% of the total MRE.

1.2 Base Case Production Scenario ①

- Engineering has been completed to AACE Class 4 standard for the base case and all reported scenarios².
- Production Target: **23 Mtpa**, comprising 4.5 Mtpa Blast Furnace (BF) Concentrate and 18.4 Mtpa Direct Reduction (DR) Pellets, over a **44-year Life of Mine**.
- **BF Concentrate:** 69.1% Fe, 3.5% (SiO₂+Al₂O₃).
- **DR Concentrate:** produced via reverse flotation of BF concentrate at 88.7% recovery, upgrading to 71% Fe, 1.2% (SiO₂+Al₂O₃), for conversion to DR Pellets.
- **Process trains:** 3 trains, each rated at 8.3 Mtpa BF concentrate capacity, commissioned progressively across three stages over 13 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.
- **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.

² Tailings design to AACE Class 5 for this release.

1.3 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 : 4.5 DR Pellets ¹ : 18.4	BF Conc.: 4.5 DR Pellets: 18.4	BF Conc.: 4.5 DR Pellets: 18.4
NPV 8% (post-tax, unleveraged)	USD 9.0 billion	USD 9.6 billion	USD 8.0 billion
CAPEX Preproduction	USD 4.2 billion	USD 6.7 billion	USD 5.6 billion
IRR % , post-tax	15.2 %	13.8 %	14.0 %
Prod. Cost ² FOB USD/DMT	BF Conc.: 64 DR Pellets: 87	BF Conc.: 50 DR Pellets: 73	BF Conc.: 71 DR Pellets: 95
Sales Price ³ FOB USD/DMT	BF Conc.: 144 DR Pellets: 204	BF Conc.: 144 DR Pellets: 204	BF Conc.: 144 DR Pellets: 204
FCF total LOM	USD 108.2 billion	USD 122.7 billion	USD 97.3 billion
CAPEX Production LOM	USD 11.5 billion	USD 13.0 billion	USD 12.5 billion
Life Of Mine , Years	44	44	44
	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, including royalties and SG&A.

3: Sales prices are stated in real terms over the life of mine.

DMT=Dry Metric Tonne

FOB = Free On Board (loaded on export vessel at Pointe Noire)

- 2 Scenario 2:** rail is replaced by a **600km 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.
- 3 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. Sufficient work has been performed for the dry tailings option, but since the associated mine plan and modifying factors are not presented in this announcement, it is not covered by the reserve statement.

1.4 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 4.5 Mtpa of BF concentrate (69.1% Fe, 3.5% SiO₂+Al₂O₃) and 18.4 Mtpa of DR pellets (71% Fe and 1.2% SiO₂+Al₂O₃), 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 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 of the type Iron Bear will produce.

- Vale, one of the world's largest iron ore producers and Iron Bear's development partner, is the largest producer of DR pellets globally and controls approximately 60% of the merchant DR pellet market — a position that underpins both the credibility of the demand outlook and the strategic value of the Vale Development Agreement to Iron Bear's future marketing pathway.
- The pipeline of announced hydrogen and gas-based DRI projects — including SSAB's HYBRIT, and Thyssenkrupp's tkH2Steel plant — collectively represents more than 20 Mtpa of new DRI capacity targeted for commissioning between 2026 and 2033.

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.

1.5 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 ~18Mta of high value DR pellets to the seaborne market, when in full production.

The Iron Bear project will also have very low direct (of 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 CO₂ emission numbers of 29 kg/t sales (Scope 1), which can be reduced further to 22 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 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 relevant 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.

1.6 Key Project Enhancement Opportunities

Before initiating the Bankable Feasibility Study (BFS) a Project Value Improvement (PVI) phase is planned which will evaluate opportunities to enhance project value and reduce technical risk. The PVI phase improvement levers include:

- Tailings Class 4 design – almost completed.
- Flowsheet optimisation; in particular advancing metallurgical test work to finalise the preferred beneficiation and comminution circuits.
- Capital efficiency optimisation; specifically exploring higher production scenarios which better utilise the production, rail and slurry pipeline infrastructure.
- Power capital costs optimisation by looking at the trade-offs between power supply uptime, capital costs and supplementary mine site power.
- Review of pellet plant location alternatives and their impact on project economics, taxation, incentives, construction schedule, and logistics.
- Mine plan optimisation (incorporation of higher portion of inferred resources, higher portion of magnetic Fe in the early years).
- Project funding, tax and fiscal opportunities.

An updated Version 2 of the PFS is expected in following completion of these activities.

1.7 Project Financing

The Company estimates that the Iron Bear project will require \$138M USD to achieve Decision To Mine (DTM) and complete all the activities outlined in the Development Plan. In addition, once DTM has been achieved, the Iron Bear project will also need to secure a pre-production capital investment of approximately USD 4.2 billion.

In February 2025, The Company entered into a Development Agreement with Vale S.A. for funding of up to \$ USD 138 Million to achieve DTM. Vale is one of the world's largest producers of iron ore, with revenues in excess of USD 38 Billion. The Development Agreement is structured in two Phases; and upon the conclusion of Phase 2, Vale will have earned a 75% equity stake in the Iron Bear Project. The Development Agreement also provides that Vale will take the Decision to Mine, which will not occur until the pre-production Capex has been secured. Therefore, this pre-feasibility study has been prepared on the reasonable assumption that, contingent of Vale's decision to proceed to Phase 2 and taking the Decision to Mine, the financing of the required pre-production capital investment Iron Bear Project will leverage Vale's financial capacity and expertise.

In the event that Vale elects not to proceed to Phase 2, alternative funding mechanisms 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 magnetite 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.

1.8 Managing Director Commentary

Iron Bear Managing Director Mr Paul Berend stated:

The first iteration of the Pre-Feasibility Study (PFS) for the Iron Bear project conclusively demonstrates the project's financial attractiveness, scale, and sustainability.

The PFS was done to AACE class 4 standards globally, and for most of the individual major components, including the mine plan, the process plant, the power, the rail, the slurry line, the port and stockyard, as well the pellet plants. Highly credentialed contractors were engaged to undertake these studies. Hatch Ltd delivered the process plant, tailings management, power and rail engineering packages, Snowden Optiro the Mineral Resources and mine planning, TME Mine Consulting Pty Ltd the Ore Reserves estimates, with IDOM responsible for the pellet plant engineering.

This represents a phenomenal effort both from the Iron Bear's owners' team, led by our VP Technology Paul Vermeulen, and from our trusted advisors. I am very grateful to our technical team for their tireless commitment, creative problem solving, and collaborative teamwork.

The PFS highlights some of the unique strengths of the Iron Bear project:

First, our project targets a high value and high growth subsection of the iron ore market, specifically Direct Reduction (DR) pellets. The PFS envisages the production of 18 Mtpa of DR pellets, which are critical for ultra-low carbon or "green" steel production. The global market for DR pellets was estimated at 180 Mtpa in 2024 but is expected to increase to 266 Mtpa by 2035. Furthermore, DR pellets currently have premiums of over USD 70 USD/t compared to the 62% Fe benchmark for additional conversion of ~15 USD/t. As a result, DR pellets deliver much higher profitability than conventional iron ore products. From a sustainability perspective, DR steel making generates half the carbon footprint of conventional blast furnace-based steel production and is also more economical. The conversion to DR steel making is a global trend worldwide driving the demand for DR pellets.

The second highlight is the scale, and extraordinary quality, of Iron Bear's Mineral Resources. The Maiden Probable Ore Reserve is 3.3 billion tonnes at 29.1% Fe with an overall Mineral Resource in excess of 13.6 billion tonnes @ 30% Fe. Less than 25% of the Mineral Resource is included in the 3.4 billion tonne Mineral Inventory associated with a production target of 23 Mtpa. This implies that significantly higher production scenarios can be envisaged in future economic studies.

The third highlight is the access to cheap and plentiful renewable hydropower from Churchill Falls. This is a key enabler of the Iron Bear project as it reduces both the production costs and the environmental footprint. The process plant will be 100% powered by hydropower. This structural advantage translates into lower operating costs, resulting in a much more resilient operating model throughout the commodity cycle.

1.9 Cautionary Statement

The Pre-Feasibility Study (PFS) has been undertaken to determine the technical and economic viability of the Iron Bear Project. The PFS 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.

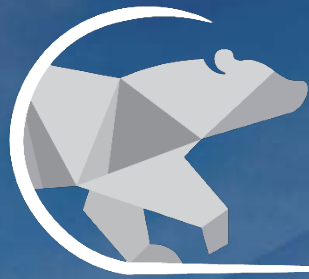
The life of mine production plan and forecast financial information for the PFS are inclusive of the presently reported Probable Ore Reserves and existing Inferred Mineral Resources (Production Target). The Production Target and forecast financial information presented in the PFS comprises of 95% Ore 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.

Sufficient work has been performed for the dry tailings option, but since the associated mine plan and modifying factors are not presented in this announcement, it is not covered by the reserve statement.

To achieve the range of outcomes indicated in the Pre-Feasibility Study, funding of approximately USD 4.2 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.



IRON BEAR
RESOURCES LTD

PROJECT IRON BEAR PRE-FEASIBILITY STUDY



Table of Contents

1	Highlights.....	1
1.1	Maiden Probable Ore Reserve.....	2
1.2	Base Case Production Scenario.....	2
1.3	Unleveraged Financial Metrics and Operational Scenarios	3
1.4	Iron Bear Premium Grade Products and Market	4
1.5	Environmental and Sustainability Highlights	5
1.6	Key Project Enhancement Opportunities.....	6
1.7	Project Financing.....	6
1.8	Managing Director Commentary	7
1.9	Cautionary Statement.....	8
	List of tables	14
	List of Figures.....	16
2	Project Key Numbers.....	19
2.1	Design Basis (Base Case)	19
2.2	Project Physicals.....	20
2.3	Project Financials (Base Case)	23
2.3.1	Project Free Cash Flows (nominal)	23
2.3.2	Capital Cost Estimates	25
2.3.3	Operating Cost Estimates	26
2.4	PFS Operational Scenarios	27
2.4.1	Operational Scenarios Description	27
2.4.2	Operational Scenarios Financials.....	27
2.5	Project Development Plan and Key Risks	29
2.6	Project Funding	30
2.7	Study Contributors.....	33
2.8	Competent persons	34
3	Location and Climate	37
3.1	Licences and Claims	38
4	Mineral Resource & Ore Reserve.....	41

5	Pre-Feasibility Study Description.....	45
5.1	Mining and Production.....	46
5.2	Processing.....	50
5.2.1	Metallurgical Test work	50
5.2.2	Process Selection.....	50
5.2.3	Crushing and Screening.....	50
5.2.4	Primary Grinding and Rougher/Scavenger Magnetic Separation	51
5.2.5	Secondary Grinding and Cleaner Magnetic Separation.....	51
5.2.6	Tertiary Grinding and Finisher Magnetic Separation	51
5.2.7	Reverse Flotation.....	52
5.2.8	Concentrate Dewatering and Drying	52
5.2.9	Plant Layout and Configuration.....	52
5.2.10	Tailings.....	54
5.2.11	Port Facilities	57
5.2.12	Water.....	61
5.2.13	Power	63
5.2.14	Rail.....	65
5.2.15	Slurry Pipeline	68
5.2.16	Transport Corridor	72
5.2.17	Site Infrastructure and Services.....	75
5.3	Evaluated optionality	77
6	Economic Evaluation and Analysis	80
6.1	Economic Development Strategies.....	81
6.1.1	Power Supply Treatment — Levelised Cost of Energy (Base Case)	82
6.1.2	Concentrate Transport.....	84
6.1.3	Tailings Management.....	85
6.1.4	Additional Development Strategies.....	85
6.2	Methodology and Basis of Evaluation	86
6.3	Key Assumptions	88
6.3.1	Production Capital Cost by Stage and Scenario	90
6.3.2	Sustaining Capital by Stage and Scenario	93

6.3.3	Operating Cost by Stage and Scenario	96
6.3.4	Effective FOB Operating Cost by Product	98
6.4	Taxation	100
6.4.1	Depreciation and Amortisation	101
6.4.2	Tax Holidays and Tax Credits	101
6.5	Cash Flow Analysis	103
6.5.1	Base Case — Life-of-Mine Capital Expenditure (Q1 2026)	105
6.5.2	Base Case — Life-of-Mine Capital Expenditure (Nominal)	106
6.5.3	Base Case — Life-of-Mine Sustaining Capital (Q1 2026)	107
6.5.4	Base Case — Life-of-Mine Sustaining Capital (Nominal)	108
6.5.5	Base Case — Life-of-Mine Operating Expenditure (Q1 2026)	109
6.5.6	Base Case — Life-of-Mine Operating Expenditure (Nominal)	110
6.5.7	Base Case — Life-of-Mine Cash Flows (Nominal)	111
6.5.8	Base Case — Cumulative Cash Flows (Nominal)	112
6.6	Sensitivity Analysis	113
6.7	Conclusion	115
7	Environmental, Social and Governance	117
7.1.1	Project Approvals	117
8	Project Risk	121
8.1	Risk Assessment Approach	121
8.1.1	Risk and Opportunity Register	121
8.1.2	Constructability	123
9	Project Opportunity	126
9.1	Further Project Development	126
9.1.1	Optimisation and BFS	126
9.1.2	Permitting	127
9.1.3	Indigenous Engagement	127
9.1.4	Infrastructure Development	127
9.1.5	Funding	127
10	Attachment 1: Iron Bear Ore Reserve Statement	129
10.1	Material Assumptions and Additional Information	129

10.1.1	Geology and Mineral Resource	129
10.1.2	Process Test work	131
10.1.3	Geotechnical.....	132
10.1.4	Pit Optimisation	136
10.1.5	Mine Design.....	140
10.1.6	Mine Schedule	143
10.1.7	Ore Reserve Estimate.....	147
Attachment 2: JORC Table 1.....		149

List of tables

Table 1 Key Production Assumptions.....	20
Table 2: Iron Bear Mineral Resource Estimate at 12.5% magnetic Fe cut-off grade.....	20
Table 3: Capital Cost — Scenario 1, Base Case (MUSD, real Q1 2026).....	25
Table 4: Operating Cost — Scenario 1, Base Case (USD/t of sales, real Q1 2026).....	26
Table 5: Economic Summary — Scenario Comparison.....	28
Table 6: Iron Bear Claims, Newfoundland Labrador	38
Table 7: Iron Bear 2026 Mineral Resource estimate reported at a 12.5% MagFe cut-off ³	41
Table 8: Iron Bear Ore Reserve Estimate reported at a 12.5% MagFe cut-off.....	41
Table 9: Iron Bear Project Metrics	45
Table 10: Mine schedule progression over time.	47
Table 11: High level comparison of design parameters for slurry pipelines	68
Table 12: Main early trade-offs considered in PFS.....	77
Table 13: Key Assumptions and Basis.....	88
Table 14: Key Economic and Market Assumptions.....	89
Table 15: Capital Cost — Scenario 1, Base Case (MUSD, real Q1 2026)	91
Table 16: Capital Cost — Scenario 2, Slurry Pipeline (MUSD, real Q1 2026).....	92
Table 17: Capital Cost — Scenario 3, Dry Stacked Tailings (MUSD, real Q1 2026)	93
Table 18: Sustaining Capital — Scenario 1, Base Case (MUSD, real Q1 2026)	94
Table 19: Sustaining Capital — Scenario 2, Slurry Pipeline (MUSD, real Q1 2026)	95
Table 20: Sustaining Capital — Scenario 3, Dry Stacked Tailings (MUSD, real Q1 2026)	95
Table 21: Operating Cost — Scenario 1, Base Case (USD/t of sales, real Q1 2026).....	97
Table 22: Operating Cost — Scenario 2, Slurry Pipeline (USD/t of sales, real Q1 2026)	97
Table 23: Operating Cost — Scenario 3, Dry Stacked Tailings (USD/t of sales, real Q1 2026)	98
Table 24: Estimated Effective FOB Operating Cost by Product - Scenario 1, Base Case	99
Table 25: Estimated Effective FOB Operating Cost by Product, Scenario 2, Slurry Pipeline	99
Table 26: Estimated Effective FOB Operating Cost by Product, Scenario 3, Dry Stacked Tailings	99
Table 27: Economic Summary — Scenario Comparison	103
Table 28: Post-tax NPV Sensitivity — ±10% (MUSD)	113
Table 29: Post-tax NPV Sensitivity — ±20% (MUSD)	113
Table 30: Iron Bear Mineral Resource Estimate at 12.5% magnetic Fe cut-off grade (May 2026)	131
Table 31: Process Test work Product Specifications	132
Table 32: Recommended geotechnical slope design parameters for the Iron Bear Project.....	132

Table 33: Conceptual Study Pit Slope Design Parameters (Bastion, 2025).....	134
Table 34: Detailed Pit Design parameters by geotechnical design sector (Snowden Optiro)	134
Table 35: SMU Results - Resource vs. mining model comparison within RPEEE Pit Shell	136
Table 36: Pit Optimisation Parameters (BF Concentrate).....	137
Table 37: Pit Optimisation processing recovery by process type.....	137
Table 38: Pit Optimisation ore cost by scenario	137
Table 39: Pit Optimisation Net Revenue prices with equivalent Market Revenue Prices.....	138
Table 40: Selected Pit Shell by scenario comparison.....	139
Table 41: Total Pit Inventory.....	140
Table 42: Pit Stage Total Inventory Summary.....	143
Table 43: Iron Bear Ore Reserve Estimate reported at a 12.5% MagFe cut-off	147

List of Figures

Figure 1: Material Moved - Base Case -	21
Figure 2: Run Of Mine (ROM) Grades - Base Case	21
Figure 3: Annual Production Target Tonnage - Base Case.....	22
Figure 4: Base Case — Cumulative Cash Flows (nominal USD, pre-tax and post-tax, showing payback).....	23
Figure 5: Base Case — Annual Life-of-Mine Cash Flows (nominal USD, pre-tax and post-tax).....	24
Figure 6: Base Case — Life-of-Mine Operating Expenditure (real Q1 2026 USD).	26
Figure 7: Project Iron Bear Strategic Development Plan.....	29
Figure 8: Iron Bear Location.....	37
Figure 9: Map of tenements of Project Iron Bear.....	39
Figure 10: Process Feed Quantities and Grade by classification.....	42
Figure 11: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)	43
Figure 12: Iron Bear Production profile.....	46
Figure 13: BFD of Processing plant as developed during the PFS (including dry tailings option).....	53
Figure 14: 3D model of processing plant showing crushed ore stockpile, grinding and separation, drying and process water pond plus concentrate storage before railing.	54
Figure 15: Option 2 centreline-raised TSF outline.	55
Figure 16: Depleted pits near Schefferville considered for potential short-term tailings disposal.....	56
Figure 17: 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).....	58
Figure 18: 3D model of a reference pellet plant. Courtesy IDOM.....	59
Figure 19: Iron Bear DR pellets - bulk production sample after Reduction Degradation testing.....	60
Figure 20: Schematic overview of transmission line route from Churchill Falls to the mine site via Esker.....	64
Figure 21: Rail Transport Corridor.....	67
Figure 22: Reference site slurry pump house. Courtesy Fortin Pipelines.....	69
Figure 23: Proposed slurry pipeline route.....	70
Figure 24: Slurry pipeline construction corridor schematic	70
Figure 25: Typical pipeline installation corridor site works. Courtesy Fortin Pipelines.	70
Figure 26: Typical pipeline installation site works. Courtesy Fortin Pipelines.....	71
Figure 27: Route options 1-5 evaluated.	73
Figure 28: Life-of-Mine Production Profile.....	81
Figure 29: Base Case life-of-mine production capital cost split by area.....	91
Figure 30: Base Case life-of-mine sustaining capital cost split by area	94
Figure 31: Base Case steady state operating cost split by area.....	96

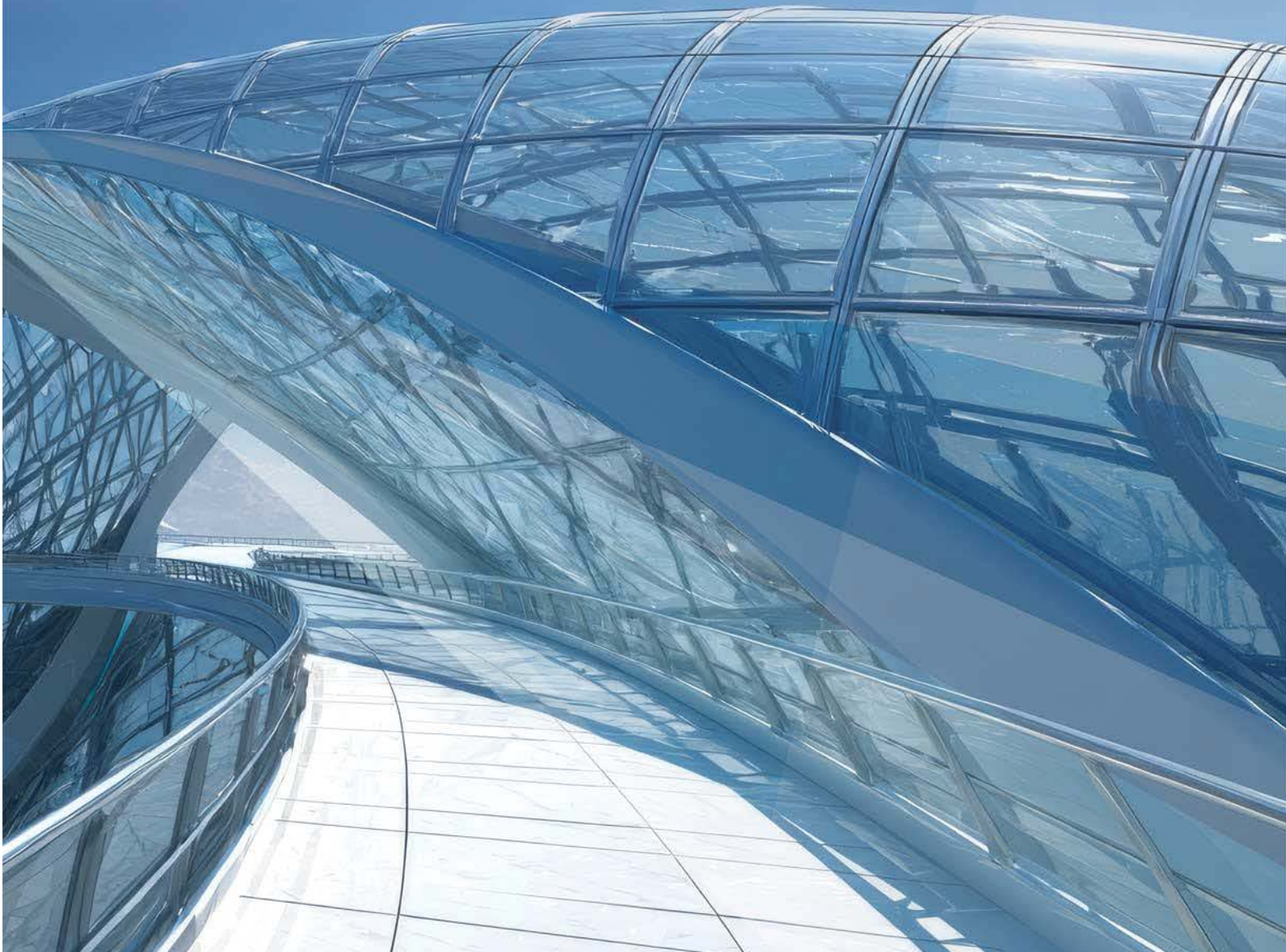
Figure 32: Base Case — Life-of-Mine Capital Expenditure (real Q1 2026 USD)	105
Figure 33: Base Case — Life-of-Mine Capital Expenditure (nominal USD, as used in the cash flow)	106
Figure 34: Base Case — Life-of-Mine Sustaining Capital (real Q1 2026 USD).....	107
Figure 35: Base Case — Life-of-Mine Sustaining Capital (nominal USD, as used in the cash flow)	108
Figure 36: Base Case — Life-of-Mine Operating Expenditure (real Q1 2026 USD).....	109
Figure 37: Base Case — Life-of-Mine Operating Expenditure (nominal USD, as used in the cash flow).....	110
Figure 38: Base Case — Annual Life-of-Mine Cash Flows (nominal USD, pre-tax and post-tax)	111
Figure 39: Base Case — Cumulative Cash Flows (nominal USD, pre-tax and post-tax, showing payback).....	112
Figure 40: Base Case post-tax NPV sensitivity to key variables $\pm 10\%$	114
Figure 41: Base Case post-tax NPV sensitivity to key variables $\pm 20\%$	114
Figure 42: Risk assessment framework. Courtesy Hatch.....	121
Figure 43: Iron Bear Geological Model (lithological iron oxide based model).....	130
Figure 44: Cross section 6092700N lithology.....	130
Figure 45: Recommended geotechnical slope design sectors - Plan View.	133
Figure 46: Geotechnical Design Sectors and PFS Pit Design Crest (green)	135
Figure 47: Pit Optimisation Results (BF Concentrate) showing selected pit shell (RF0.70) and RF1.0 results.....	138
Figure 48: Selected Pit Shells (DR with pellets = orange, DR concentrate = green, BF concentrate = magenta)	139
Figure 49: Ultimate Pit Design	140
Figure 50: Mine Design Layout.....	141
Figure 51: Plan layout of Pit Stage Designs.....	142
Figure 52: Mined Quantities.....	144
Figure 53: Process Feed Quantities and Grade by classification	145
Figure 54: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)	145
Figure 55: Production profile over time.....	146



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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 23 Mt p.a. of products comprising 4.5 Mt p.a. of BF concentrate and 18.4 Mt p.a. of DR pellets over a 44-year Life Of Mine. The processing flow sheet employs conventional three-stage crushing followed by primary grinding and wet low-intensity magnetic separation (**LIMS**). Secondary 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 8.3Mtpa 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 4 years. 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 9.2 Mtpa, which are located near the port of Pointe-Noire. The two 816m² 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 350km from the mining 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 waste.

2.2 Project Physicals

Table 1 Key Production Assumptions

Key Assumption	Unit	LOM Value
Production Assumptions (common to all scenarios)		
Maiden Probable Ore Reserve (Section 10)	billion tonnes	3.3
Ore Reserve Grade — Total Fe	%	29.1
Ore Reserve Grade — Magnetic Fe	%	19.8
Total LOM Mineral 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	≈ 150
Mine Life	years	44
Process Feed Rate (steady state)	Mtpa	98
Process Recovery — MagFe to BF Concentrate	%	97.6
Process Recovery — MagFe to DR Concentrate	%	88.7
Steady-State BF Concentrate Product	Mtpa	≈ 24.9
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

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 488 million tonnes of waste rock at an average strip ratio of 0.44:1.

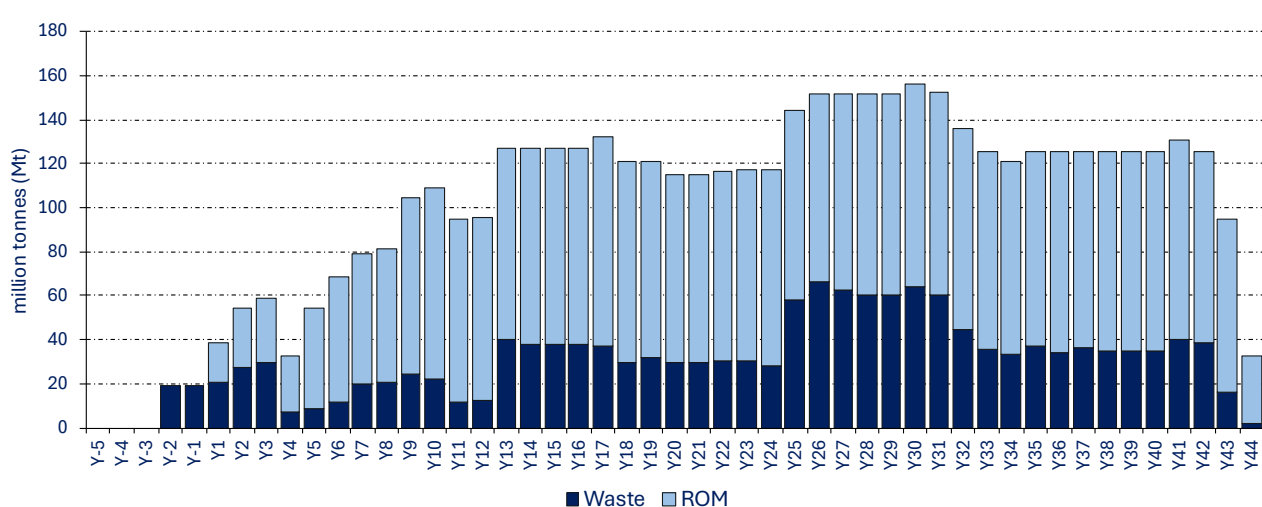


Figure 1: Material Moved - Base Case -

The ROM feed maintains consistent grades throughout the 44-year mine life, averaging 29.1% total iron and 19.9% magnetic iron content, with minimal variation that supports stable processing plant performance.

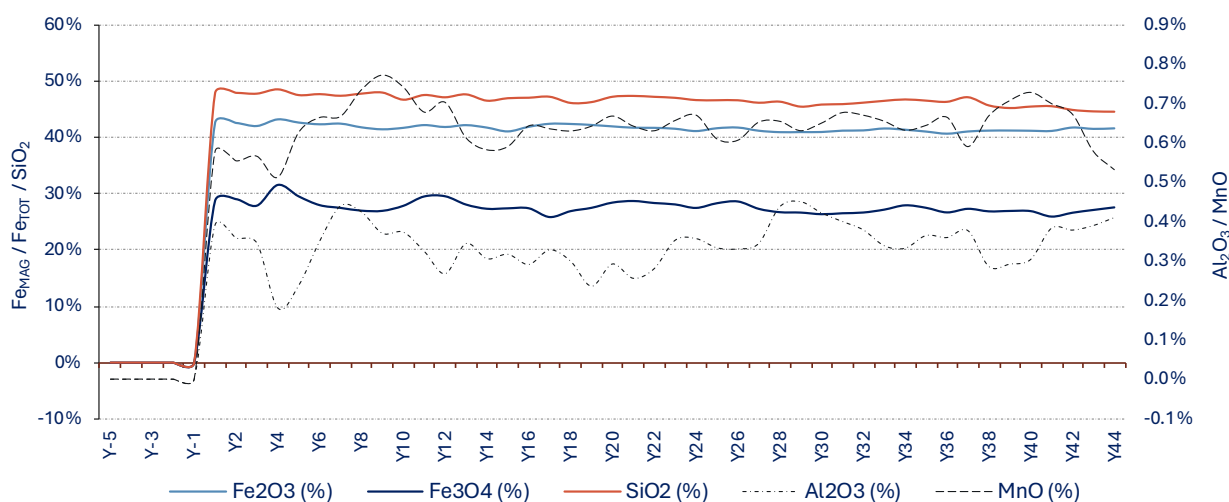


Figure 2: Run Of Mine (ROM) Grades - Base Case

The Base Case production target profile is shown in **Figure 3**, illustrating the three-stage production ramp up. Production of Stage 1 starts in Year 1 with 5.4 Mt p.a. of BF concentrate, expanding to 8.3 Mt p.a. in Year-3. The second Stage production kicks in Year 5 with the start of the first pellet plant which ramps up over four years to a nominal 9.2 Mta pellet production. The Stage 3 starts in Year 9 and ramps up over four years. The overall operation reaches a steady state production of ~ 4.5 Mta of BF concentrate and ~ 18.4 Mta of DR pellets with major shutdowns of each pellet plant once every five years generating a small excess of DR concentrate production.

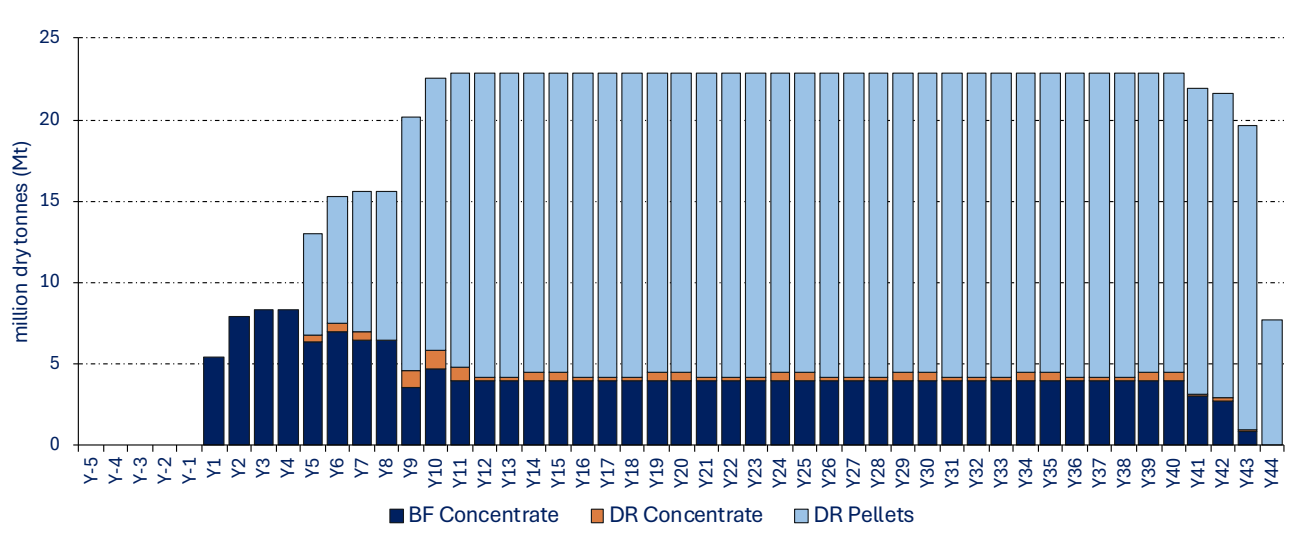


Figure 3: Annual Production Target Tonnage - Base Case

2.3 Project Financials (Base Case)

2.3.1 Project Free Cash Flows (nominal)

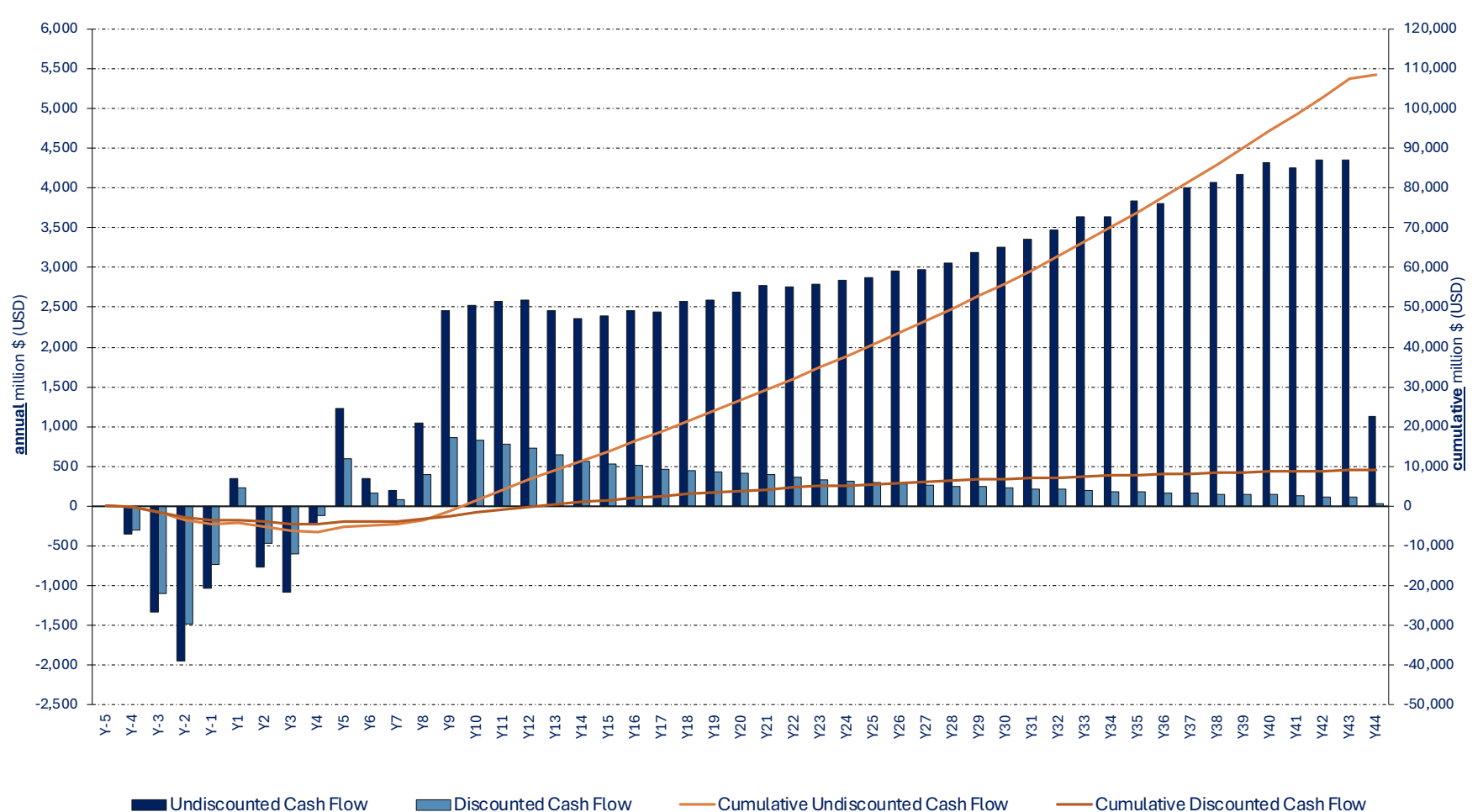


Figure 4: Base Case — Cumulative Cash Flows (nominal USD, pre-tax and post-tax, showing payback)

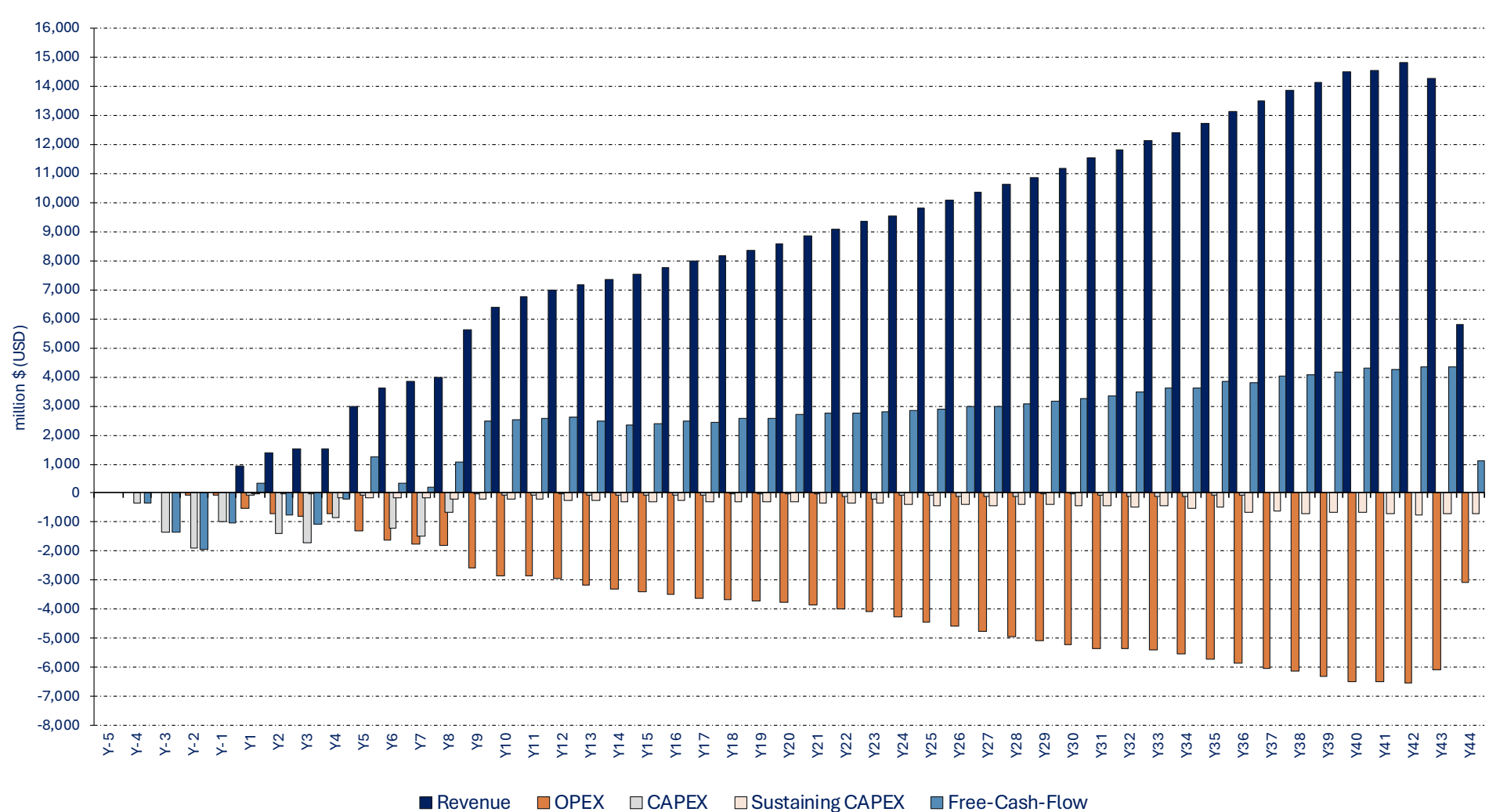


Figure 5: Base Case — Annual Life-of-Mine Cash Flows (nominal USD, pre-tax and post-tax)

2.3.2 Capital Cost Estimates

The capital cost estimate has been estimated to the AACE Class 4 estimate guidelines³ with an anticipated accuracy level range between -30% to +30%. 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	429	127	980	1,536
Concentrator	941	651	641	2,233
Flotation	-	41	41	82
Tailings	382	-	-	382
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	563	272	133	968
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	756	610	508	1,874
Contingency	739	589	426	1,775
Total Production CAPEX	4,250	3,441	3,473	11,164

³ Tailings to AACE Class 5 for this release.

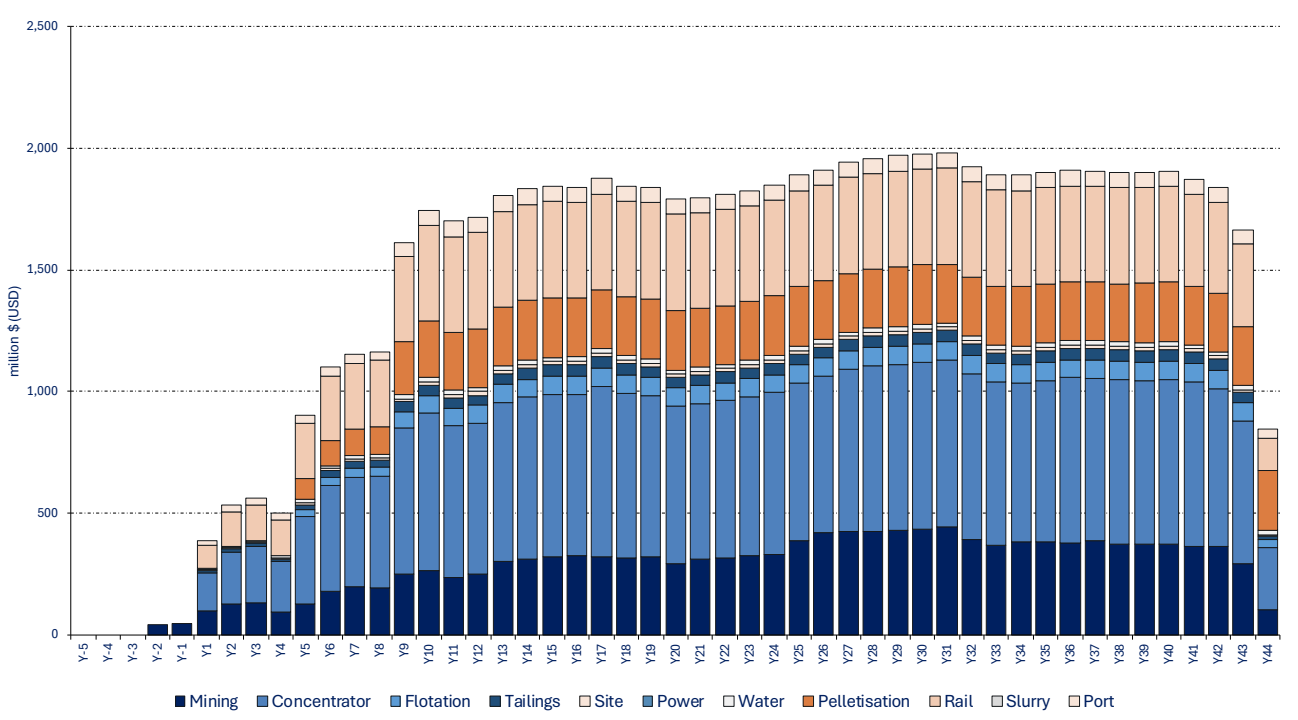
2.3.3 Operating Cost Estimates

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	15.6	11.6	11.7
Concentrator	27.8	28.5	28.8
Flotation	-	2.2	3.1
Tailings	1.7	1.9	1.9
Site Infrastructure and Services	0.6	0.6	0.6
Water Management	0.7	0.8	0.8
Pelletising	-	6.7	10.3
Rail	17.6	17.4	17.3
Port Handling and Loadout	3.5	2.3	2.8
Cash Cost (FOB Pointe-Noire)	67.5	71.9	77.4

Figure 6: Base Case — Life-of-Mine Operating Expenditure (real Q1 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 44-year mine life supported by a three-train concentrator plant expanding to a nominal 25 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 6.1.1.
- **Scenario 2 – Slurry Pipeline.** The Base Case with the rail logistics solution replaced by a 600 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 14 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)	4,250	6,677	5,544
Life-of-Mine Production CAPEX (MUSD)	11,164	13,033	12,458
Life-of-Mine Sustaining CAPEX (MUSD)	7,581	7,624	5,806
Pre-Tax Results (nominal cash flow, 8% discount rate)			
NPV at 8% WACC (MUSD)	16,339	17,730	13,939
Internal Rate of Return (%)	18.3	16.6	15.9
Undiscounted Payback 10 (years from first cash inflow)	9	9	10
Post-tax Results (incl. tax holidays and credits per Section 25.4.2)			
NPV at 8% WACC (MUSD)	9,007	9,504	7,451
Internal Rate of Return (%)	15.2	13.8	13.3
Undiscounted Payback (years from first cash inflow)	10	10	11
Sustainability			
Scope 2 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 Vale to achieve 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.

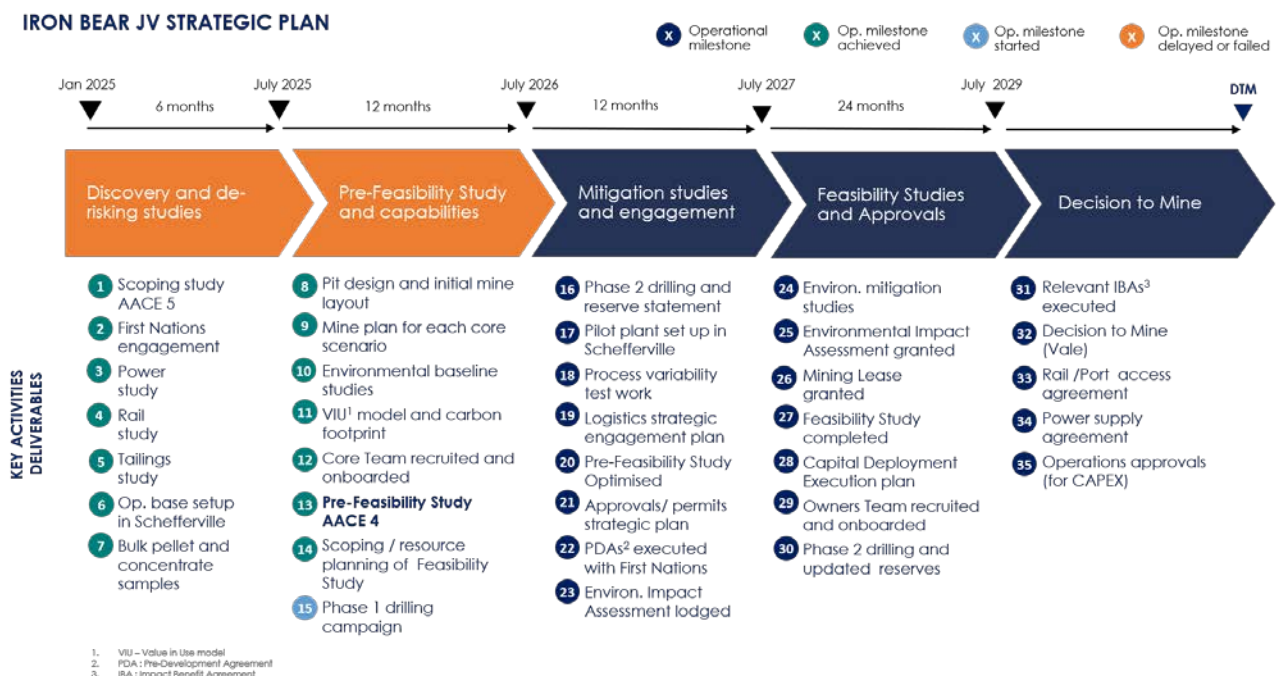


Figure 7: Project Iron Bear Strategic Development Plan

Section 9 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 groundwater 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. With respect to the US\$120 million Phase 2 commitment under the Binding Development Agreement with Vale, if Vale elects not to proceed to Phase 2, the Company will need to secure alternative funding 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.

In the event Vale elects not to proceed with Phase 2 or does not elect to proceed to Decision To Mine, the Company will not be able to leverage from Vale's financial capacity to source the required pre-production capital investment of approximately USD 4.2 billion. In this event, 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 estimates that the Iron Bear project will require \$138M USD to achieve Decision To Mine (DTM) and complete all the activities outlined in the Development Plan. In addition, once DTM has been achieved, the Iron Bear project will need to secure a pre-production capital investment of approximately USD 4,2 billion.

The Company has entered into a staged development agreement with Vale for funding up to \$138M USD to achieve DTM.

The Development Agreement stipulates that, upon achieving DTM, Vale will become the majority shareholder of the Iron Bear project. This fact, combined with the compelling economics outlined in this study, gives the Company confidence that the required pre-production Capex will be secured, through an optimal mix of equity, debt financing, and offtake agreements.

On 17 February 2025 the Company announced that it had executed a binding commercial agreement with Vale S.A. (Vale), one of the world's largest iron producers, regarding the joint development of the Iron Bear Project (Development Agreement).

The Development Agreement defines a two-phased investment pathway for Vale to earn 75% of the Iron Bear Joint Venture and for the Joint Venture to develop the Iron Bear Project until Decision to Mine, as summarised below:

Phase 1 – Pre-Feasibility Study and Environmental Studies

Vale will contribute USD\$18 million to fund the phase 1 work program, including a preliminary feasibility study, mineral resource drilling and environmental baseline studies. Phase 1 will be deemed complete when the full Phase 1 contribution has been received by Iron Bear Resources Ltd, or when the Phase 1 work program has been substantially completed

Once Phase 1 is complete, Vale can elect to trigger Phase 2. If Vale does not elect to trigger Phase 2, then Vale does not earn an interest in the Iron Bear Project which will therefore remain 100% owned by the Company.

Phase 2 – Bankable Feasibility Study and Impact Benefit Agreements

Once Phase 2 commences, Vale and IBR will form a joint venture to further develop the Iron Bear Project (Iron Bear JV). Vale will be granted a 30% equity interest in the Iron Bear JV and will fund the joint ventures development activities up to a further US\$120 million, including a bankable feasibility study, environmental impact studies, establishing IBAs (Impact Benefit Agreements) with First Nations and generally de-risking the Iron Bear Project. Vale's interest in the Iron Bear JV will increase to 75% when Vale's total Phase 2 contribution of USD\$120 million has been expended, or when Vale elects to progress the Iron Bear Project to Decision to Mine.

Iron Bear Project Funding Strategy

This pre-feasibility study refers to pre-production capital investment of approximately US\$4,250 million.

In respect to how this amount is to be funded, once a Decision to Mine is made, the following should be noted:

- a. As outlined in the Development Agreement, Phase 1 expenditure of US\$18 million and Phase 2 expenditure of up to a further US\$120 million will be fully funded by Vale with no financial commitment being required by CLE. As of today, Vale has contributed A\$25.8 million (US\$16.7 million) as part of Phase 1 of the Development Agreement.
- b. The explicit purpose of the Development Agreement funding to be provided by Vale 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 Vale to progress to a Decision to Mine.
- c. Upon the conclusion of Phase 2, Vale will have earned a 75% equity stake in the Iron Bear Project. The Development Agreement provides that Vale will take the Decision to Mine which will not occur until the pre-production Capex has been committed.
- d. Therefore, this pre-feasibility study has been prepared on the reasonable assumption that financing of the Iron Bear Project will leverage Vale's financial capacity and expertise to source the required pre-production capital investment of approximately US\$4,250 million based on the projected

profitability of the Iron Bear project. It should be noted that in 2025, Vale reported Capex expenditures of US\$5,500 million.

- e. 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 magnetite 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 is anticipated to be obtained through the existing agreement with Vale, contingent upon Vale's decision to proceed to Phase 2. This partnership structure provides an established framework for project financing and development, leveraging Vale's expertise and financial capacity in iron ore operations.

In the event that Vale elects not to proceed to Phase 2, alternative funding mechanisms will be pursued through established project financing frameworks, incorporating debt facilities, equity investment, strategic partnerships, or partial divestment of project interests. Any such alternative financing arrangements would be contingent upon achieving critical project development objectives and regulatory approvals.

While the Company maintains a positive outlook regarding funding prospects through the Vale agreement, standard risks associated with joint venture agreements remain applicable. There can be no guarantee that Vale will proceed to Phase 2, or that required 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 Vale's Phase 2 decision, 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)
- 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 report 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.

68°0'W

66°0'W

64°0'W

62°0'W

**PROJECT
IRON BEAR****Legend**

- ★ Tata Steel Minerals
- ★ Champion Iron
- ★ ArcelorMittal
- ★ IOC
- ⚓ Railway
- Road
- City
- ⚓ Hydropower Plant

55°0'N

TSMC DSO**Schefferville****Menihek****Churchill Falls**

53°0'N

Carol Lake**Labrador****Bloom Lake****City****Mont-Wright****Kami**

51°0'N

**Sept-Iles****Pointe Noire****N****200km**

Scale: 1:3,000,000
CRS: NAD27 / UTM Zone 19N

LABRADOR**QUEBEC**



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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 1,100 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 carriers⁴. 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	

⁴ 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 Mineral Resource estimate is classified as Indicated and Inferred, based on drillhole spacing, mapping and geophysical interpretation of the location of mineralisation. Confidence in the estimate is supported by continuity of mineralisation indicated by geophysics and mapping; and metallurgical results that demonstrate at pilot scale that marketable products are attainable.

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 2026⁵.

Table 7: Iron Bear 2026 Mineral Resource estimate reported at a 12.5% MagFe cut-off³.

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 PFS includes a maiden Ore Reserve estimate of 3.3 billion tonnes (Bt) of magnetite ore at 29.1% Fe, listed by category in Table 8.

The Ore Reserve was estimated in accordance with the requirements of the JORC Code (2012) and is based on the updated Mineral Resource Estimate (May 2026). Along with application of material modifying factors including detailed pit and stage designs, mine production scheduling, cost modelling and economic evaluation, it has been determined that the Project has reasonable prospects of being technically achievable and economically mineable to provide up to 98 Mtpa of feed to the process plant for a nominal 25 Mtpa of magnetite concentrate production.

All the Indicated Mineral Resources inside the pit design (Figure 11) that has been scheduled across the presented 44 year mine life for the PFS has been classified as Probable Ore Reserves.

Table 8: Iron Bear Ore Reserve Estimate reported at a 12.5% MagFe cut-off

Classification ^{6,7,8}	Tonnes (Billion)	Total Fe%	Magnetic Fe%
Proved	-	-	-
Probable	3.3	29.1	19.8
Total	3.3	29.1	19.8

^{5,3}ASX Announcement Indicated Mineral Resource increased to 4.5BT @ 29% Fe" dated 12 May 2026.

⁶ The Ore Reserves are a subset of the Mineral Resource

⁷ Tonnages and grades are reported including mining dilution

⁸ Tonnages are dry metric tonnes; appropriate rounding has been applied, and rounding errors may occur

The life of mine plan has been optimised to maximise net present value, and achieve the process feed and production targets 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.

The Ore Reserve is a subset of the Production Target supporting the forecast financial information presented for the PFS which includes Inferred mineral resources. The Ore Reserve and economic viability of the project under the assumptions assessed for the PFS, 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 annual mill feed quantities by Probable Ore Reserves and Inferred Mineral Resources with Figure 11 showing the spatial distribution of both with respect to the pit design. Inferred quantities do peak up to 15% on an annual basis between years 16 and 21 influenced by practical staged pit development, ROM stockpiling limitations, and mine production targets, however, only make up 4% of total feed during the payback period and 9.4% during the first 20 years of operations. These limited quantities of Inferred resources in the scheduled mill feed is immaterial to the Project's economic metrics.

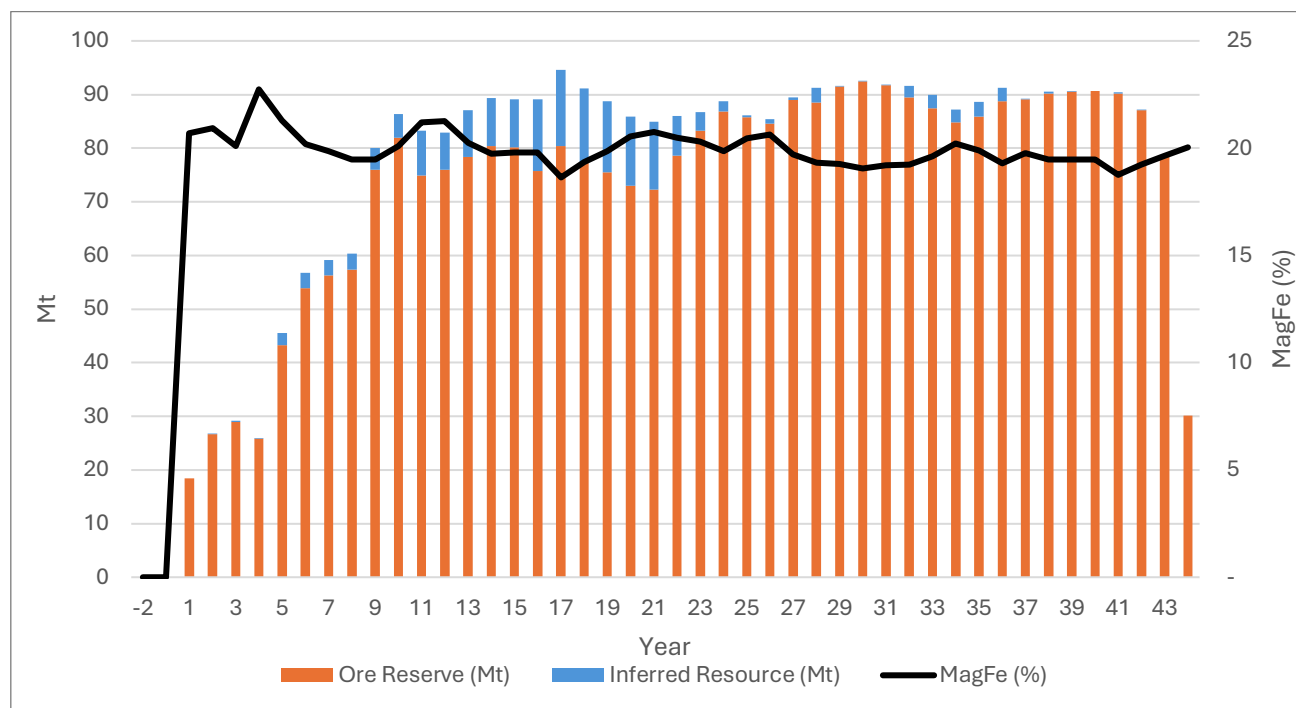


Figure 10: Process Feed Quantities and Grade by classification

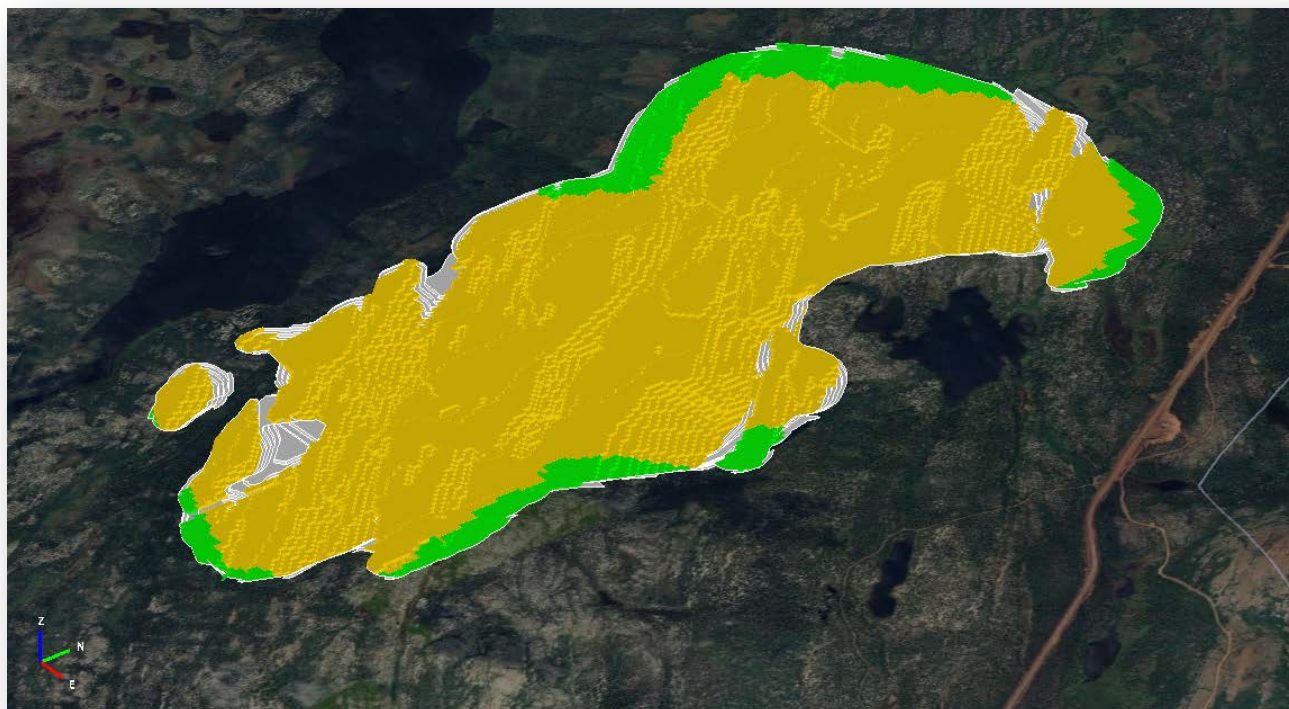


Figure 11: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)

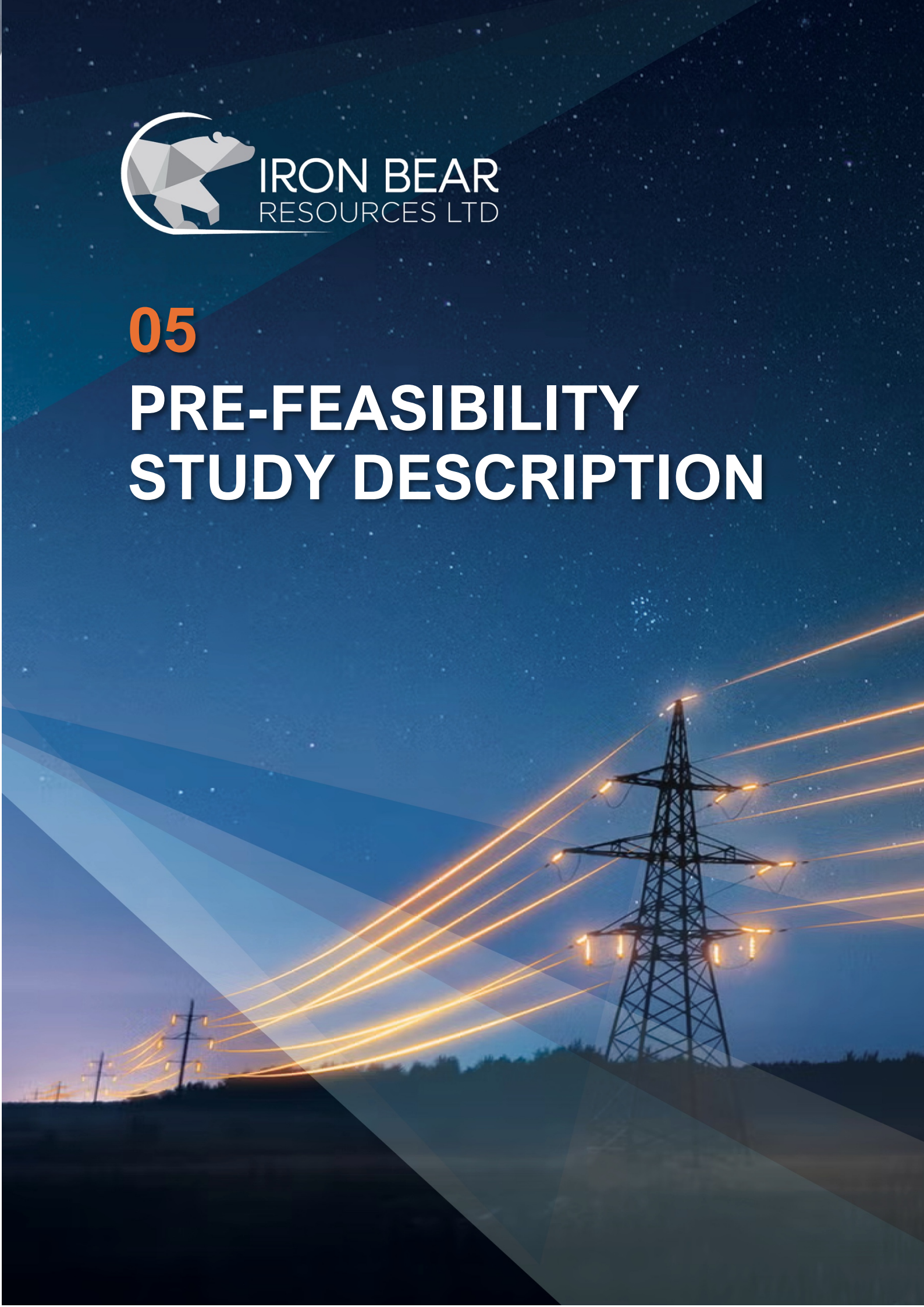
Further information pertaining to the material modifying factors supporting the Ore Reserve estimate are discussed within the body of this announcement with additional information including JORC (2012) Table 1 Section 4 disclosures incorporated into Attachment 1.



IRON BEAR
RESOURCES LTD

05

PRE-FEASIBILITY STUDY DESCRIPTION



5 Pre-Feasibility Study Description

The operation is designed to mine 3.4Bt of Mineral Inventory including the reported Probable Ore Reserves and additional Inferred Mineral Resources to process approximately 98 Mtpa of Run-of-Mine (RoM) feed over a planned mine life of 44 years (Production Target). The plant is expected to produce approximately 25 Mtpa of Blast Furnace (BF) concentrate at a product specification of 69.1% Fe and 3.5% SiO₂. With reverse flotation at an 88.7% recovery, the concentrate can be upgraded to Direct Reduction (DR) grades of 71% Fe and 1.2% SiO₂ 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	44
Total LOM Mineral Inventory	Bt	3.4
Indicated	%	95
Inferred	%	5
Total Material Movements (average)	Mtpa	115
Strip ratio LOM	w:o	0.44
Process Feed Rate	Mtpa	98
Feed Grades (average)	Fe%	29.1
	MagFe%	19.9
Processing Train capacity (nominal)	Mtpa	8
Phased construction (per Train)	Years	4
Total Concentrate Production (nominal)	Mtpa	25
Target Product Grades	Fe %	69.1 (BF Concentrate)
		71.3 (DR Concentrate)
Process Recoveries	%	26.9 (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

Conventional large-scale open pit truck and shovel mining methods are proposed for the Project. The operation will utilise high-capacity electric rope shovels and hydraulic excavators, supported by a fleet of 360 t class rear dump trucks, to achieve the planned production targets over the life of mine.

Mining will be undertaken on 15 m benches using a standard drill, blast, load and haul cycle. This method has been selected based on the scale and geometry of the deposit, providing operational flexibility, compatibility with staged pit development, and the ability to accommodate high material movement rates of up to ~150 Mtpa.

The mine will be developed in a series of phases (or pit stages) incorporating pit wall cut-backs and satellite pits to optimise the net present value of the resource while maintaining consistent resource quality to the processing plant. This phased approach allows for capital deferral, optimises stripping requirements and provides operational flexibility to respond to changes in market conditions.

The mine plan incorporates the phased construction and ramp-up of the process plant, with each phase (or train) commissioned delivering approximately 8.3Mtpa of concentrate production capacity. Phases are staged over a four-year cadence with the second and third processing trains coming online in years 5 and 9 respectively (Figure 12).

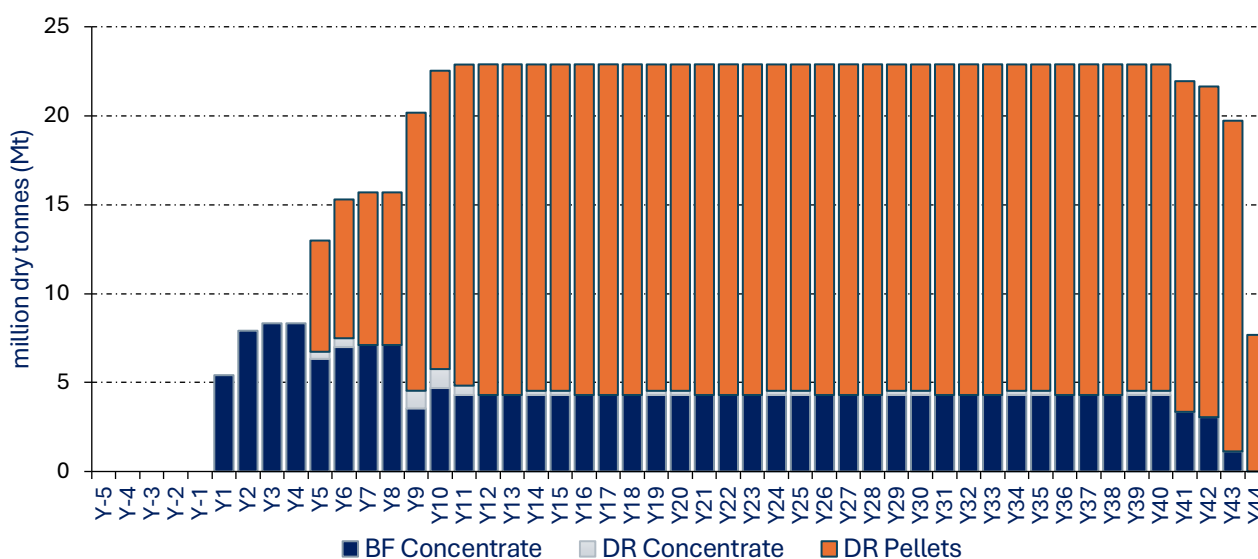
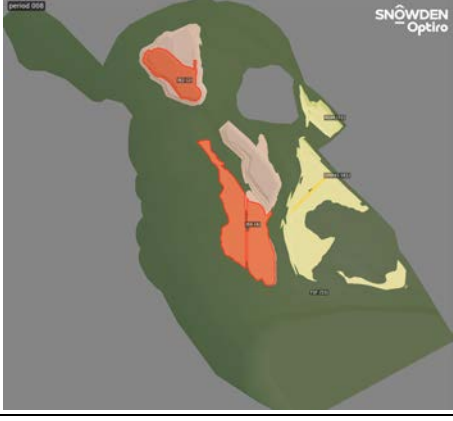
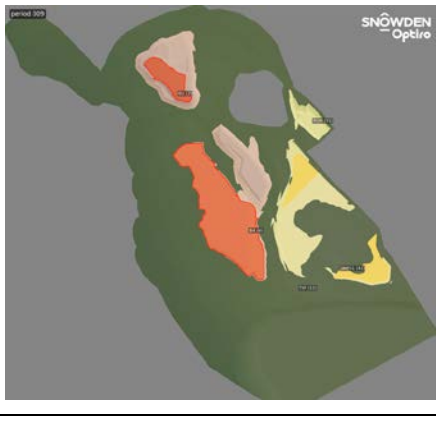
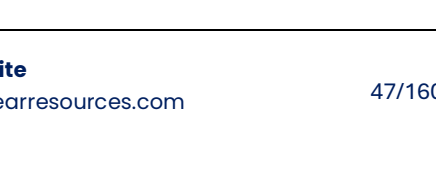
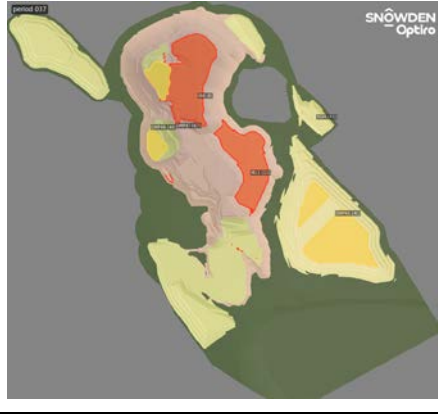


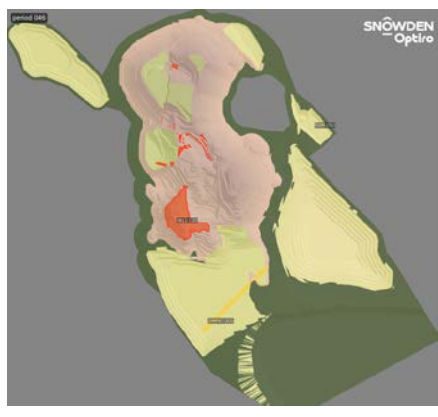
Figure 12: Iron Bear Production profile

The mining schedule progression over time is shown below graphically in Table 10, 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 10: Mine schedule progression over time.

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

		End of period	
8		9	
10		15	
20		25	
30		35	

		End of period	
40		44	

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 near the pit, 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 BALF (Bergaz Air Lift Fluidisation) 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, the HPGR-based configuration was selected over SAG milling and multi-stage cone crushing, as in conjunction with a ball mill it delivers lower overall power demand.

5.2.3 Crushing and Screening

Run-of-mine material at a top size of 1,600 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. Primary crushed material is conveyed to a screening plant equipped with 12 single-deck screens (70 mm aperture, 4.2 × 8.5 m) where oversize reports to six secondary cone crushers (MP1250 equivalent, 933 kW each) operating in closed circuit. Secondary crusher product at a P80 of 78 mm is returned to the screens via dedicated conveyors, with undersize feeding the crushed ore stockpile. The stockpile

provides a 12-hour buffer and is reclaimed 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 six HPGR units (3.0 m × 2.0 m diameter × width, 7,600 kW each) operating in closed circuit with 12 single-deck wet screens (8 mm aperture, 4.2 × 8.5 m). A feed silo upstream of each HPGR provides approximately 15 minutes of retention time to ensure stable blending and regulate the recirculating load, which is set at 120% of fresh feed. Metal detectors and static magnets protect the rolls from tramp metal. The HPGR product at a P80 of approximately 8 mm is conveyed to the wet screens, where wash water is applied to improve classification efficiency. Screen undersize is pumped to 12 hydro-cyclone clusters (30-inch diameter cyclones, 32 operating, 8 standby) operating in closed circuit with six primary ball mills (8.33 m × 13.4 m diameter × length, 22,400 kW each), with a recirculating load of 200% of fresh feed. Cyclone overflow at a target P80 of 500 µm 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% SiO₂, is demagnetised before advancing to secondary grinding. Due to the relatively dry nature of HPGR operation, a fan-and-scrubber dust collection system with multiple capture points is installed across the primary grinding area, with collected dust repulped and returned to the feed circuit.

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% SiO₂ 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% SiO₂ 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 (or 15 — see note below) 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 greater than 70.6% FeT and less than 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

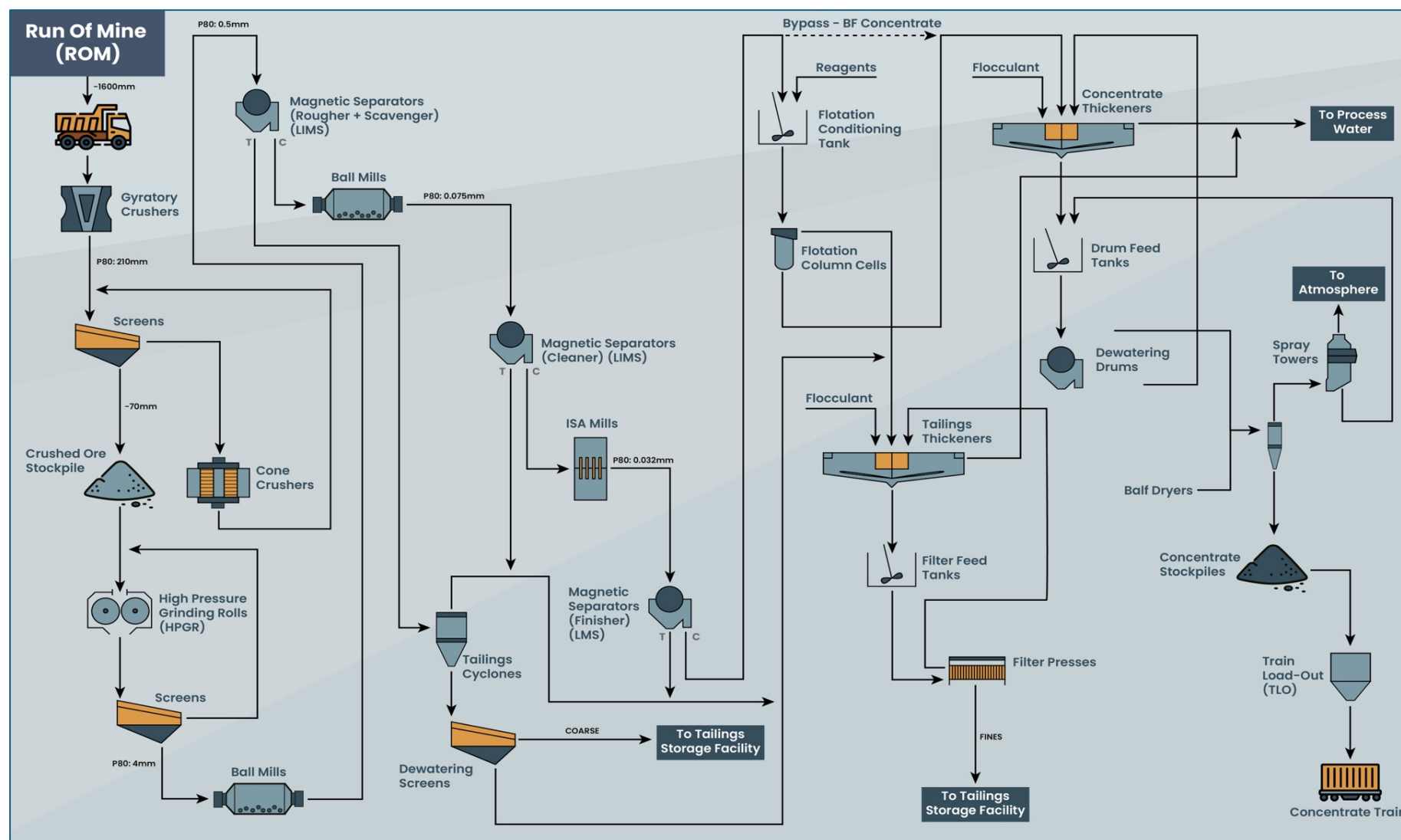
Concentrate from either the finisher magnetic or flotation circuits reports to deaeration tanks, is diluted with process water and flocculant (AN 923 VHM anionic flocculant at 10 g/t of concentrate), and is thickened in three high-rate thickeners (50 m diameter each) to a target underflow density of 75% solids. Thickened slurry is fed to 36 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 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 8.3 Mtpa of concentrate capacity each, with the three trains together capable of producing 25.0 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 and secondary crushing circuits and primary screening. The lower terrace accommodates the crushed ore stockpile, HPGR 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 13 shows a block flow diagram of the envisaged processing route.

Figure 13: BFD of Processing plant as developed during the PFS (including dry tailings option).



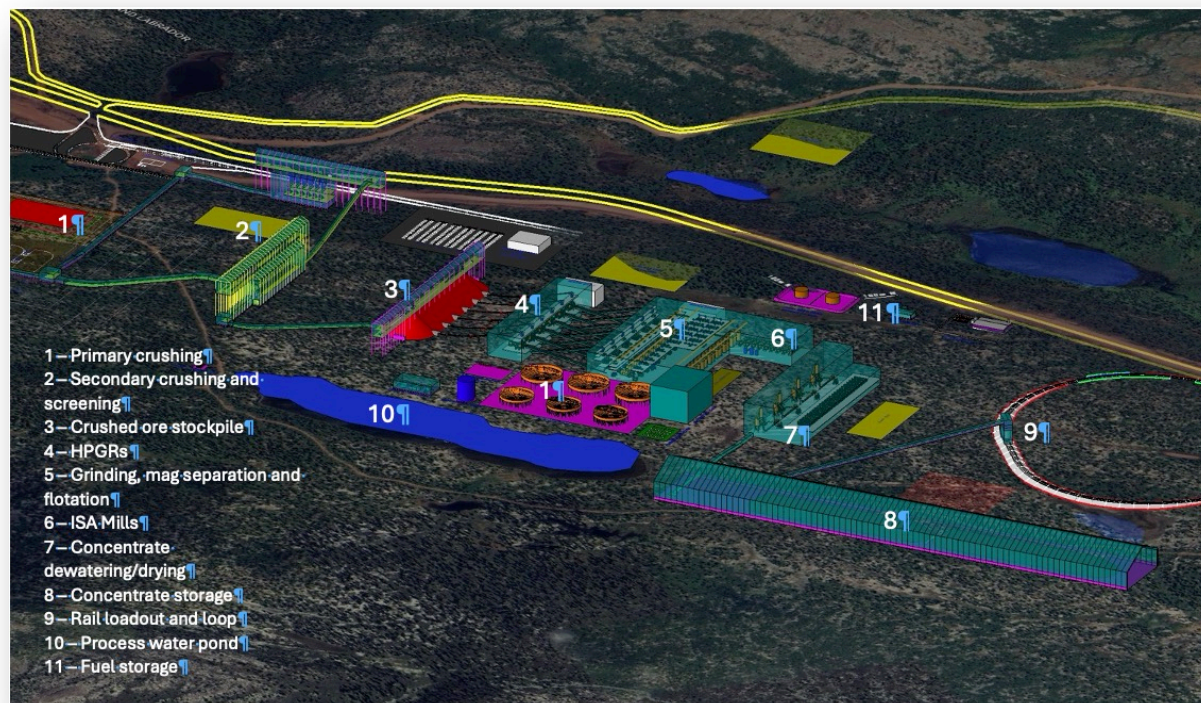


Figure 14: 3D model of processing plant showing crushed ore stockpile, grinding and separation, drying and process water pond plus concentrate storage before railing.

5.2.10 Tailings

Tailings management was assessed at a conceptual level during the PFS by Hatch, with cost estimates completed to a Class 5 accuracy ($\pm 50\%$ – 30%). The tailings work is acknowledged to be at an earlier stage of definition than the wider PFS and will be advanced in 2026 to reach parity with the overall project development. The lower confidence level for tailings does not impact the overall estimate accuracy as it contributes only 15% of the pre-production Direct capex.

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 fines from the cleaner and finisher magnetic separation stages, and flotation fines from the reverse flotation circuit. Tailings properties and production rates were developed from initial test work and mass balance modelling across the 44-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.

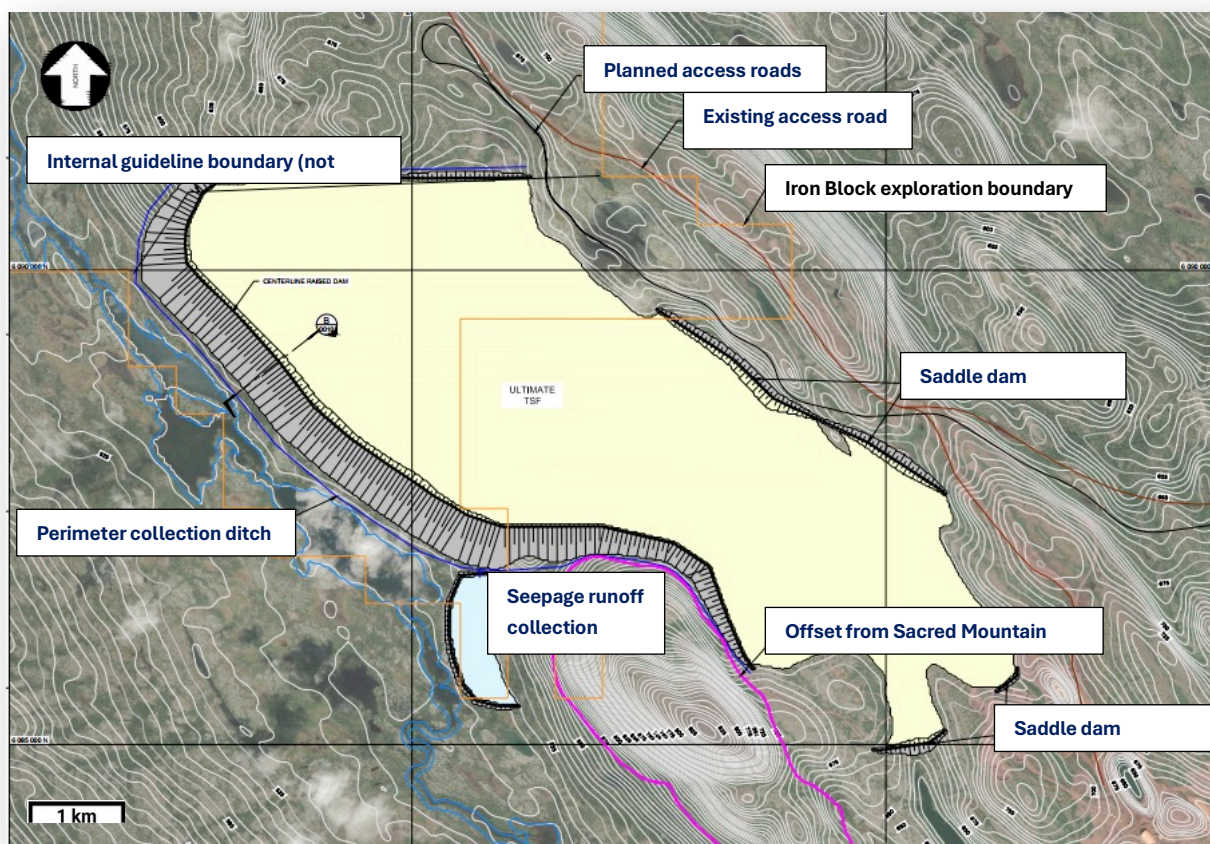


Figure 15: Option 2 centreline-raised TSF outline.

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 Mm³ 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.

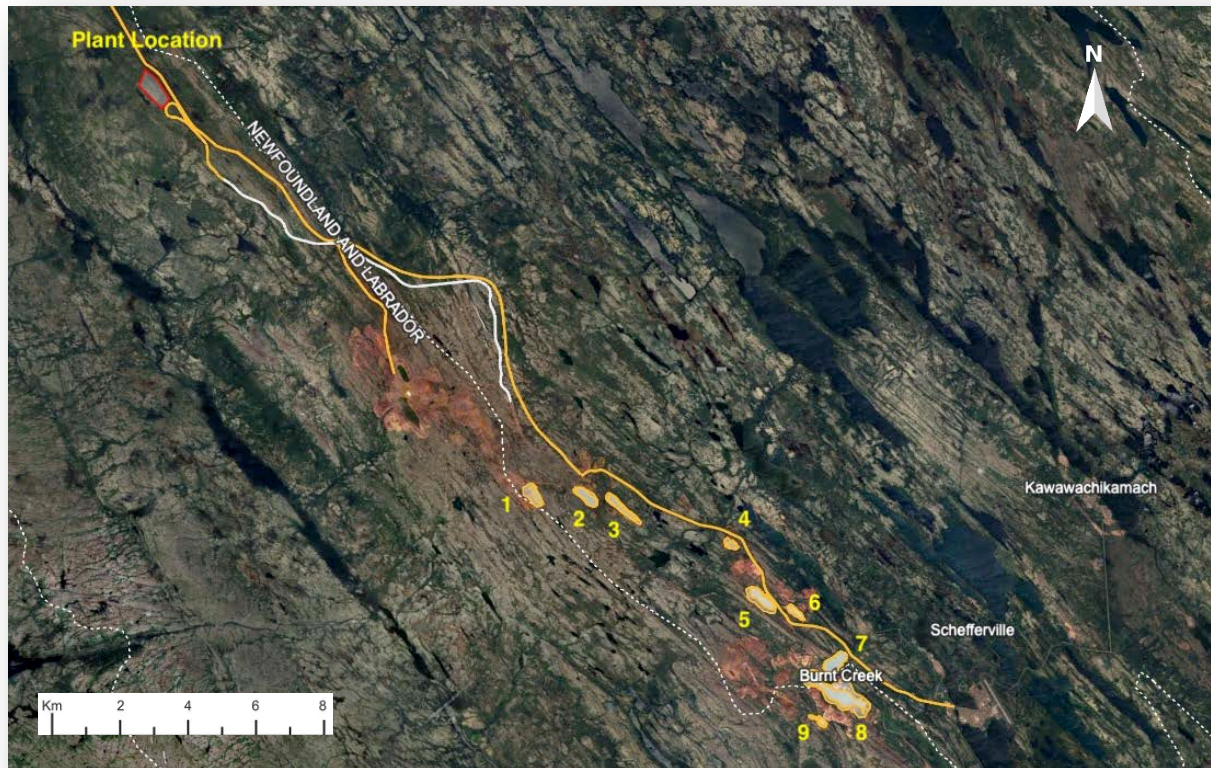


Figure 16: Depleted pits near Schefferville considered for potential short-term tailings disposal.

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 m² 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/m²/day, which will also be the performance guarantee basis in a later study phase, with 35 t/m²/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).

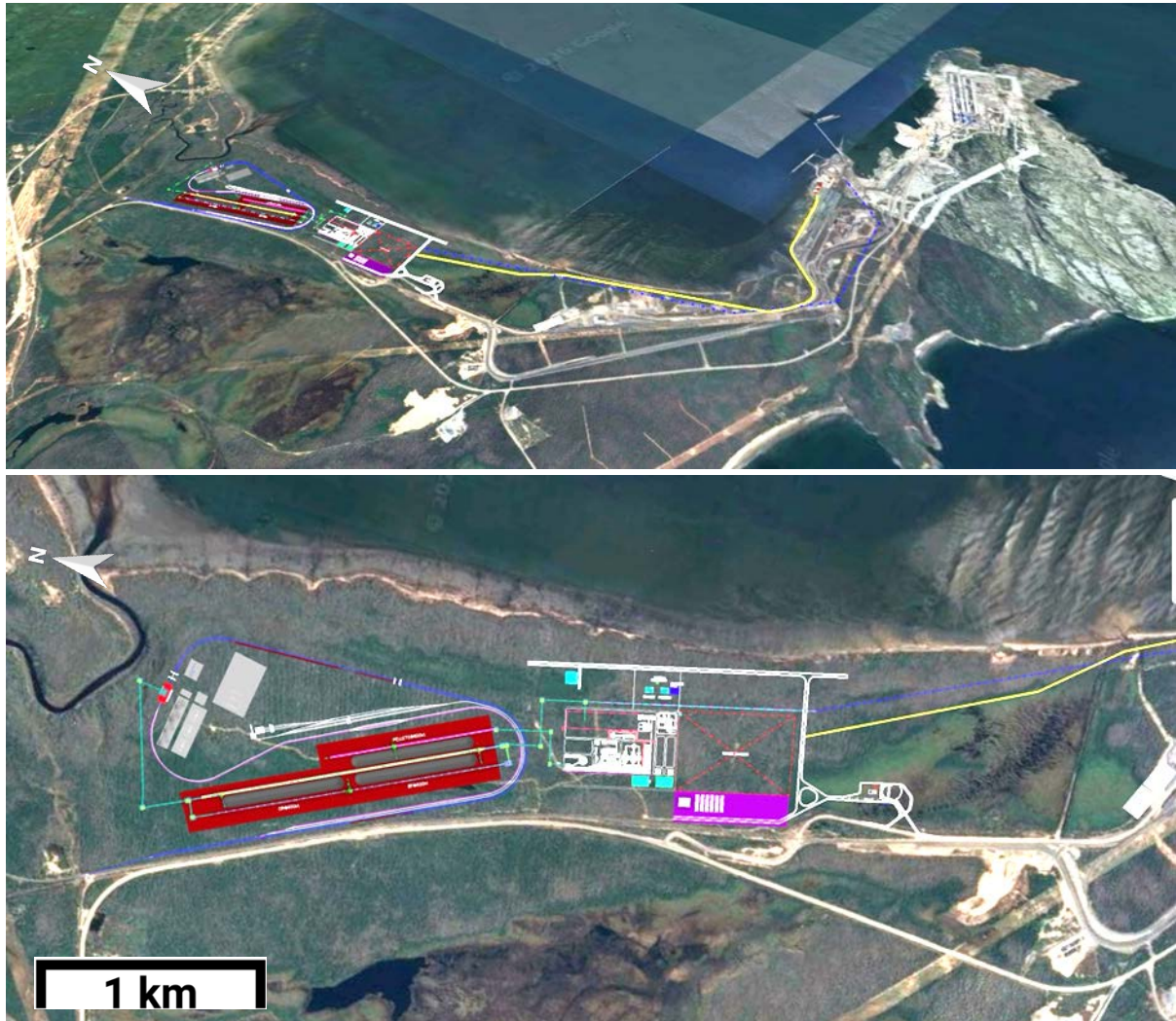


Figure 17: Proposed port facilities and pellet plant layout, showing connections to the exiting Pointe-Noire facilities (top) and top view of stockyards, pellet plant and rail loop (bottom).

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.

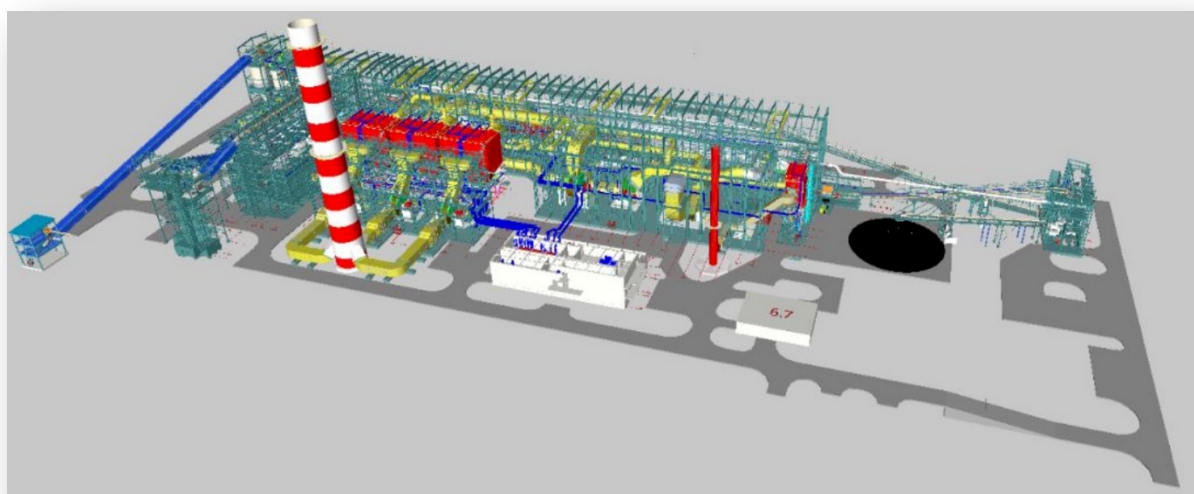


Figure 18: 3D model of a reference pellet plant. Courtesy IDOM.

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 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 19: Iron Bear DR pellets - bulk production sample after Reduction Degradation testing.

For the first production phase of approximately 8 Mtpa, the existing SFPPN rail tipping 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 km², 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

Hydrogeological information at the mine site is presently limited. Assessment to date indicates that shallow groundwater is likely hydraulically connected to surface waters along valley bottoms and wetland margins, which is consistent with expectations for a greenfield development within the Labrador Trough and Canadian Shield geological setting. A conceptual hydrogeological model has been developed to identify potential groundwater sources, pathways and receptors, but a comprehensive field investigation remains outstanding and is currently underway (2026 summer).

Given this, the current mine plan includes an allowance for pit sump pumps to capture surface water and limited groundwater inflow, but this has not been sized from measured groundwater data. A full hydrogeological investigation is required to quantify groundwater inflows, assess the need for perimeter dewatering wells and horizontal depressurisation infrastructure, and define requirements for drains, culverts, settling ponds, pumping infrastructure and discharge points. The outcomes of this investigation, combined with processing and mining consumption requirements, will form the basis of

a complete site-wide water balance. Based on comparable regional iron ore operations in the Labrador Trough, groundwater inflows are not anticipated to be a material risk to PFS-level execution, though this remains a project risk factor until quantified.

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 the HPGR rolls and ball mill 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 25 Mtpa brings the total mine and concentrator demand to 491 MW, with commercial operation dates targeted at 2031–2032, 2035–2036 and 2038–2039 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 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).

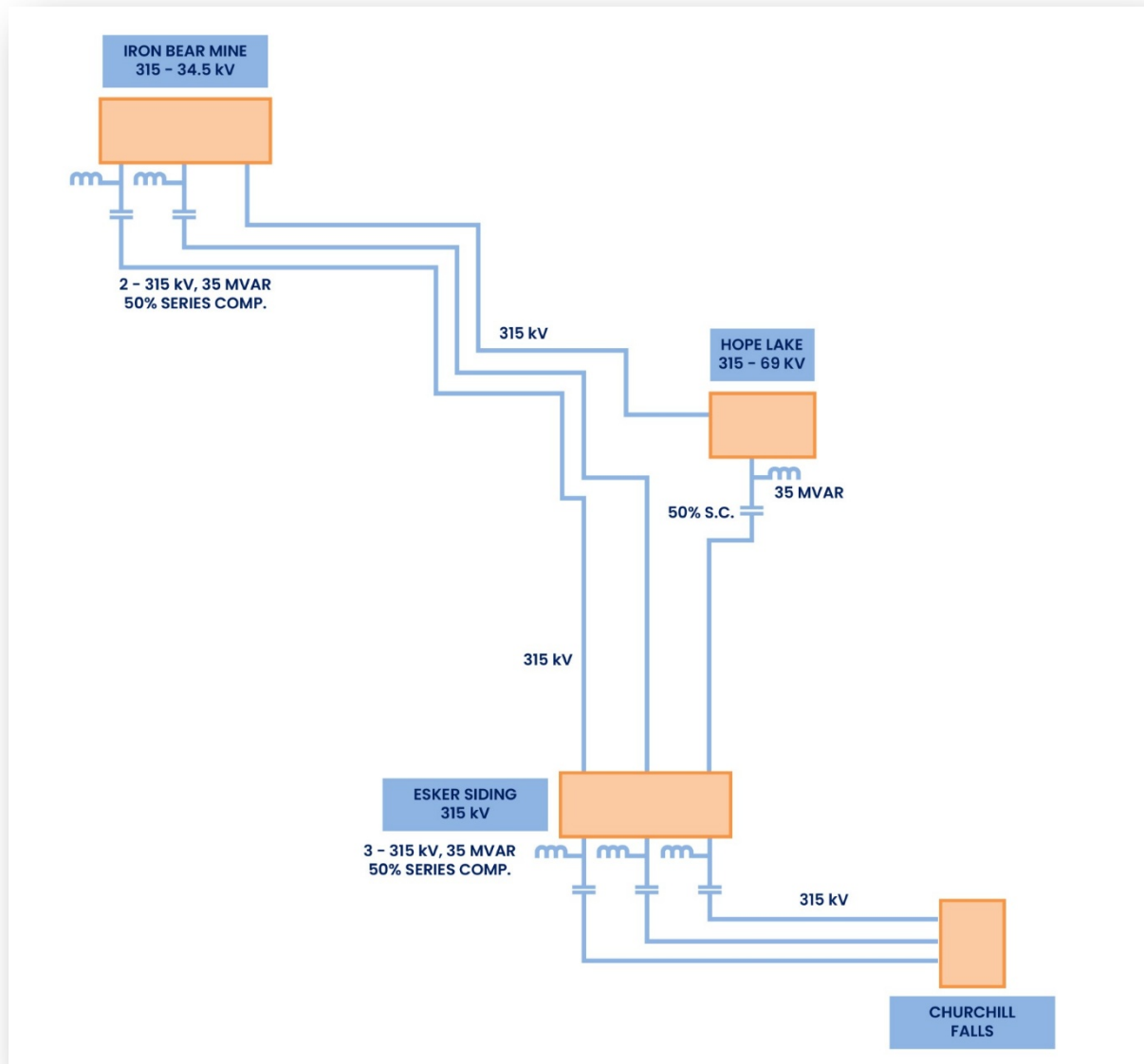


Figure 20: Schematic overview of transmission line route from Churchill Falls to the mine site via Esker.

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 and secondary crusher 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 m³ of cut and 402,350 m³ 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 8 Mtpa) requires construction of the Iron Bear mine site rail facilities and one additional siding at Arnaud. Phase 2 (approximately 17 Mtpa) requires construction of the Iron Bear port unloading facilities, one additional siding at Emeril and signalling upgrades on the Tshiuétin Mehinek subdivision. Phase 3 (25 Mtpa) requires one additional siding at Silver Yard and mainline refurbishment of the Tshiuétin 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, five trainsets are required for 8 Mtpa production, eight trainsets for 17 Mtpa and ten trainsets for 25 Mtpa. Including spares for maintenance, the full fleet requirements are 17 AC4400 locomotives and 1,264 gondola cars at 8 Mtpa, 27 locomotives and 3,032 gondola cars at 17 Mtpa, and 33 locomotives and 5,306 gondola cars at 25 Mtpa.

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 21: 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 11**).

Table 11: 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 22: 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 23: Proposed slurry pipeline route

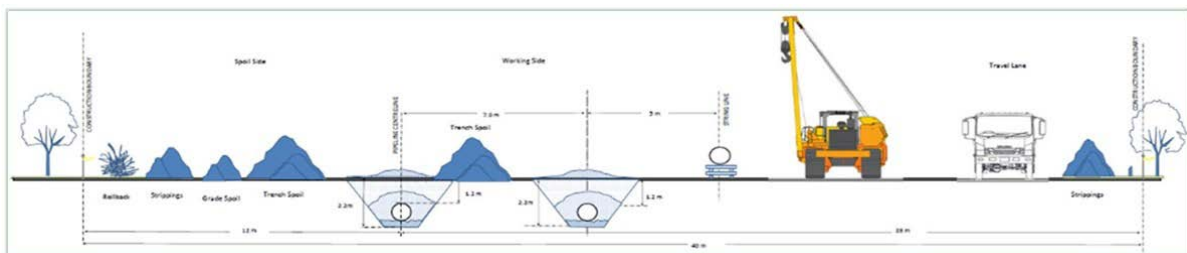


Figure 24: Slurry pipeline construction corridor schematic



Figure 25: Typical pipeline installation corridor site works. Courtesy Fortin Pipelines.



Figure 26: 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 44-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 496 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 Tshuetin 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:

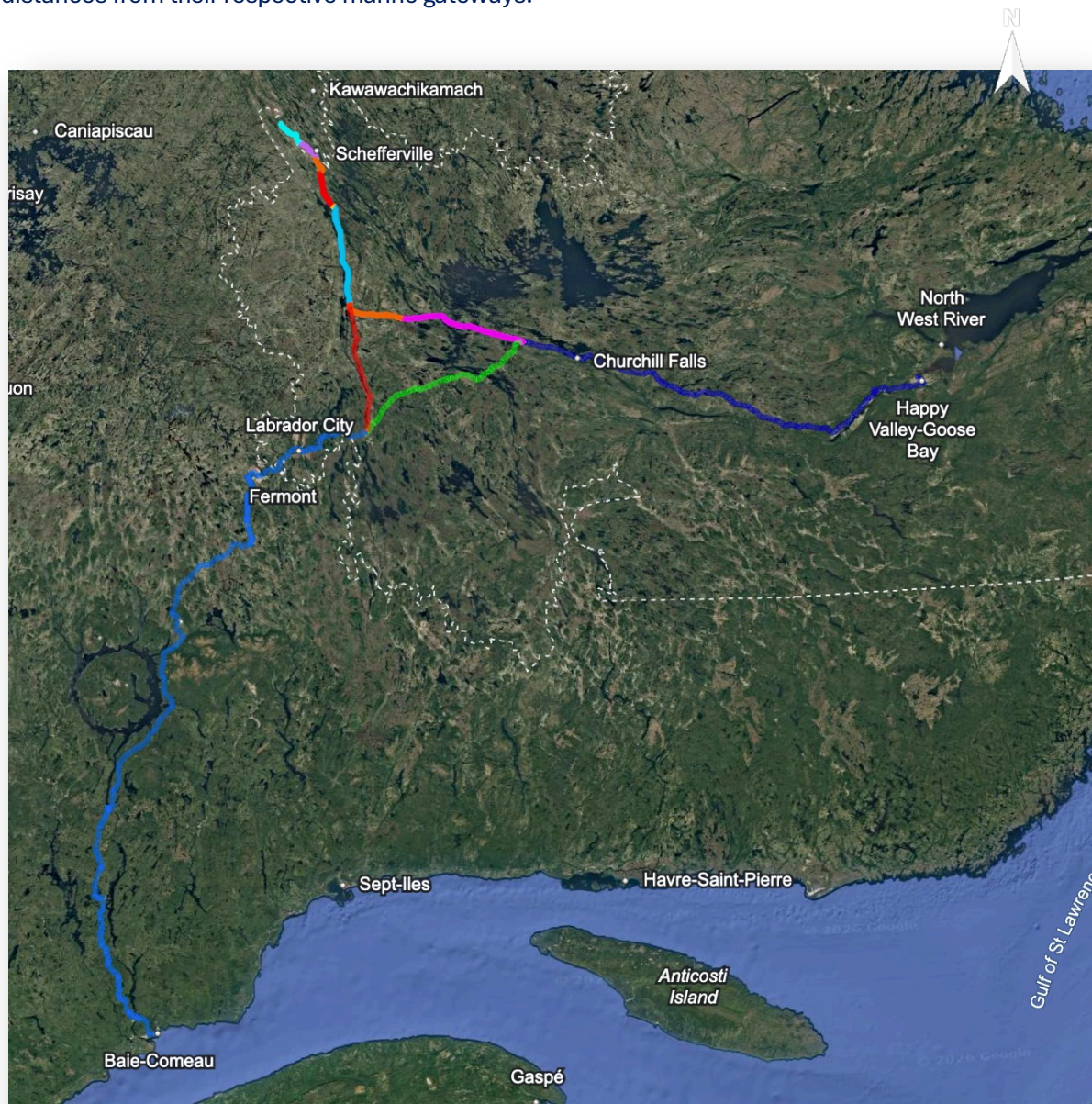


Figure 27: Route options 1-5 evaluated.

- **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 12: 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	HPGR 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 Mt p.a. – three processing trains 33 Mt p.a. - four processing trains	Both Production targets to be evaluated
Concentrate transport	Rail Slurry	All concentrate transport scenarios to be evaluated to Class 4

	Rail followed by slurry Rail (8 Mt p.a.) and staged slurry to 33 Mt p.a.	
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 be base case for first two pellet plants. Next study phase to further investigate.

Other options rely on future work, e.g. the 2026 drilling campaign outcomes, or further dry tailings stacking test work, and will be documented later.



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06

ECONOMIC EVALUATION

6 Economic Evaluation and Analysis

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 35 km northwest of Schefferville, together with downstream pelletising and port logistics facilities located at Pointe-Noire, Quebec.

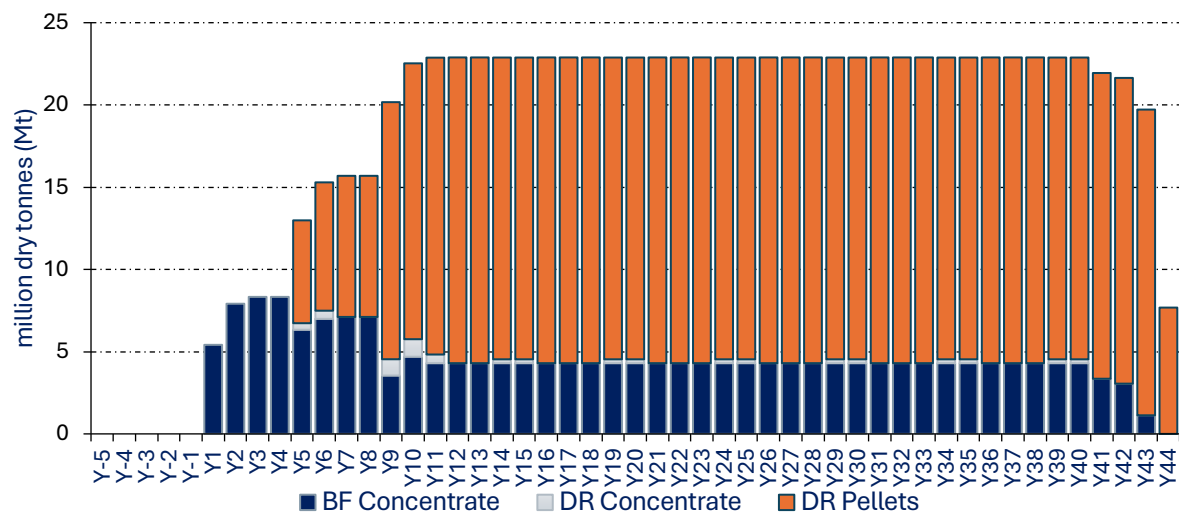
The economic analysis is based on the maiden Probable Ore Reserve of 3.3 Bt at 29.1% Fe declared in this PFS, derived from the conversion of Indicated Mineral Resources within the optimised pit shell following completion of the modifying factors assessment in accordance with the JORC Code (2012). The Production Target underpinning the forecast financial information comprises approximately 95% Probable Ore Reserves and 5% Inferred Mineral Resources. The production schedule supports an approximately 44-year mine life and a steady-state blast furnace concentrate output of approximately 24 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 Mineral 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 28, showing annual mined tonnages, plant feed and saleable product output (BF concentrate, DR concentrate and DR pellets) across the staged ramp-up and steady-state periods.

Figure 28: Life-of-Mine Production Profile


6.1 Economic Development Strategies

The Base Case defines a technically robust and commercially attractive development pathway for the Project. It comprises a 44-year mine life supported by a three-train concentrator plant expanding to a nominal 25 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 6.1.1.
- **Scenario 2 – Slurry Pipeline.** The Base Case with the rail logistics solution replaced by a 600 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 in Section 25.5, 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 6.1.4 and remain candidates for the Project Value Improvement (PVI) phase and the next study phase.

6.1.1 Power Supply Treatment — Levelised Cost of Energy (Base Case)

Power for the mine and concentrator is sourced from the Churchill Falls hydroelectric facility in Labrador via new 315 kV transmission infrastructure, with the concentrator load growing across the three production stages to a total mine and concentrator demand of approximately 630 MW at full capacity. While the ownership and commercial delivery model for this infrastructure remains to be finalised, the Levelised Cost of Energy (LCOE) approach adopted in this study is based on a preliminary assessment of commercially feasible third-party delivery models and discussions undertaken during the PFS.

For all three scenarios reported in this chapter, power supply is treated on an LCOE basis. Under this treatment, the transmission and power-delivery infrastructure is assumed to be constructed, owned, financed and operated by a third party (for example, the utility or an independent transmission developer) which is a common practice, and the Project pays a levelised per-unit charge (USD/kWh) that recovers the third party's capital, financing and operating costs over the life of the asset. Consequently, the transmission-line and power-supply capital cost is excluded from the Project's pre-production and life-of-mine CAPEX and instead appears as an operating cost embedded in the delivered electricity price set out in Table 13: Key Assumptions and Basis.

This treatment reflects the most probable commercial structure for power delivery in the region and avoids overstating the Project's directly funded capital requirement. Should the Owner instead elect to construct and own the transmission infrastructure, the power capital cost would be reintroduced into Project CAPEX and the delivered electricity price reduced accordingly; this strategy (amortised power supply infrastructure) will be further investigated in the following study phases following engagement with NL Hydro, Hydro-Québec, and the relevant authorities.

6.1.1.1 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:

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

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.

6.1.1.2 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 3.1 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 kWh⁹) 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.

6.1.1.3 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. For Scope 1 (Rail), the LCOE ranges 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.
- 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.

⁹ Exchange rate of 0.72 CAD/USD applied for conversion.

6.1.2 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 6.1.4).

6.1.2.1 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 6.3.1.

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.

6.1.2.2 Scenario 2: Slurry Pipeline Replacing Rail

The slurry pipeline scenario replaces rail transport with a dedicated 600 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 2 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.

6.1.3 Tailings Management

Tailings management is the second strategic variable modelled in this chapter. Tailings were assessed at a conceptual level during the PFS by Hatch, with a structured multi-criteria evaluation of six shortlisted storage concepts. Two solutions are carried into the scenario modelling; wet (centreline-raised) storage (Base Case) and filtered dry-stacked storage (Scenario 3).

6.1.3.1 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.

6.1.3.2 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.

6.1.4 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.

6.2 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 25 1 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 and does not take into account IBR's current or future ownership interest under the Development Agreement with Vale S.A.

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 44-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 8.3 Mtpa of concentrate capacity, with the second and third trains coming online in Years 5 and 9 respectively before the operation reaches full nameplate capacity of a nominal 25 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 25.1 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.

6.3 Key Assumptions

Table 13: Key Assumptions and Basis and Table 14: Key Economic and Market Assumptions summarises the key technical, macroeconomic, and cost assumptions used in the financial evaluation.

Table 13: Key Assumptions and Basis

Key Assumption	Unit	LOM Value
Production Assumptions (common to all scenarios)		
Maiden Probable Ore Reserve (Section 10)	billion tonnes	3.3
Ore Reserve Grade — Total Fe	%	29.1
Ore Reserve Grade — Magnetic Fe	%	19.8
Total LOM Mineral 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	≈ 150
Mine Life	years	44
Process Feed Rate (steady state)	Mtpa	98
Process Recovery — MagFe to BF Concentrate	%	97.6
Process Recovery — MagFe to DR Concentrate	%	88.7
Steady-State BF Concentrate Product	Mtpa	≈ 24.9
BF Concentrate Grade — Fe / SiO ₂	% Fe / %	69.1 / 3.5
DR Concentrate Grade — Fe / SiO ₂	% Fe / %	71.0 / 1.2

Table 14: 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

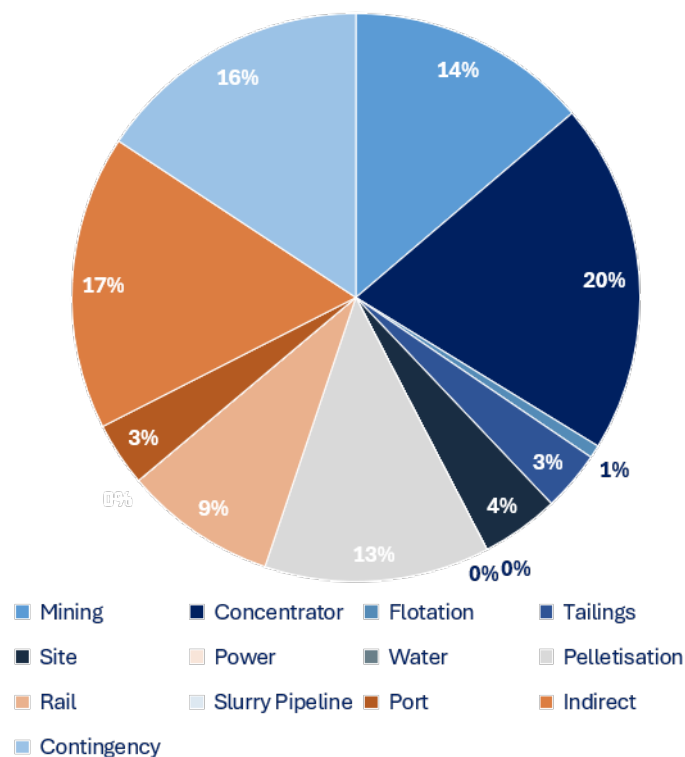
The following supplementary assumptions apply to the financial evaluation:

- 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 6.1.1 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 -17% to +27%.
- Full nameplate concentrate production is achieved in approximately Year 11, following sequential commissioning of the three processing trains (Years 5 and 9 for Trains 2 and 3).
- Costs incurred prior to a Final Investment Decision (**FID**), 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 and tax credits 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 6.4.2 below).

6.3.1 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 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 15 to Table 17 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.

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

Table 15: Capital Cost — Scenario 1, Base Case (MUSD, real Q1 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	429	127	980	1,536
Concentrator	941	651	641	2,233
Flotation	-	41	41	82
Tailings	382	-	-	382
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	563	272	133	968
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	756	610	508	1,874
Contingency	739	589	426	1,775
Total Production CAPEX	4,250	3,441	3,473	11,164

Table 16: Capital Cost — Scenario 2, Slurry Pipeline (MUSD, real Q1 2026)

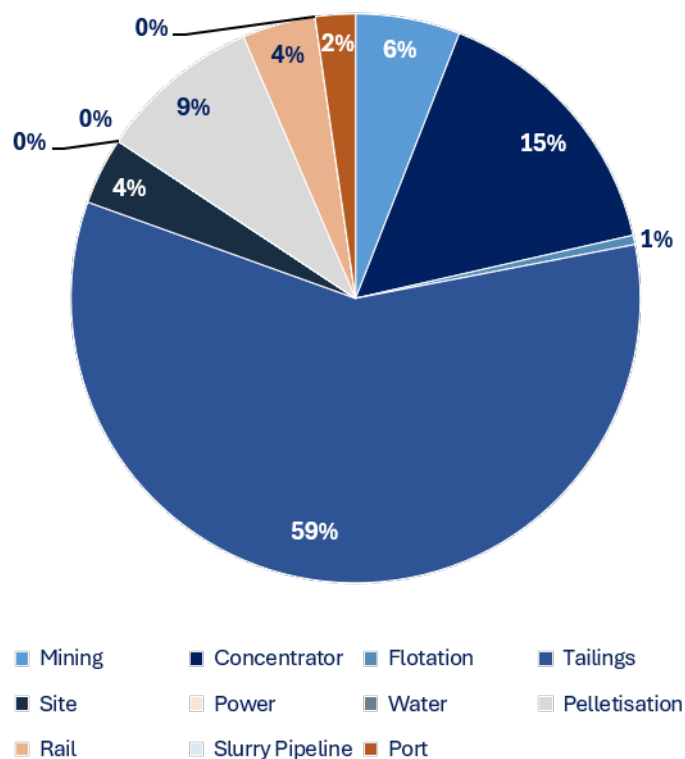
Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	429	127	980	1,536
Concentrator	941	651	641	2,233
Flotation	-	41	41	82
Tailings	382	-	-	382
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Slurry Pipeline	2,491	-	-	2,491
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	906	554	464	1,924
Contingency	1,088	552	411	2,050
Total Production CAPEX	6,677	3,075	3,280	13,033

Table 17: Capital Cost — Scenario 3, Dry Stacked Tailings (MUSD, real Q1 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	429	127	980	1,536
Concentrator	941	651	641	2,233
Flotation	-	41	41	82
Tailings	1,146	-	-	1,146
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	563	272	133	968
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	987	610	508	2,106
Contingency	1,038	589	426	2,053
Total Production CAPEX	5,544	3,441	3,473	12,458

6.3.2 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 18 to Table 20 below.

Figure 30: Base Case life-of-mine sustaining capital cost split by area

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

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	27	422	450
Concentrator	19	41	1,115	1,175
Flotation	-	1	39	40
Tailings	105	422	3,909	4,436
Site Infrastructure and Services	9	14	267	290
Pelletising	-	14	687	701
Rail	5	11	300	315
Port and Materials Handling	-	4	169	173
Total Sustaining Capital	139	534	6,908	7,581

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

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	27	422	450
Concentrator	19	41	1,115	1,175
Flotation	-	1	39	40
Tailings	105	422	3,909	4,436
Site Infrastructure and Services	9	14	267	290
Pelletising	-	14	687	701
Slurry Pipeline	10	20	329	359
Port and Materials Handling	-	4	169	173
Total Sustaining Capital	144	543	6,937	7,624

Table 20: Sustaining Capital — Scenario 3, Dry Stacked Tailings (MUSD, real Q1 2026)

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	27	422	450
Concentrator	19	41	1,115	1,175
Flotation	-	1	39	40
Tailings	63	253	2,345	2,662
Site Infrastructure and Services	9	14	267	290
Pelletising	-	14	687	701
Rail	5	11	300	315
Port and Materials Handling	-	4	169	173
Total Sustaining Capital	96	366	5,344	5,806

6.3.3 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 21 to Table 23 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 13 above.

Figure 31: Base Case steady state operating cost split by area

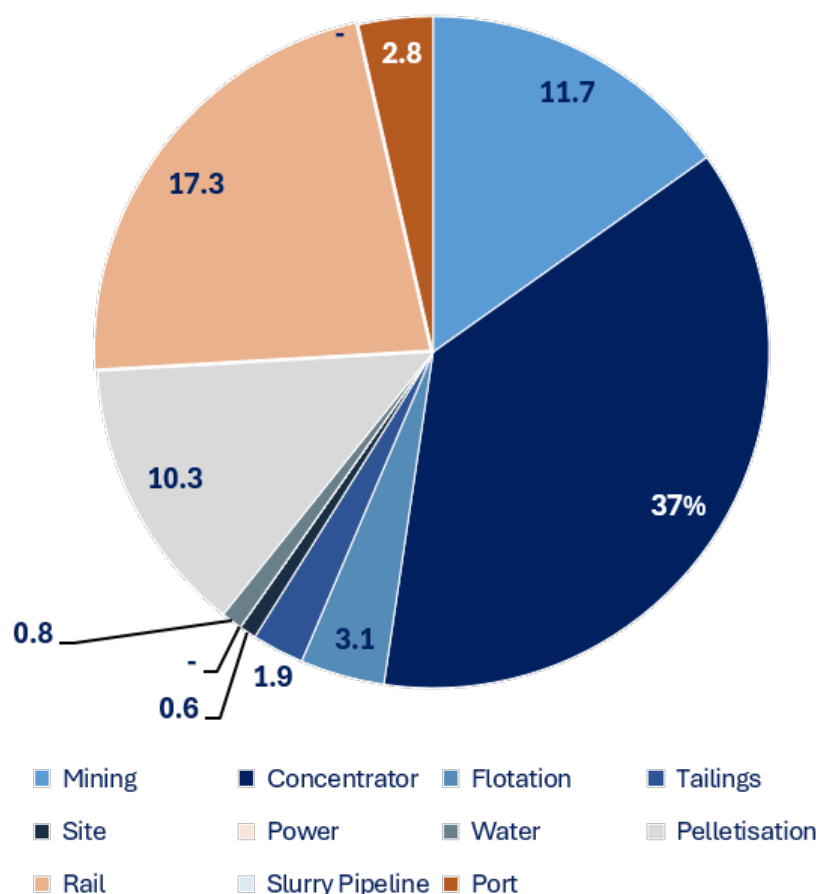


Table 21: Operating Cost — Scenario 1, Base Case (USD/t of sales, real Q1 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.6	11.6	11.7
Concentrator	27.8	28.5	28.8
Flotation	-	2.2	3.1
Tailings	1.7	1.9	1.9
Site Infrastructure and Services	0.6	0.6	0.6
Water Management	0.7	0.8	0.8
Pelletising	-	6.7	10.3
Rail	17.6	17.4	17.3
Port Handling and Loadout	3.5	2.3	2.8
Cash Cost (FOB Pointe-Noire)	67.5	71.9	77.4

Table 22: Operating Cost — Scenario 2, Slurry Pipeline (USD/t of sales, real Q1 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.6	11.6	11.7
Concentrator	27.8	28.5	28.8
Flotation	-	2.2	3.1
Tailings	1.7	1.9	1.9
Site Infrastructure and Services	0.6	0.6	0.6
Water Management	0.7	0.8	0.8
Pelletising	-	6.7	10.3
Slurry Pipeline	6.2	3.8	2.9
Port Handling and Loadout	3.5	2.3	2.8
Cash Cost (FOB Pointe-Noire)	56.1	58.3	63.0

Table 23: Operating Cost — Scenario 3, Dry Stacked Tailings (USD/t of sales, real Q1 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.6	11.6	11.7
Concentrator	27.8	28.5	28.8
Flotation	-	2.2	3.1
Tailings	8.5	9.3	9.7
Site Infrastructure and Services	0.6	0.6	0.6
Water Management	0.7	0.8	0.8
Pelletising	-	6.7	10.3
Rail	17.6	17.4	17.3
Port Handling and Loadout	3.5	2.3	2.8
Cash Cost (FOB Pointe-Noire)	74.4	79.3	85.1

6.3.4 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 24 to Table 26 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 24: Estimated Effective FOB Operating Cost by Product - Scenario 1, Base Case

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	66.6	60.5	63.9
Direct Reduction Concentrate	-	70.3	74.1
Direct Reduction Pellets	-	82.8	86.9

(USD/t of product, real Q1 2026, FOB Pointe-Noire)

Table 25: Estimated Effective FOB Operating Cost by Product, Scenario 2, Slurry Pipeline

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	56.1	47.1	49.7
Direct Reduction Concentrate	-	56.8	59.8
Direct Reduction Pellets	-	69.6	72.8

(USD/t of product, real Q1 2026, FOB Pointe-Noire)

Table 26: Estimated Effective FOB Operating Cost by Product, Scenario 3, Dry Stacked Tailings

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	73.0	67.3	70.9
Direct Reduction Concentrate	-	78.4	82.4
Direct Reduction Pellets	-	90.8	95.1

(USD/t of product, real Q1 2026, FOB Pointe-Noire)

6.4 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, including under the Development Agreement with Vale S.A.
- 100% equity financing is assumed and the model is 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 25.4.1.
- 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.

6.4.1 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 capital-based tax credit described in Section 25.4.2 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.

6.4.2 Tax Holidays and Tax Credits

The financial model assumes that the Project will benefit from tax holidays and tax credits applicable to qualifying greenfield investments in the resource regions of Newfoundland and Labrador and Quebec, together with incentives associated with the classification of high-purity iron ore as a strategic critical mineral by both Provincial Governments and the Government of Canada (high-purity iron ore was added to the Federal Critical Minerals list in June 2024). The categories of incentive available to the Project include:

- A provincial tax holiday on NL income tax for a period following the achievement of commercial production, applicable to taxable income from the mining and concentrating operations.
- A Refundable Tax Credit for Resources (or equivalent) applicable to qualifying expenditures incurred during construction and the early years of operation.

- Investment tax credits associated with the classification of iron ore as a strategic critical mineral, applicable to qualifying CAPEX incurred during the construction period.
- Quebec investment and innovation tax credits (C3i or successor programs) applicable to qualifying pellet plant capital expenditure incurred at Pointe-Noire.
- Accelerated depreciation provisions and the federal Critical Minerals Exploration Tax Credit (CMETC) where applicable to expenditures incurred in the periods leading up to and during construction.

Consistent with the simplified approach adopted for provincial income tax (Section 6.4 above), and rather than modelling each of the incentive programs individually with its own eligibility rules, statutory rate and expenditure cap, the financial model represents the aggregate benefit of these incentives through a single capital-based tax credit. Under this approach, an allowable tax credit equal to a defined percentage of the Project's direct capital expenditure, excluding indirect costs and contingency, is applied against taxable income in the early operating years.

For the purpose of this PFS, the allowable credit has been set at 100% of direct capital expenditure. The credit is claimed over the construction, commissioning and ramp-up periods for Stages 1 through 3. In practical terms, it shelters the Project's taxable income in the initial years of operation and is equivalent in effect to an income-tax holiday of **approximately five years**. Once the credit has been fully utilised, the capital base is depreciated under the CCA regime described in Section 6.4.1.

The assumed credit is a simplifying proxy for the combined effect of the incentive programs listed above and does not correspond to the rate, eligibility basis or cap of any single program (for example, the principal Quebec capital-based credit is legislated at a lower headline rate). The specific quantum, eligibility, timing, stacking and interaction of the individual Federal, NL and QC programs, and the resulting supportable credit, will be modelled in detail with tax and legal advice in future study phases.

The estimated Effective Combined Tax Rate (**ETR**), inclusive of Federal income tax, provincial income tax (applied as per Section 6.4 above), NL Mining Tax, and the impact of the assumed capital-based tax credit, is approximately 36.3% 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 capital-based credit, 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 and does not anticipate future legislative changes.

6.5 Cash Flow Analysis

The summary of the financial evaluation is presented in Table 27 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 13 and Table 14 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 27: Economic Summary — Scenario Comparison

Economic Result	Scenario 1 Base Case (Rail)	Scenario 2 Slurry Pipeline	Scenario 3 Dry Tailings
Configuration			
Concentrate transport	<i>Rail</i>	<i>Slurry pipeline</i>	<i>Rail</i>
Tailings storage	<i>Wet (centreline)</i>	<i>Wet (centreline)</i>	<i>Dry stacked</i>
Capital Cost (real terms, Q1 2026 base year)			
Pre-Production CAPEX (MUSD)	4,250	6,677	5,544
Life-of-Mine Production CAPEX (MUSD)	11,164	13,033	12,458
Life-of-Mine Sustaining CAPEX (MUSD)	7,581	7,624	5,806
Pre-Tax Results (nominal cash flow, 8% discount rate)			
NPV at 8% WACC (MUSD)	16,339	17,730	13,939
Internal Rate of Return (%)	18.3	16.6	15.9
Undiscounted Payback 10 (years from first cash inflow)	9	9	10
Post-tax Results (incl. tax holidays and credits per Section 25.4.2)			
NPV at 8% WACC (MUSD)	9,007	9,504	7,451
Internal Rate of Return (%)	15.2	13.8	13.3
Undiscounted Payback (years from first cash inflow)	10	10	11
Sustainability			
Scope 2 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 18.3% and an NPV of 16,339 MUSD at a nominal discount rate of 8.0%. On a post-tax basis (incorporating the tax holidays and tax credits described in Section 25.4.2), the Base Case is anticipated to result in a nominal IRR of 15.2% and an NPV of 9,007 MUSD, with a post-tax undiscounted payback period of approximately 10 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 2 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 13.8% and an NPV of 9,504 MUSD, with a post-tax undiscounted payback period of approximately 10 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 13.3% and an NPV of 7,451 MUSD, with a post-tax undiscounted payback period of approximately 11 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 Figures 25-15 to 25-22 on the following pages.

Each cost profile is presented both in real Q1 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.

6.5.1 Base Case — Life-of-Mine Capital Expenditure (Q1 2026)

Base Case production capital expenditure by year, in real Q1 2026 US dollars, across the three development stages. Power transmission is excluded (LCOE basis).

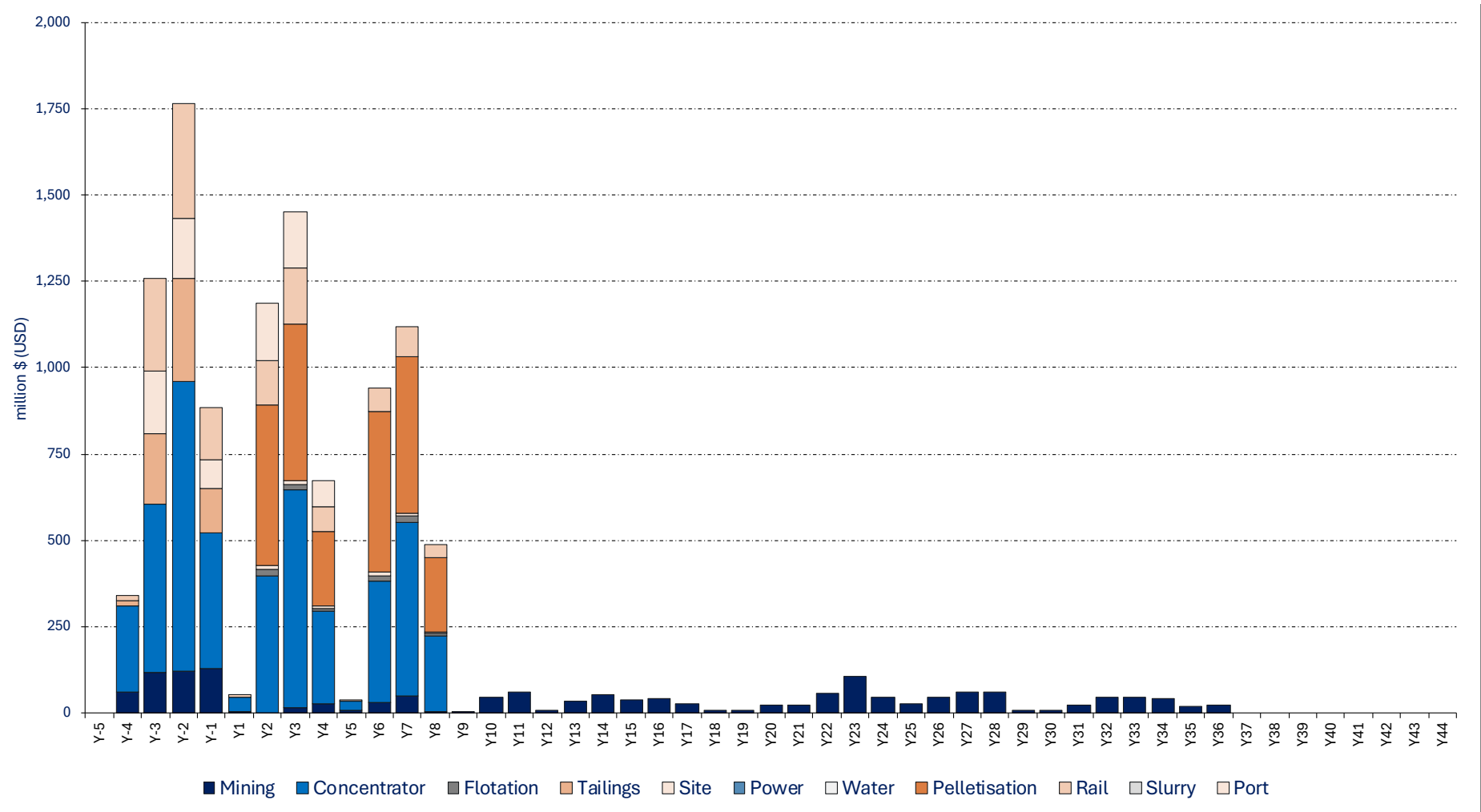


Figure 32: Base Case — Life-of-Mine Capital Expenditure (real Q1 2026 USD)

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

Base Case production capital expenditure by year in nominal terms, escalated from the Q1 2026 base year at the 2.5% CPI rate set out in Table 14. This is the capital profile used in the discounted cash flow model.

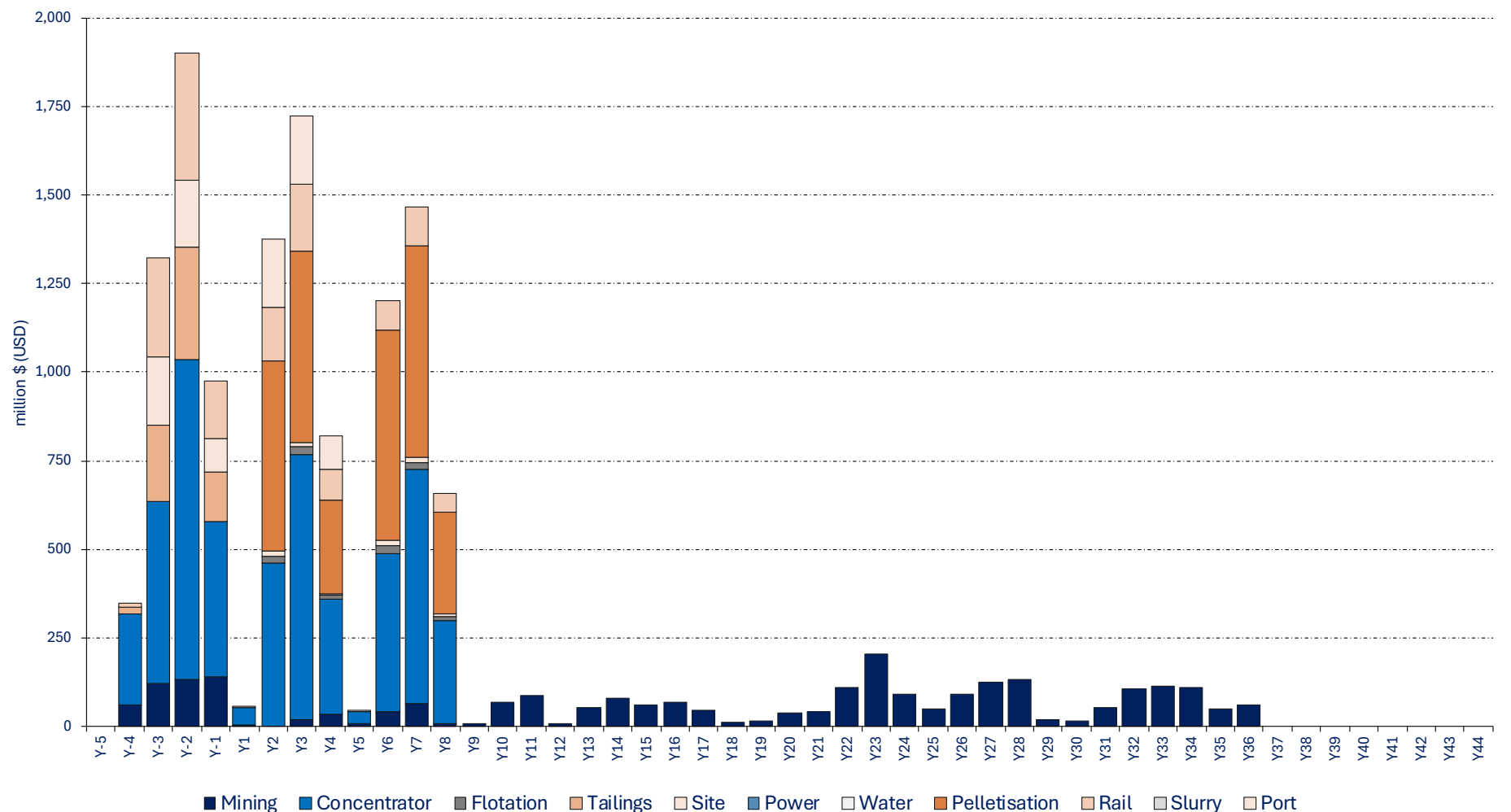


Figure 33: Base Case — Life-of-Mine Capital Expenditure (nominal USD, as used in the cash flow)

6.5.3 Base Case — Life-of-Mine Sustaining Capital (Q1 2026)

Base Case sustaining capital by year, in real Q1 2026 US dollars, covering mining equipment replacement and overhaul, concentrator and pellet plant sustaining, tailings dam raises, and transport and port sustaining capital.

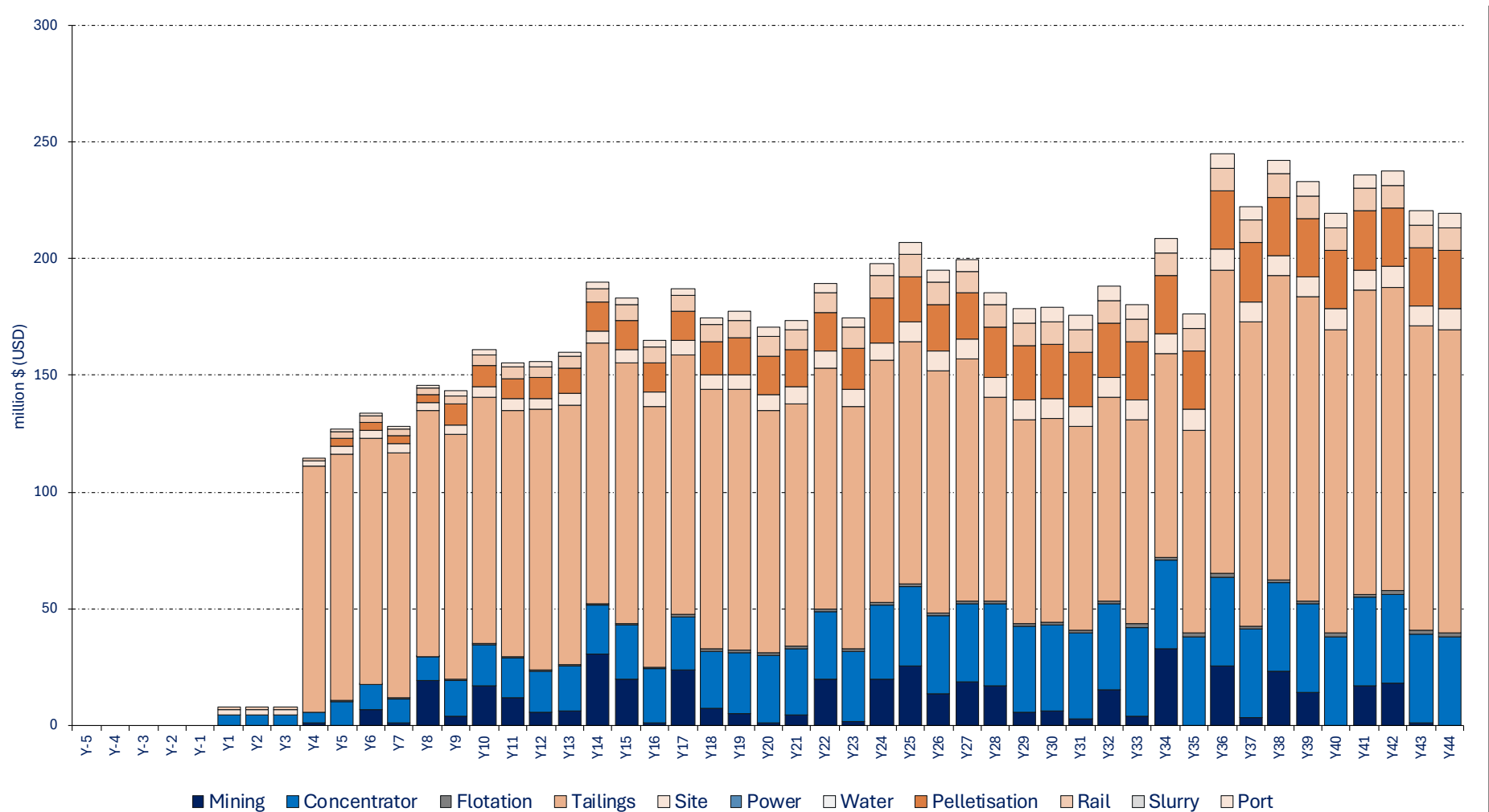


Figure 34: Base Case — Life-of-Mine Sustaining Capital (real Q1 2026 USD)

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

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

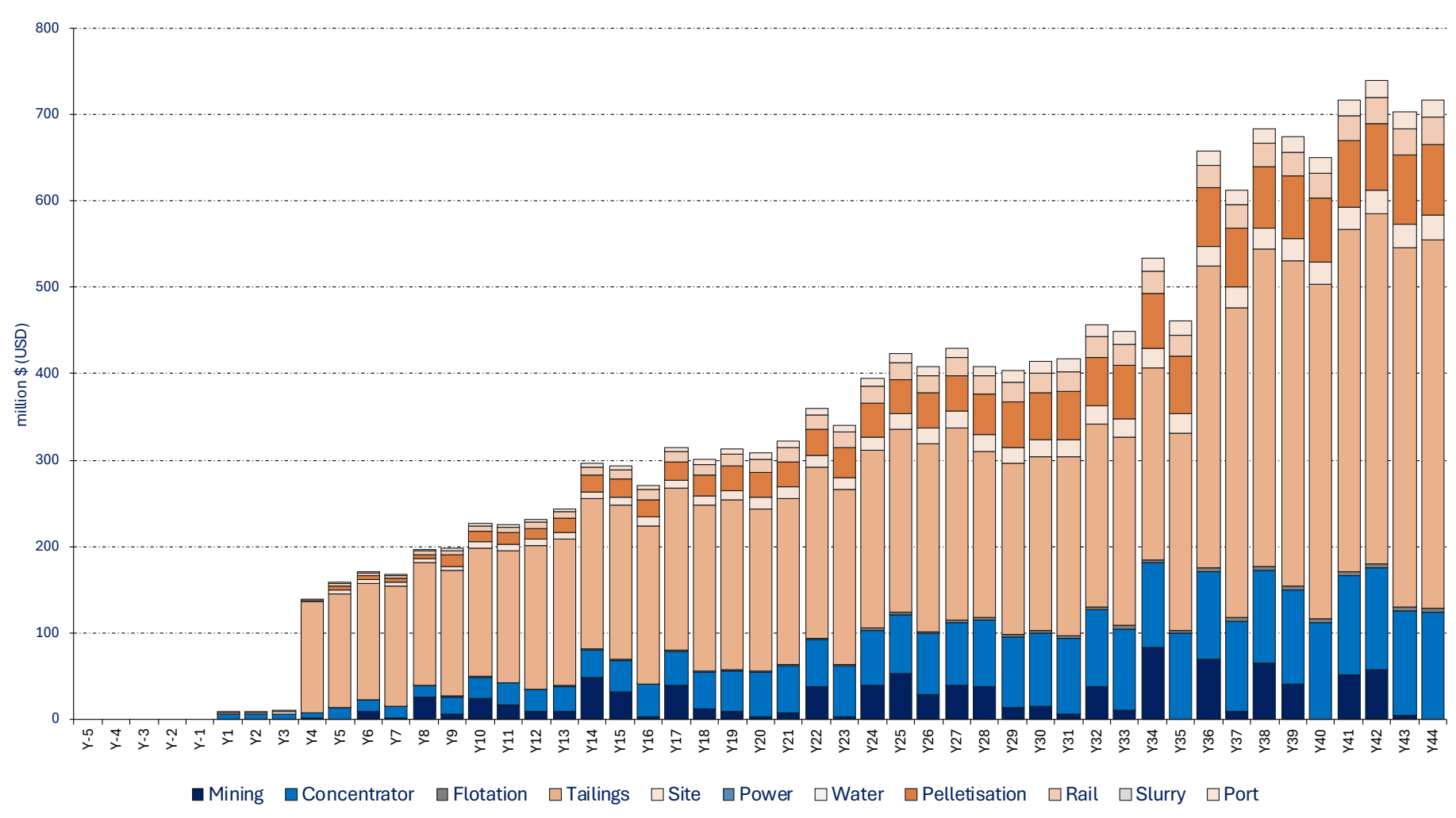


Figure 35: Base Case — Life-of-Mine Sustaining Capital (nominal USD, as used in the cash flow)

6.5.5 Base Case — Life-of-Mine Operating Expenditure (Q1 2026)

Base Case operating expenditure by year, in real Q1 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.

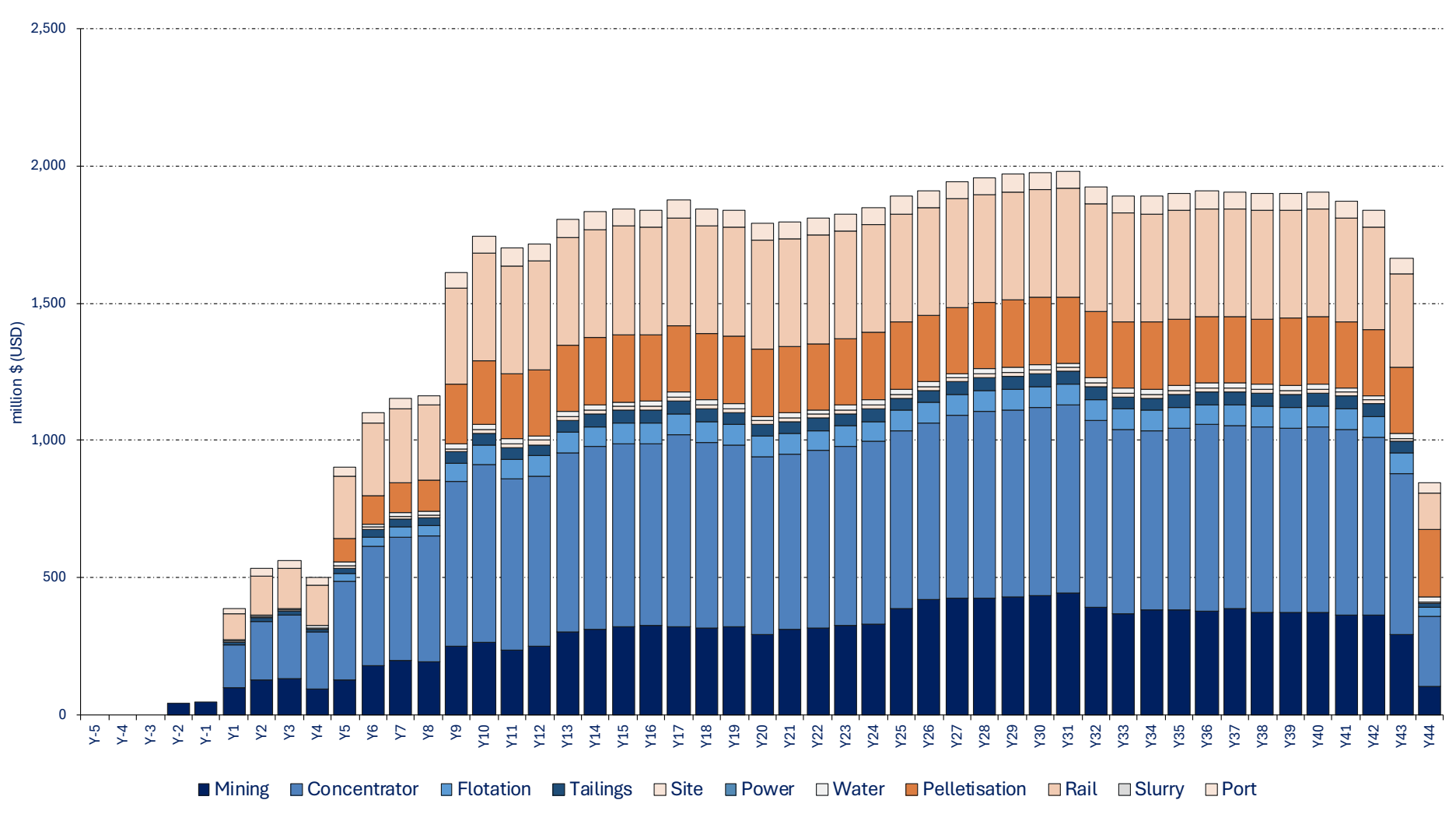


Figure 36: Base Case — Life-of-Mine Operating Expenditure (real Q1 2026 USD)

6.5.6 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.

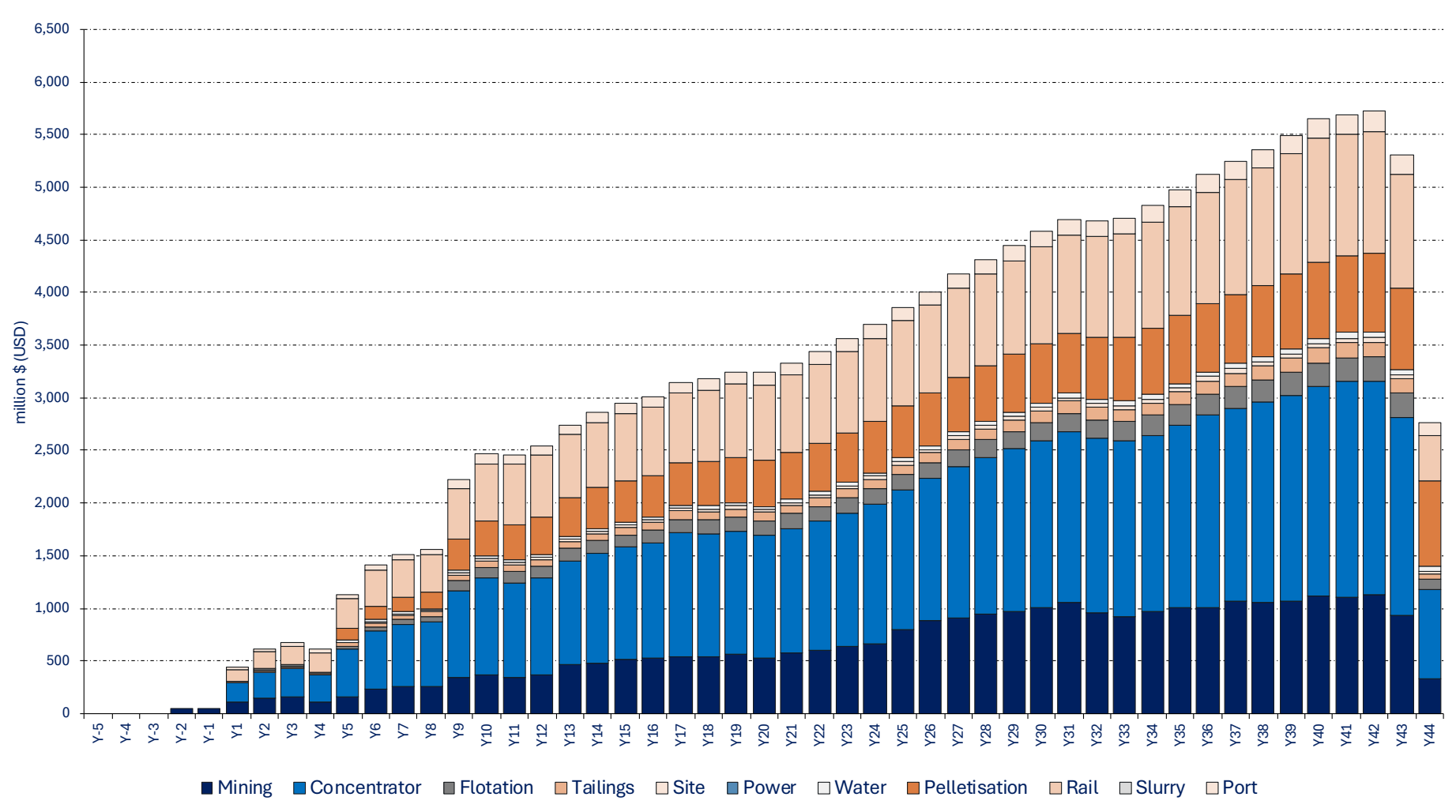


Figure 37: Base Case — Life-of-Mine Operating Expenditure (nominal USD, as used in the cash flow).

6.5.7 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 44-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.

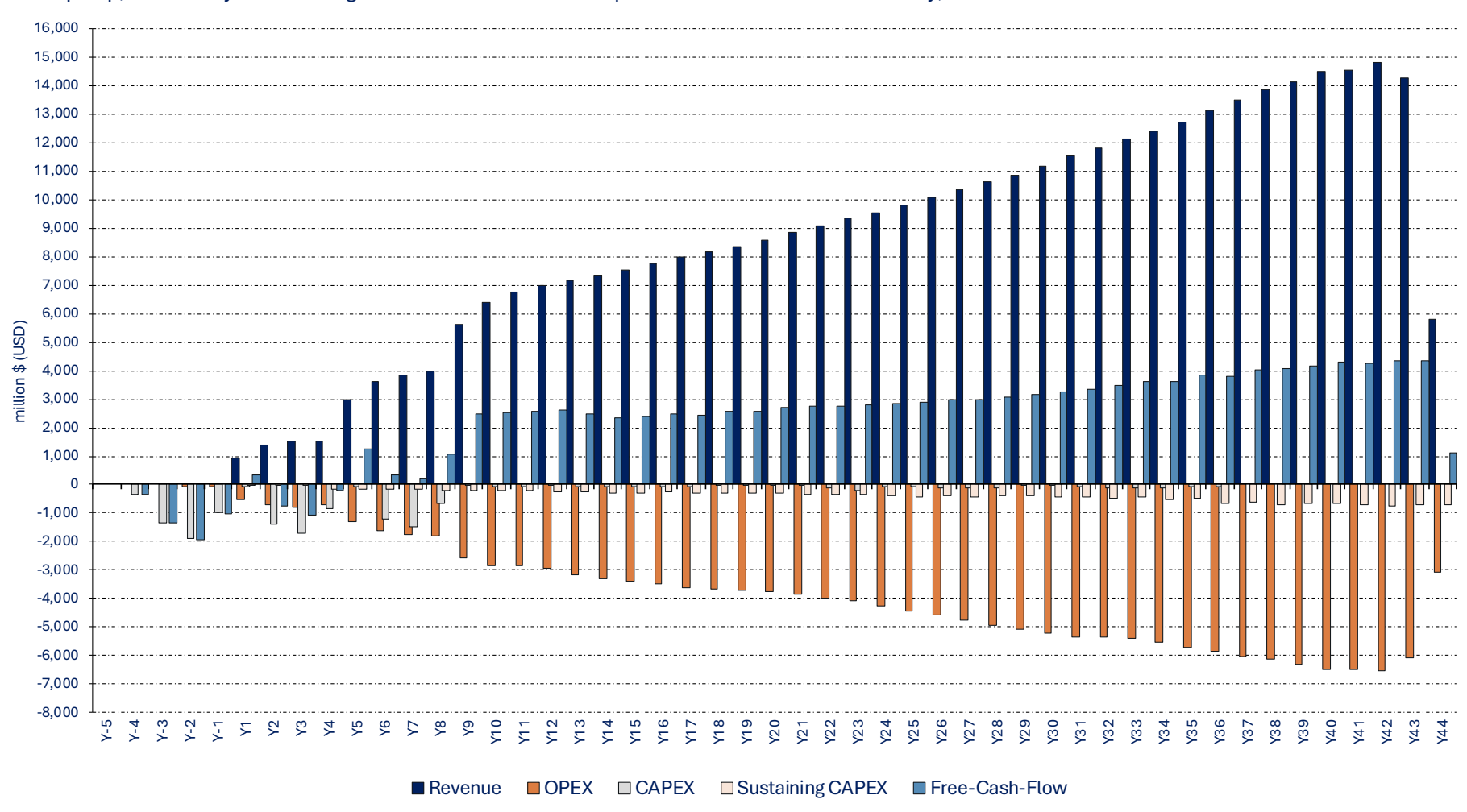


Figure 38: Base Case — Annual Life-of-Mine Cash Flows (nominal USD, pre-tax and post-tax)

6.5.8 Base Case — Cumulative Cash Flows (Nominal)

Base Case cumulative cash flow in nominal terms, showing the cumulative post-tax free cash flow over the 44-year mine life. The point at which the cumulative post-tax curve crosses zero marks the undiscounted payback of the Project's capital investment.

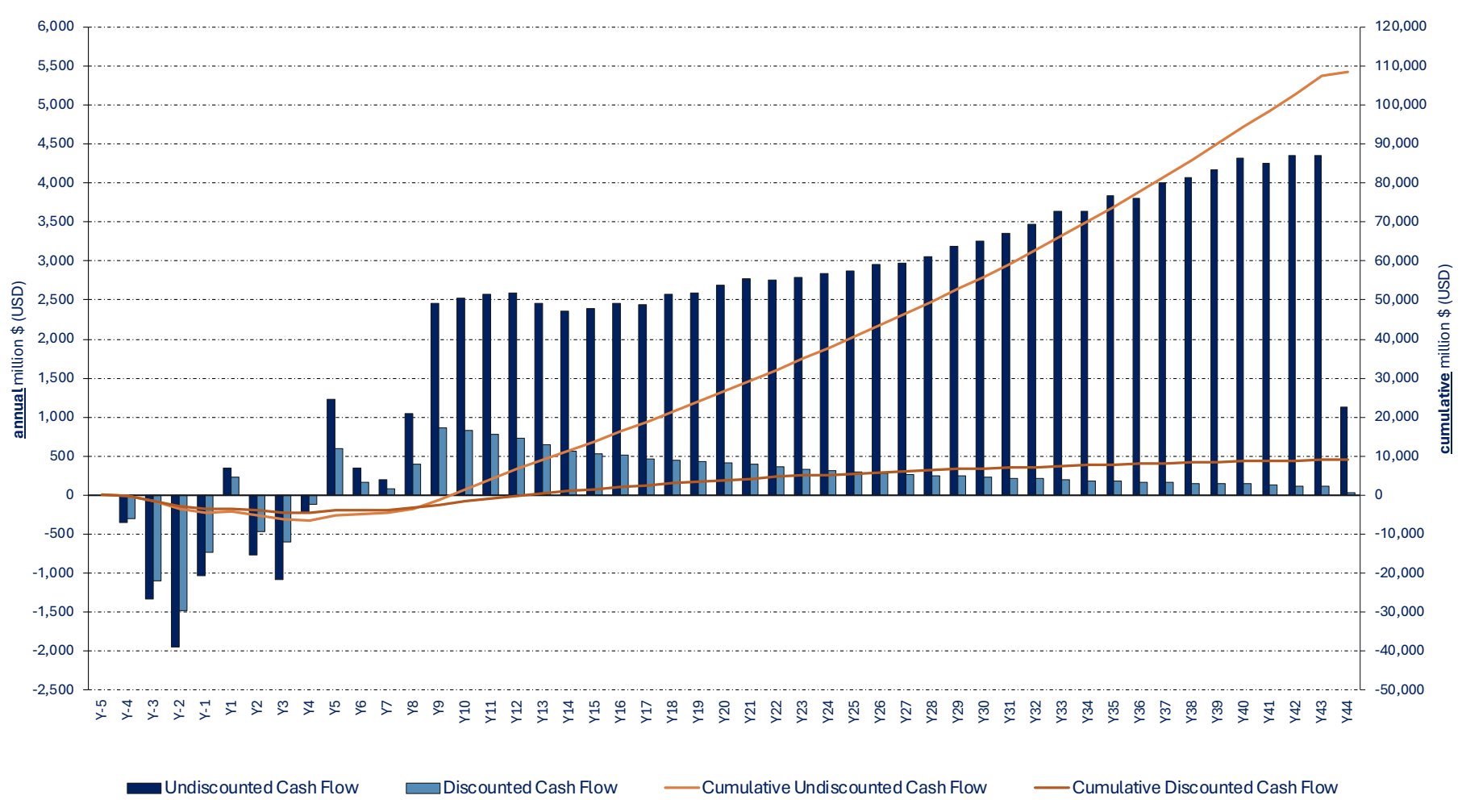


Figure 39: Base Case — Cumulative Cash Flows (nominal USD, pre-tax and post-tax, showing payback)

6.6 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: $\pm 10\%$ and $\pm 20\%$. 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 because the Internal Rate of Return is, by definition, independent of the discount rate, and a WACC sensitivity would therefore return an undefined result for that variable. The Base Case IRR is reported in Table 27 above.

The results for the $\pm 10\%$ range are presented in , and for the $\pm 20\%$ range. Both are expressed as post-tax NPV at a nominal 8% discount rate, in MUSD.

Table 28: Post-tax NPV Sensitivity — $\pm 10\%$ (MUSD)

Variable	-10%	Base Case	+10%
Weighted Average Cost of Capital (WACC)	11,506	9,007	7,006
62% Fe Benchmark Index Price	6,927		11,086
Operating Cost (OPEX)	10,267		7,752
Production CAPEX	9,552		8,469
Sustaining CAPEX	9,152		8,861

Table 29: Post-tax NPV Sensitivity — $\pm 20\%$ (MUSD)

Variable	-20%	Base Case	+20%
Weighted Average Cost of Capital (WACC)	14,650	9,007	5,396
62% Fe Benchmark Index Price	4,827		13,136
Operating Cost (OPEX)	11,533		6,478
Production CAPEX	10,082		7,913
Sustaining CAPEX	9,297		8,716

The sensitivity results are presented graphically as tornado diagrams in Figure 40 ($\pm 10\%$) and Figure 41 ($\pm 20\%$), which rank each variable by the magnitude of its impact on Base Case post-tax NPV across the tested range.

Figure 40: Base Case post-tax NPV sensitivity to key variables $\pm 10\%$

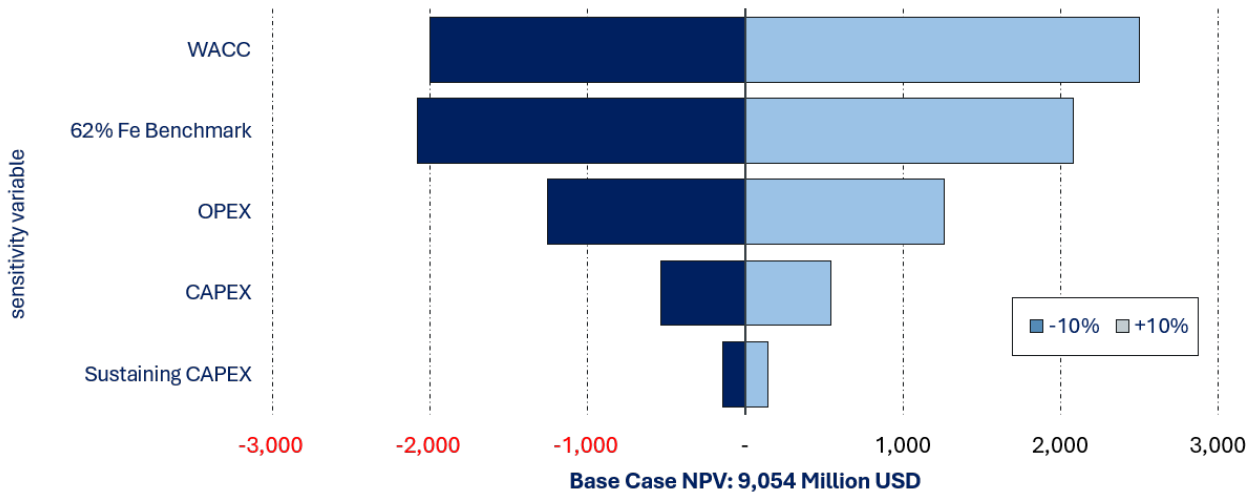
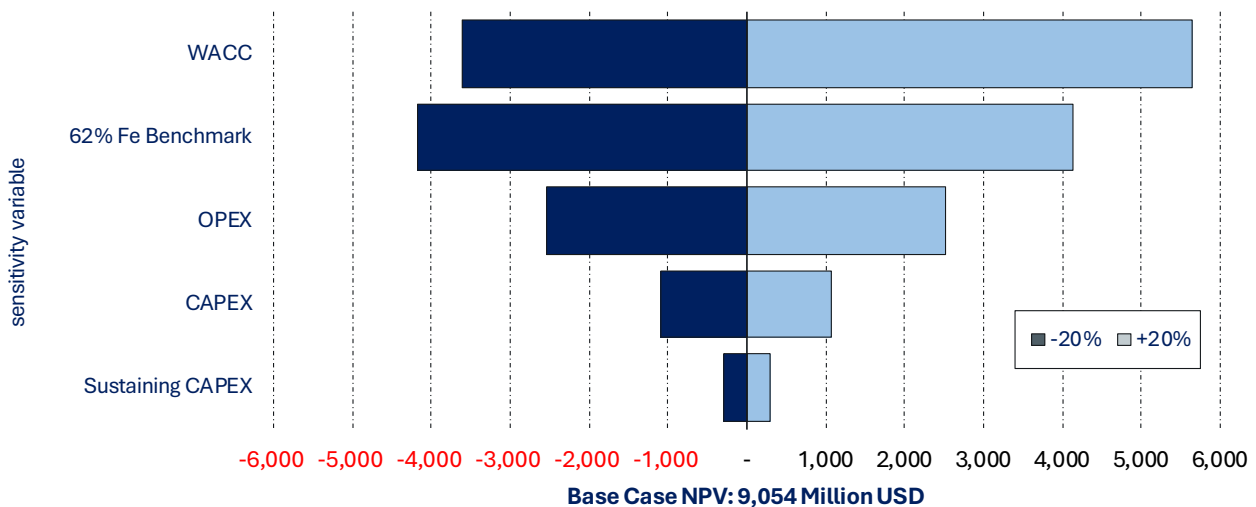


Figure 41: Base Case post-tax NPV sensitivity to key variables $\pm 20\%$



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.

6.7 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 44-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 three 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 and tax credits 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 Final Investment Decision (**FID**).



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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 CO₂ emission numbers of 29 kg/t sales (Scope 1), enhanced further to 18 kg/t sales (Scope 2) 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 Takuaihan 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 2026 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 2036, with Phase 2 targeted for end of 2039. Power supply is noted in the PFS as a critical aspect not fully under IBR's control, as it depends on engagement with 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.



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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.

Phases of Risk Management

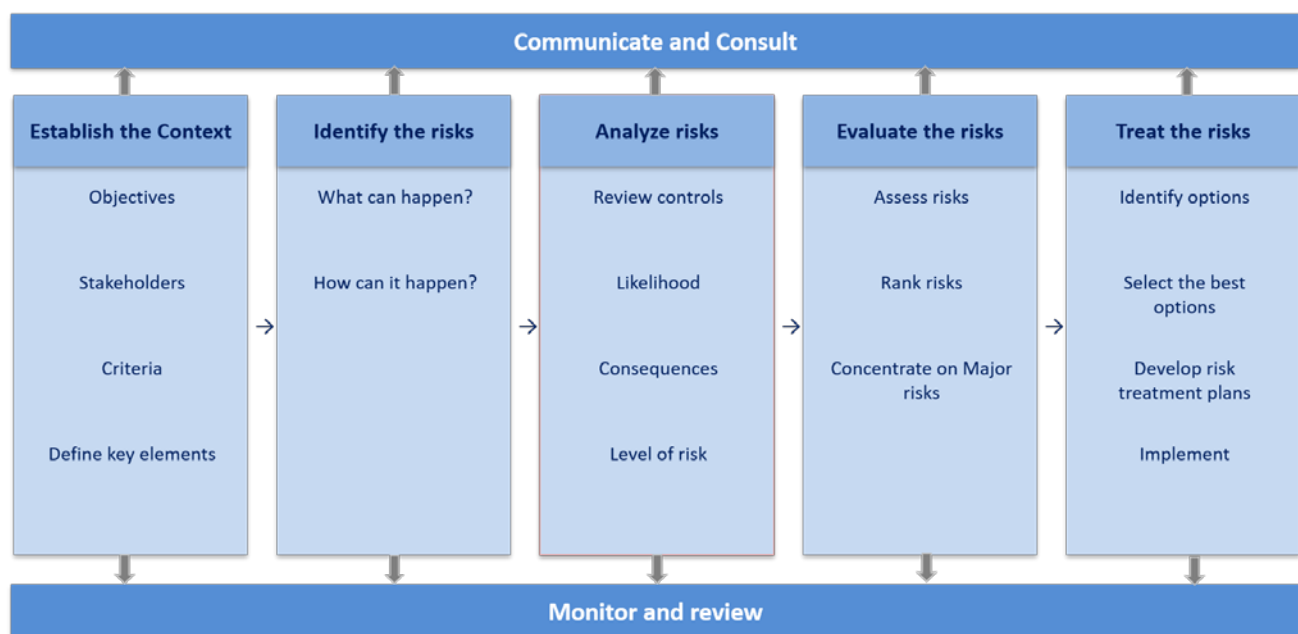


Figure 42: Risk assessment framework. Courtesy Hatch.

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 15 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 lake 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 2032 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 secondary crushing and screening building height 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 decarbonisation 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 ($\pm 30\%$) 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, a Project Value Improvement (PVI) phase is planned to identify and evaluate 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, improve iron recovery towards industry benchmarks, and validate the BALF drying technology for 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 three 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 Takuaitkan 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 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.

9.1.5 Funding

The Company estimates that \$138M USD is required to achieve Decision to Mine (DTM) and complete all activities outlined in the Development Plan. The Company has secured this funding through the Development Agreement with Vale S.A., one of the world's largest iron ore producers, executed on 17 February 2025. The Development Agreement defines a two-phased investment pathway for Vale to earn 75% of the Iron Bear Joint Venture, funding the Project through to DTM. Upon achieving DTM, Vale will become the majority shareholder of the Iron Bear Joint Venture.

Once DTM has been achieved, the pre-production capital investment required to construct the Project will be secured through an optimal combination of equity, debt financing and offtake agreements, supported by the compelling economics established in this and future studies and the strategic backing of a Tier 1 partner.



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10

APPENDICES

10 Attachment 1: Iron Bear Ore Reserve Statement

10.1 Material Assumptions and Additional Information

10.1.1 Geology and Mineral Resource

The Iron Bear deposit is located within the Paleoproterozoic Labrador Trough, a major volcano-sedimentary belt extending more than 1,000 km along the eastern margin of the Superior Craton in Québec and Labrador. The trough hosts numerous iron ore deposits and has supported continuous iron ore mining since the 1950s.

Iron Bear mineralisation occurs within Lake Superior-type BIF of the Sokoman Formation, part of the Ferriman Group of the Kaniapiskau Supergroup. The iron formation forms part of a volcano-sedimentary sequence deposited in a rift to passive margin basin environment.

In the project area the Sokoman Formation reaches a true stratigraphic thickness of up to approximately 300 m, although structural deformation and thrust stacking locally increase the apparent thickness of the mineralised package to greater than 800 m. The iron formation is interbedded with minor sedimentary units including quartzite, shale and phyllite associated with the Wishart, Ruth and Menihek formations, which are generally considered non-mineralised units.

The principal mineralised corridor at the Project, referred to as the Greenbush Zone, extends approximately 10 km along strike and up to 5 km in width, trending northwest-southeast. Numerous thrust faults have repeated and stacked the iron formation stratigraphy, producing multiple mineralised horizons with strong lateral continuity.

Iron formations within the Sokoman Formation are interpreted to comprise several lithological domains. Magnetite is the dominant recoverable iron mineral and is typically present as disseminated grains or thin bands within the iron formation. Hematite occurs as both primary hematite and locally as alteration products. The mineralised units (Figure 43) display good continuity along strike and down dip (Figure 44), supported by drilling, geological mapping and geophysical interpretation. The geological characteristics of the deposit are consistent with large-scale magnetite taconite deposits currently exploited elsewhere within the Labrador Trough region.

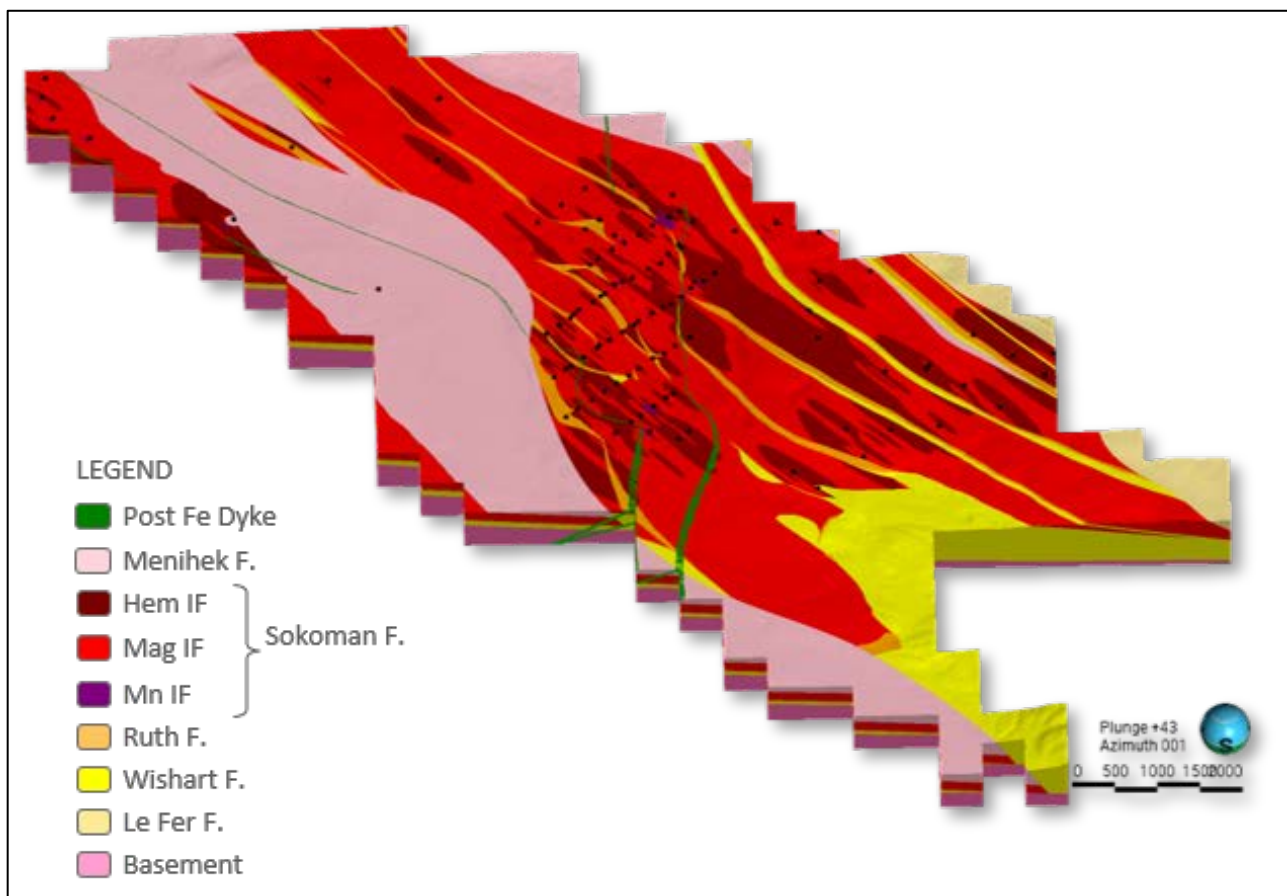


Figure 43: Iron Bear Geological Model (lithological iron oxide based model)

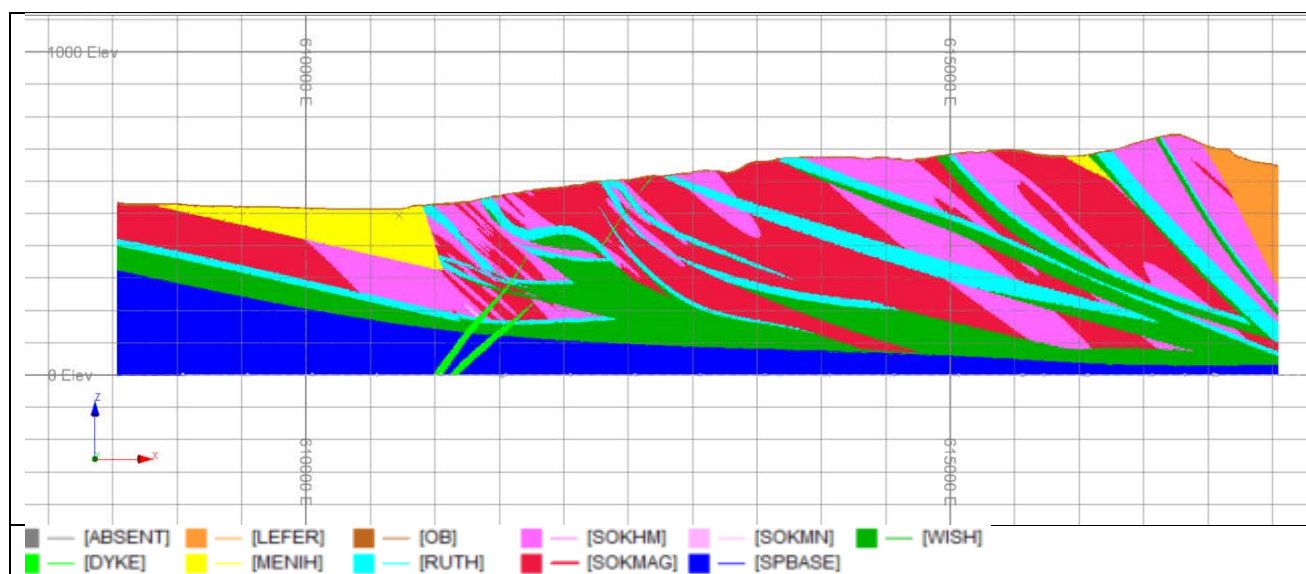


Figure 44: Cross section 6092700N lithology

Weathering within the Iron Bear project area is generally limited being largely restricted to the near-surface portion of the iron formation and may locally result in oxidation of magnetite to hematite or goethite. However, the majority of the mineralised sequence remains fresh magnetite-bearing taconite, which is suitable for beneficiation through magnetic separation.

The geological interpretation which formed the basis of the previous 2024 Mineral Resource estimate has been updated further to inform the updated Mineral Resource estimate issued to the ASX on 12 May 2026. This includes consolidating the geological work undertaken to date comprising drilling and logging of the lithologies encountered, field work including geological mapping of the project area, geophysical programs and interpretation of the collected geophysical data. Additionally, the classification methodology has been revised to be updated on drill hole spacing, and stricter application of RPEEE constraints and updated economic assumptions has been used.

The updated Mineral Resource estimate (May 2026) is shown in and forms the basis of the Ore Reserve estimate. The Mineral Resource update was completed by Snowden Optiro and was reported in accordance with JORC Code 2012.

Table 30: Iron Bear Mineral Resource Estimate at 12.5% magnetic Fe cut-off grade (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

10.1.2 Process Test work

Extensive testing of representative samples of the Iron Bear deposit underpins the process design, product yield, product quality and the revenue generation predicted in the PFS. The test work phases including composite samples from the project area of 1.6t, 7t and 18t were processed for flowsheet development, flowsheet verification and bulk sample production of blast furnace concentrate, direct reduction concentrate and direct reduction pellets. These test work phases have been released to the ASX on 28 November 2023, 14 December 2023, 23 April 2024, 10 October 2024 and 12 May 2026 respectively and can be summarised as follows:

- Phase 1: validate previous test work (from 2012) and flowsheet development to produce DR-grade concentrate
- Phase 2: low grade sample flowsheet verification and bulk sample generation for pelletising
- Phase 3: pelletising sighter test work
- Phase 4: resource grade bulk sample pilot test work taken through to pellet production and thermal profile design

The pilot test work generated repeatable final product grades of are shown in **Table 31** and have been validated against benchmark product specifications for market. Deleterious elements, specifically Al_2O_3 , SiO_2 , Phosphorus and Sulphur, have achieved product quality requirements for both concentrates and pellets, supporting the premium pricing assumptions used for the Projects economic evaluation.

Table 31: Process Test work Product Specifications

Grade	BF Concentrate	DR Concentrate	DR Pellets
Fe%	69.1	71.0	68.4
SiO ₂ %	3.5	1.2	<1.6
Al ₂ O ₃ %	<0.1	<0.1	<0.1
P%	<0.01	<0.01	<0.01
S%	0.004	0.003	0.003
Cold Crushing Strength (kg/pellet)			346

10.1.3 Geotechnical

The geotechnical parameters are based on an updated study completed by Bastion Geotechnical, building on the previous conceptual study (2025) used to support the Scoping Study released to the ASX on 11 August 2025. The updated study is supported by a combination of geotechnical logging of core, updated geological modelling of the deposit, geomechanical lab test work of selected rock samples, rock mass unit classification, limit equilibrium slope stability analysis, and further benchmarking of pit slope recommendations based on other iron ore projects located in the Labrador Trough region.

Slope design parameters have been derived to match industry standard Design Acceptance Criteria (DAC) for the open pit. Both the in-pit backfill and ex-pit waste rock dumps (WRD's) were also assessed for slope stability against various operational and closure DAC.

The updated pit slope design parameters recommended are outlined in and shown in Figure 45 against the ultimate pit design.

Table 32: Recommended geotechnical slope design parameters for the Iron Bear Project

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

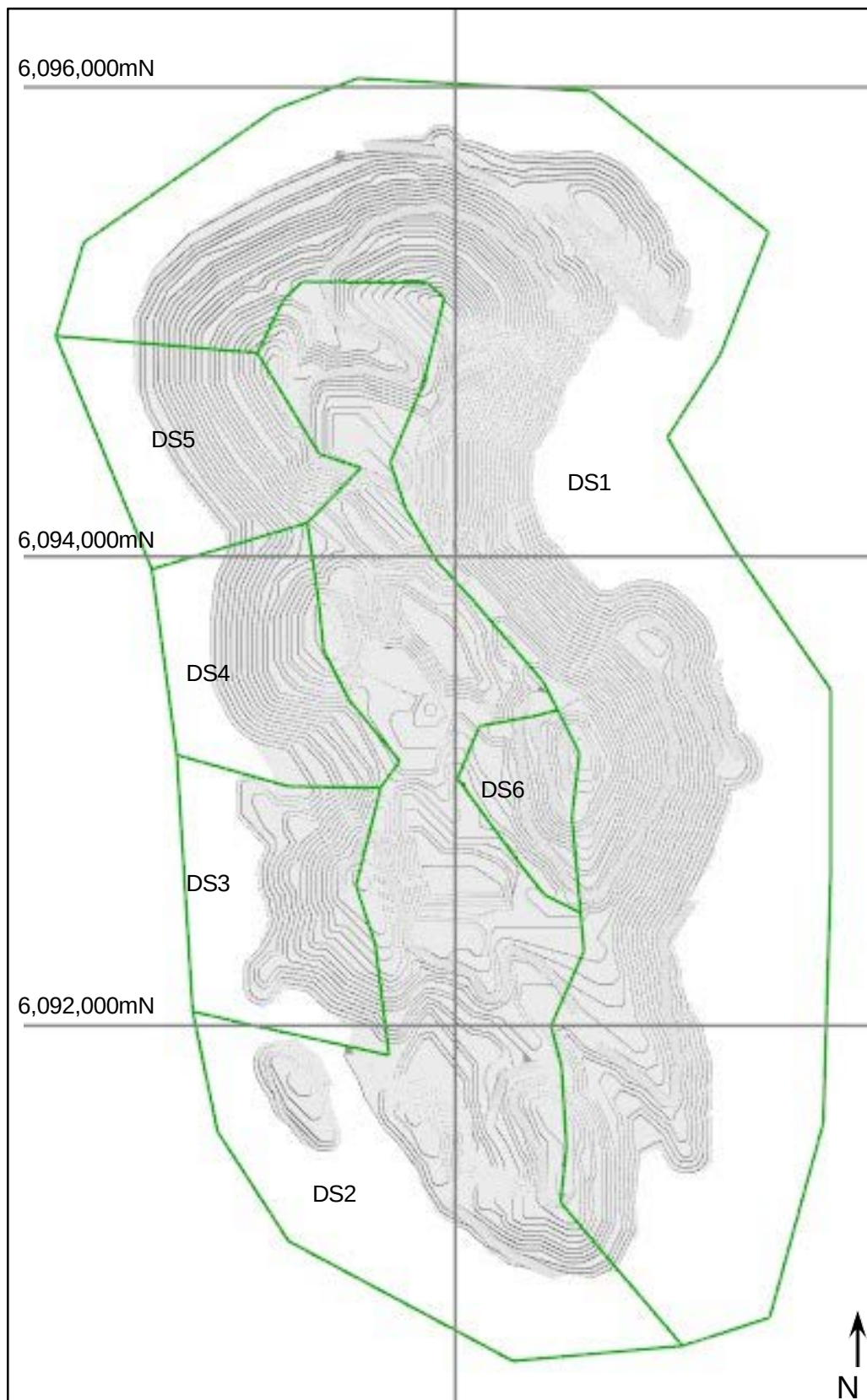


Figure 45: Recommended geotechnical slope design sectors - Plan View.

The pit design has been based around the conceptual study (2025) pit slope parameters (**Table 33**) and adjusted for 15m bench heights by Snowden Optiro. **Table 34** summarises the adjusted pit design parameters and Figure 46 shows the location of the geotechnical design domains in relation to the pit design crest and corresponding equivalent Overall Slope Angles (OSA) derived for application in pit optimisations. The OSA's accommodate for ramps and slope estimation errors for application in the pit optimisation process to maintain slope design conformance.

Table 33: Conceptual Study Pit Slope Design Parameters (Bastion, 2025)

Design Sector	Batter (m)	Height	Batter Angle (°)	Face	Berm (m)	Width	Inter_Ramp Angle (°)	Slope
DS1	16		80		20.0		35	
	22				27.5			
DS2	16				16.2		40	
	22				22.3			

Table 34: Detailed Pit Design parameters by geotechnical design sector (Snowden Optiro)

Parameter	East	Other
Batter angle (°)	80	80
Batter height (vertical m)	15	15
Berm width (m)	18.8	15.2
Inter-ramp slope - IRA (°)	35	40
Geotechnical berm interval (vertical m)	0	0
Geotechnical berm width (m)	0	0
Ramp width (m)^a	44.0	44.0
Ramp slope (%)	10	10
Pit Optimisation Overall Slope Angle – OSA (°)	37	32

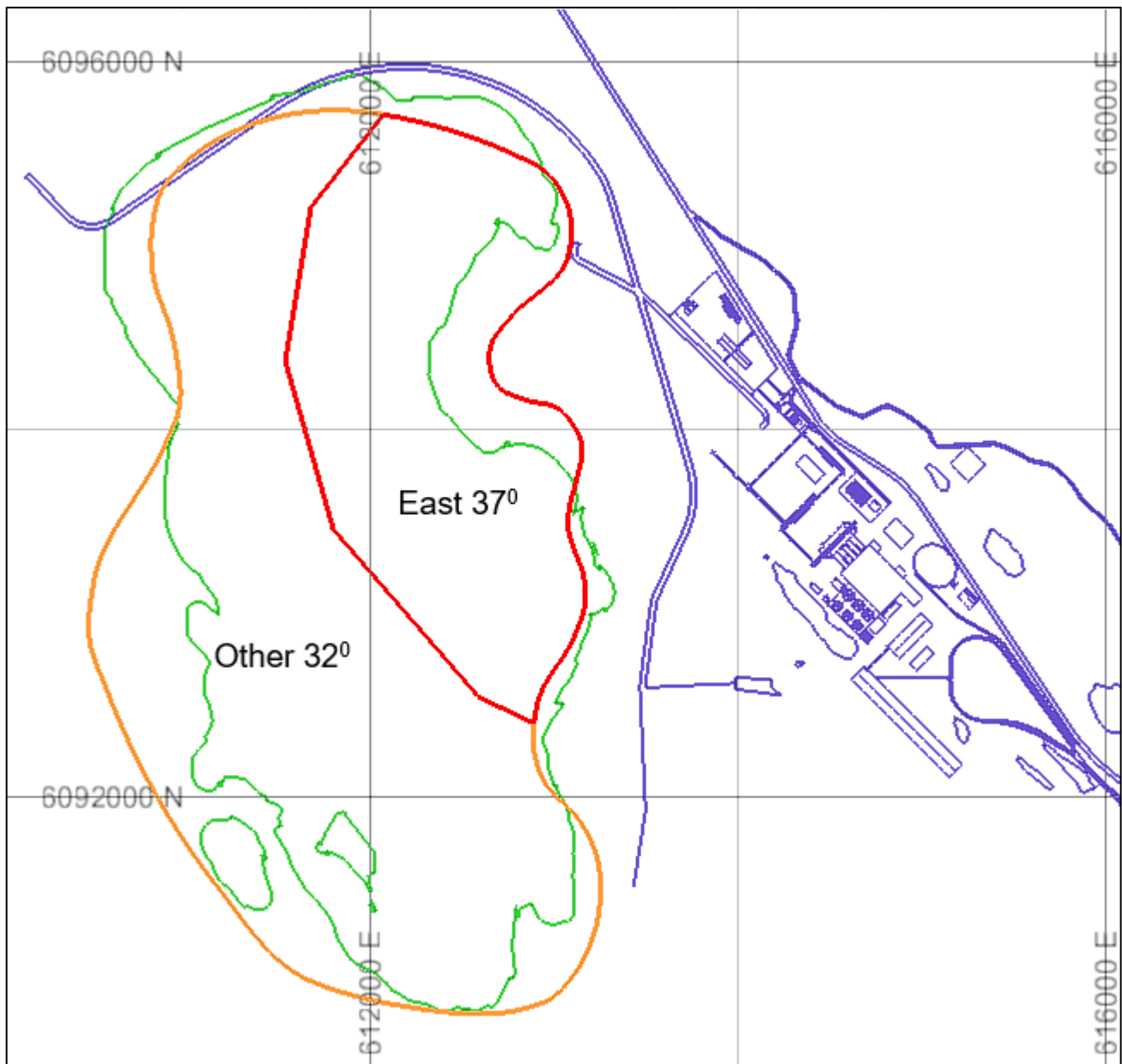


Figure 46: Geotechnical Design Sectors and PFS Pit Design Crest (green)

The pit design was assessed as part of the PFS geotechnical study to confirm conformance with the updated slope design recommendations across the expanded design sector criteria. All pit slope sections analysed meet the adopted DAC. Overall, the pit design retains significant conservativeness that can be further optimised in the next study phase.

The WRD designs were assessed to be conforming against all DAC.

Geotechnical risks do remain to be addressed in future geotechnical studies including expansion of the structural model detail, and completion of a hydrogeological study. The lack of hydrogeological study at this stage is not anticipated to be material to the geotechnical stability of the pit slopes or execution of the mine plan based on the Projects geological setting as well as other regional iron ore project experiences where groundwater influence and the subsequent water volumes that are considered to have an immaterial impact on the relevant mining components of the Project.

Additional geotechnical core drilling has also been recommended to extend the supporting dataset informing the geotechnical analysis.

10.1.4 Pit Optimisation

Pit optimisations were run over the three processing/product options being assessed for the Project, these being DR Concentrate and Pellets, DR Concentrate only, and BF Concentrate only. Only Indicated mineral resources were used to derive the pit optimisation results and support pit design processes. For the purposes of the pit optimisation scenarios, exclusions were placed on blocks within 200 – 250m of mineral licence boundaries and known exclusion areas (e.g. adjacent lakes) to prevent pit shells expanding into these areas.

Ore loss and dilution was applied based on the results of reblocking of the resource model to 25 m x 25 m x 15 m (XZY). These Smallest Mining Unit (SMU) dimensions are suitable for compensating for estimated ore loss and dilution and commensurate with the proposed mining fleet and mining methods. The reblocking outcomes compared to the Resource block model within the Mineral Resource Estimate RPEEE pit shell are shown in Table 35.

Table 35: SMU Results - Resource vs. mining model comparison within RPEEE Pit Shell

Parameter	Resource model	Mining model	Difference (%)
Mass (Bt)	13.6	14.0	+3.0%
Fe (%)	30.0	29.6	-1.5%
Mag Fe (%)	20.7	19.9	-4.0%

A cut-off grade of 12.5% MagFe cut-off was used to align with the Mineral Resource estimate grade and to support a target feed grade of approximately 20% MagFe. A minimum mining width of 50m was applied through the block aggregation process to serve as a constraint on the minimum mining width for the final drop cuts on the floor of the pit.

Table 36 shows the detailed pit optimisation parameters for the BF Concentrate scenario. Variances to the parameters between scenarios are shown in Table 37 through to Table 39. A discount rate of 8% was used for all scenarios.

Table 36: Pit Optimisation Parameters (BF Concentrate)

Item	Units	Value
Modifying factors		
Slope angles	°	East – 37 Other - 32
Dilution	%	Reblock 25x25x15
Ore loss	%	Reblock 25x25x15
Process recovery	%	97.6
Conc grade	% Fe	69.1
Costs		
Mining cost	US\$/t rock	3.11
	Surface RL	600
Vertical Haul Cost escalation	US\$/t/ m depth	0.005
Horizontal Haul Cost escalation	US\$/km	0.1
Process cost	US\$/t ore	3.51
G&A cost	US\$/t ore	1.21
Tailings cost	US\$/t tailings	1.67
Sustaining CAPEX	US\$/t ore	1.06
Revenue Price		
Net conc price¹	\$/t product	90.09

1. Net concentrate price has been used for the pit optimisation revenue parameters. It is the effective net revenue received per tonne of product produced. It considers the % of concentrate that is sold at the respective market prices, with transport, sales, any downstream pelletising costs and royalties deducted representing a mine gate sale for the purposes of the pit optimisation process

Table 37: Pit Optimisation processing recovery by process type

Scenario	Processing recovery (%)	Concentrate grade (% Fe)
DR with Pellets	88.7	71.3
DR Concentrate	88.7	71.3
BF Concentrate	97.6	69.1

Table 38: Pit Optimisation ore cost by scenario

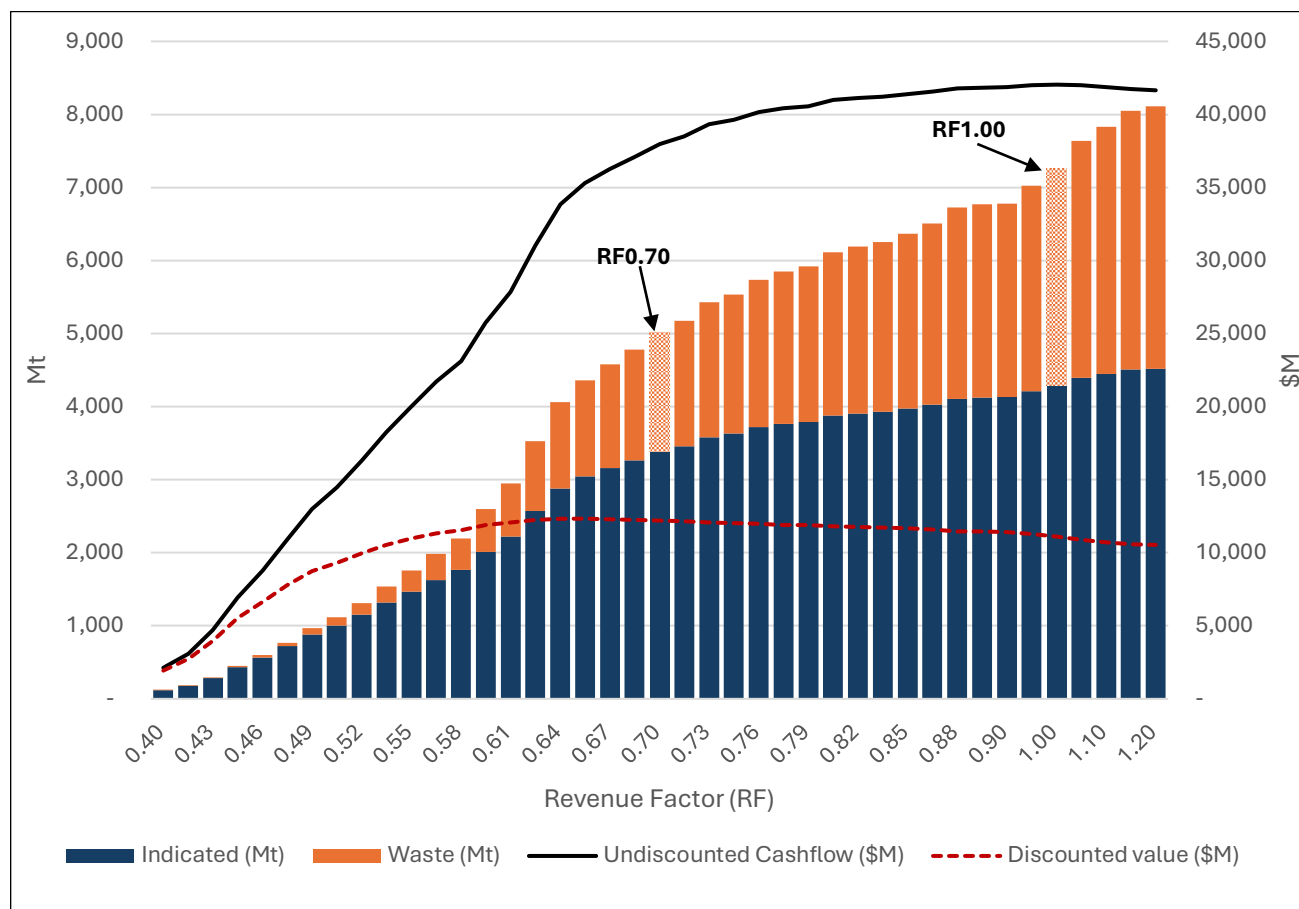
Cost (\$/dmt)	DR and Pellets	DR Concentrate	BF Concentrate
Processing	5.86	5.86	3.51
Sustaining capital	1.38	1.38	1.06
Tailings Cost	1.67	1.67	1.67
G&A Cost	1.87	1.87	1.21
Total ore cost	10.78	10.78	7.45

Table 39: Pit Optimisation Net Revenue prices with equivalent Market Revenue Prices

Scenario	Net revenue price	Equivalent market price
	(US\$/t product)	US\$/t product)
DR and pellets	137.19	189.63
DR Concentrate	103.63	147.80
BF Concentrate	90.09	134.06

Figure 47 shows the multi-Revenue Factor (RF) pit optimisation results for the BF Concentrate scenario over incremental changes to the base case net revenue price. The figure highlights the RF1.00 pit shell which contained the highest undiscounted value and RF0.70 which was selected as the preferred pit shell form this scenario to help guide the pit design. Undiscounted value rises quickly before flattening off for the remaining outputs, indicating only marginal increases in value for mining larger pits as the waste quantities continue to increase at a higher rate than the increasing Indicated resource quantities. That occurs at approx. RF0.66 in this scenario.

This pit optimisation process was repeated across the other scenarios with analogous results achieved.


Figure 47: Pit Optimisation Results (BF Concentrate) showing selected pit shell (RF0.70) and RF1.0 results

Pit shells that achieved an approx. 40 year mine life (or 3Bt of inventory) were selected to guide the final pit design and are compared in Table 40 and Figure 48. Pit shell sizes that achieve that selection criteria are consistent in size both spatially and at vertical depths, therefore supporting the pit design developed and any production profile variation selected for the LOM schedule.

Smaller RF pit shells were used as a guide for developing the pit stage designs incorporating minimum mining width parameters.

Table 40: Selected Pit Shell by scenario comparison

Item	DR with Pellets	DR Concentrate	BF Concentrate
Pit Shell no.	16	25	21
Revenue Factor	0.63	0.84	0.70
Total Material (Bt)	5.06	5.10	5.02
Waste (Bt)	1.67	1.69	1.64
Indicated Resource (Bt)	3.40	3.41	3.38
Product (Mt)	836	841	914
Undiscounted value (US\$M)	55,817	27,869	37,969

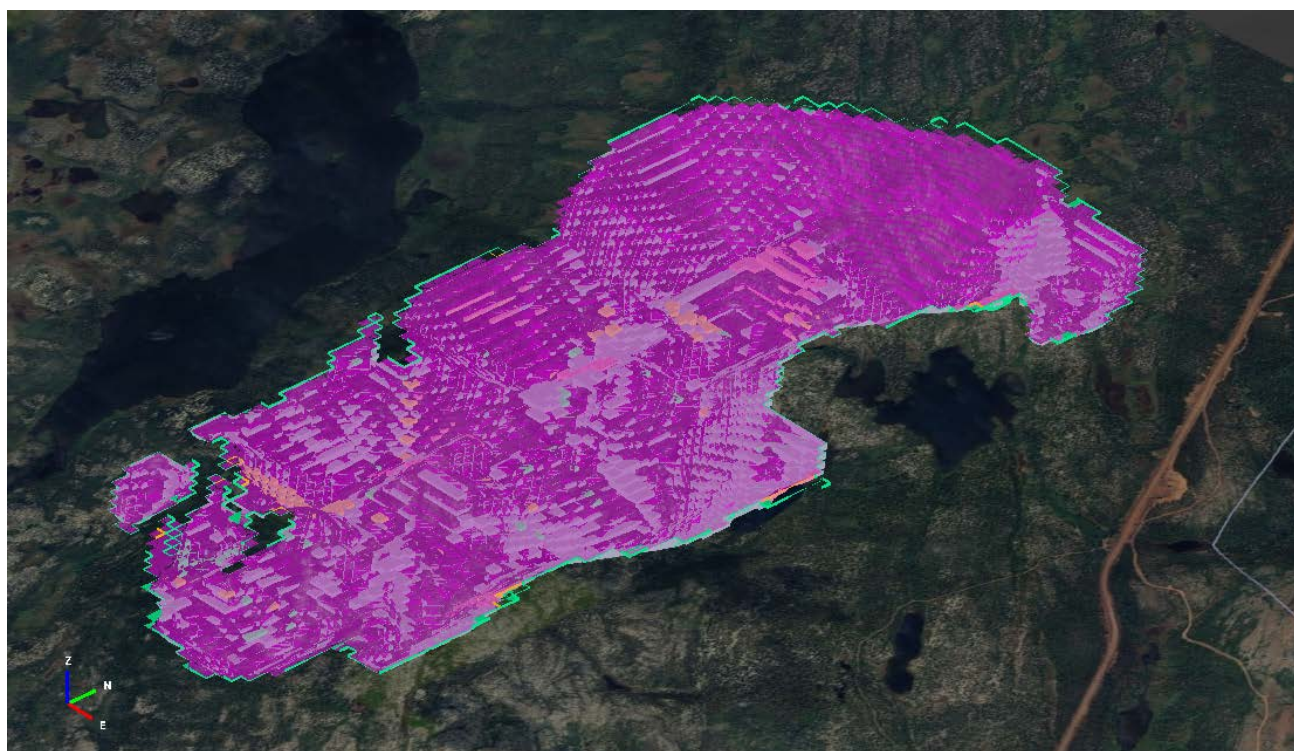


Figure 48: Selected Pit Shells (DR with pellets = orange, DR concentrate = green, BF concentrate = magenta)

Inferred Resources were included in a separate pit optimisation scenario to guide infrastructure and ex-pit waste dump placements with consideration to potential future economic resource growth. The pit shell results

inclusive of Inferred resources have not been used to guide the pit design process and/ or any other mining study component that supports the Ore Reserve estimate.

10.1.5 Mine Design

The ultimate pit design is shown in Figure 49. It is approximately 5km in length along strike, 1.5km in average width and reaches a maximum depth of 465m from surface. The pit contains approximately 4.95 Bt of material comprising 3.44 Bt of mill feed inventory and 1.51 Bt of waste at an average grade of 19.9% Mag Fe (**Table 41**). Inferred resources make up 5% of the total mineral inventory.

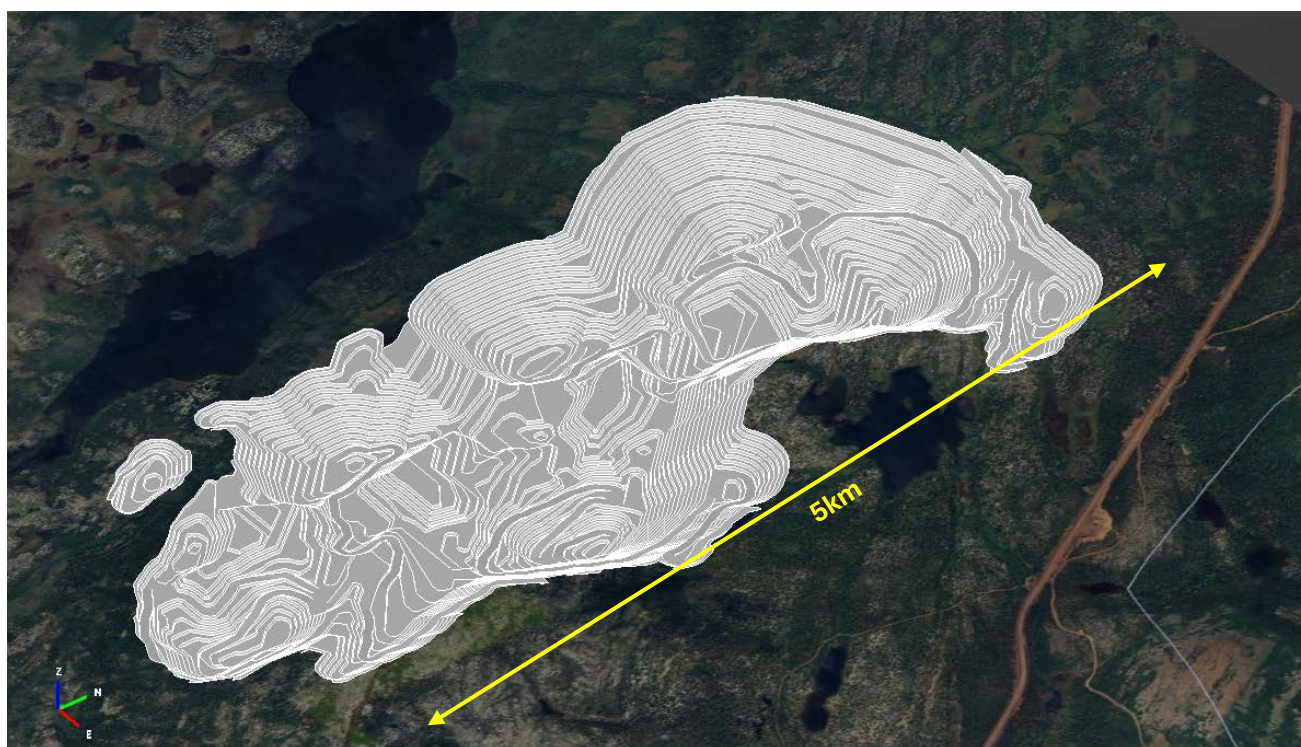


Figure 49: Ultimate Pit Design

Table 41: Total Pit Inventory

Item	Value
Total (Bt)	4.95
Strip ratio (waste:ore)	0.44
Waste (Bt)	1.51
Mill Feed Inventory (Bt)	3.44
Fe (%)	29.1
MagFe (%)	19.9

Three ex-pit WRD's, ROM Pad, connecting haul roads, topsoil stockpiles, and in-pit areas dedicated to in-pit backfilling as the mining sequence allows have been incorporated into the mine designs (Figure 50).

The ex-pit WRD's are designed to be built in 20m lifts and a 38m berm for an overall slope of 17 degrees for alignment with proposed rehabilitation requirements. The southern ex-pit WRD's are designed to integrate with the tailings storage facility and staged tailings dam wall raises over the life of mine plan, as developed by Hatch for the PFS.

Haul roads are 44m width for dual lane and 22m for single lane at a maximum gradient of 10% based on the largest equipment size proposed for use onsite (360t payload dump trucks). Additional design considerations for switchbacks and intersections have been based on current industry benchmarks and guidelines.

The mining operation is design on a direct tipping basis into the crushers with the ROM stockpile only intended to manage short-term disruptions to the crushing and conveying system. A total of approx. 5.4Mt of combined stockpile capacity exists on the ROM including proximal rehandle stockpiles and a separate overflow stockpile. No long-term stockpiling is included.

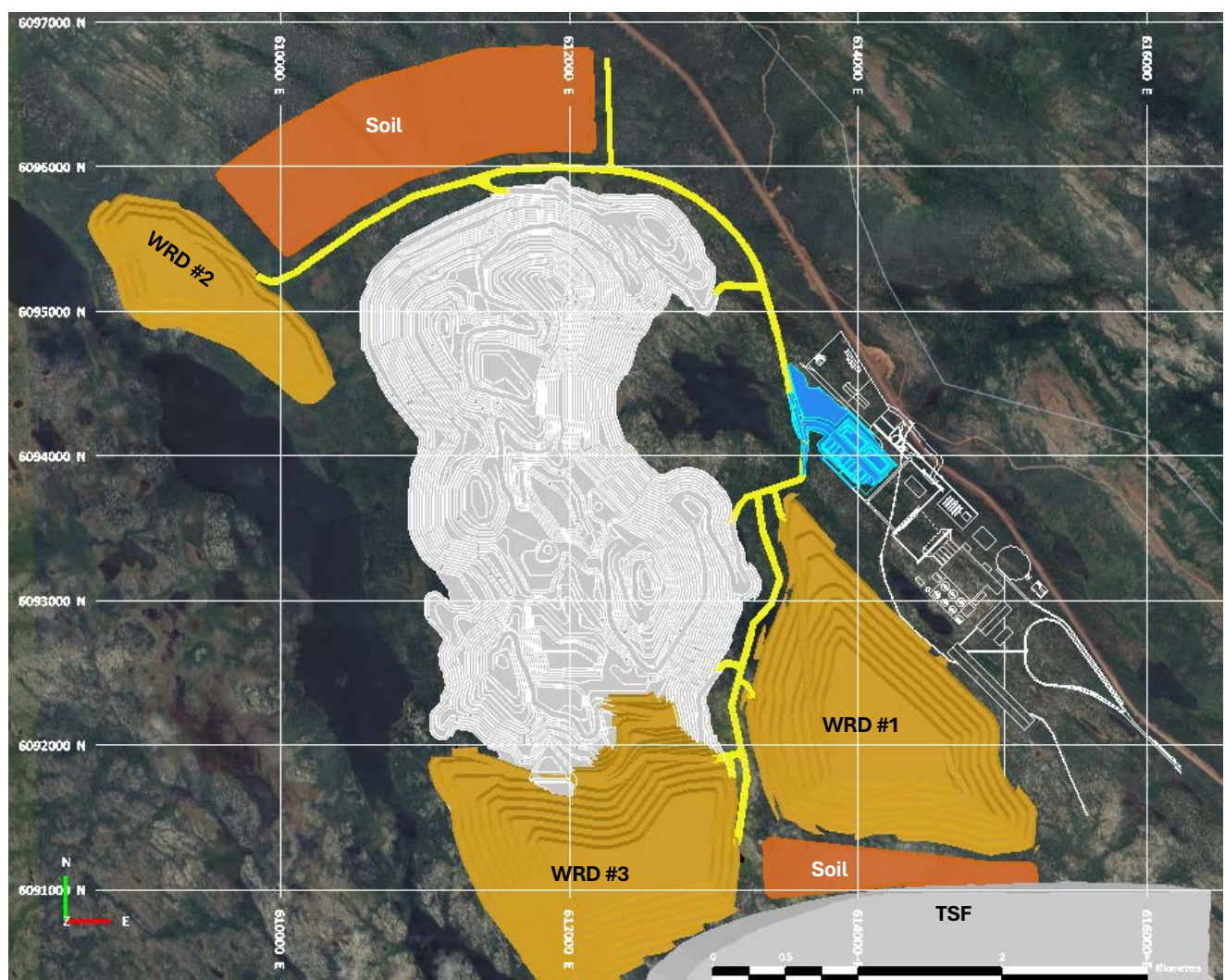


Figure 50: Mine Design Layout

The pit will be developed in stages to align with achieving the progressive mining and processing ramp-up, and ongoing LOM production requirements. Minimum mining widths for the pit stages and designs are 100m and approx. 150m for mining cutbacks, with 50m for mining at the base of pits.

Figure 51 provides a schematic of the pit stage layout with **Table 42** a breakdown of the pit stage inventories.

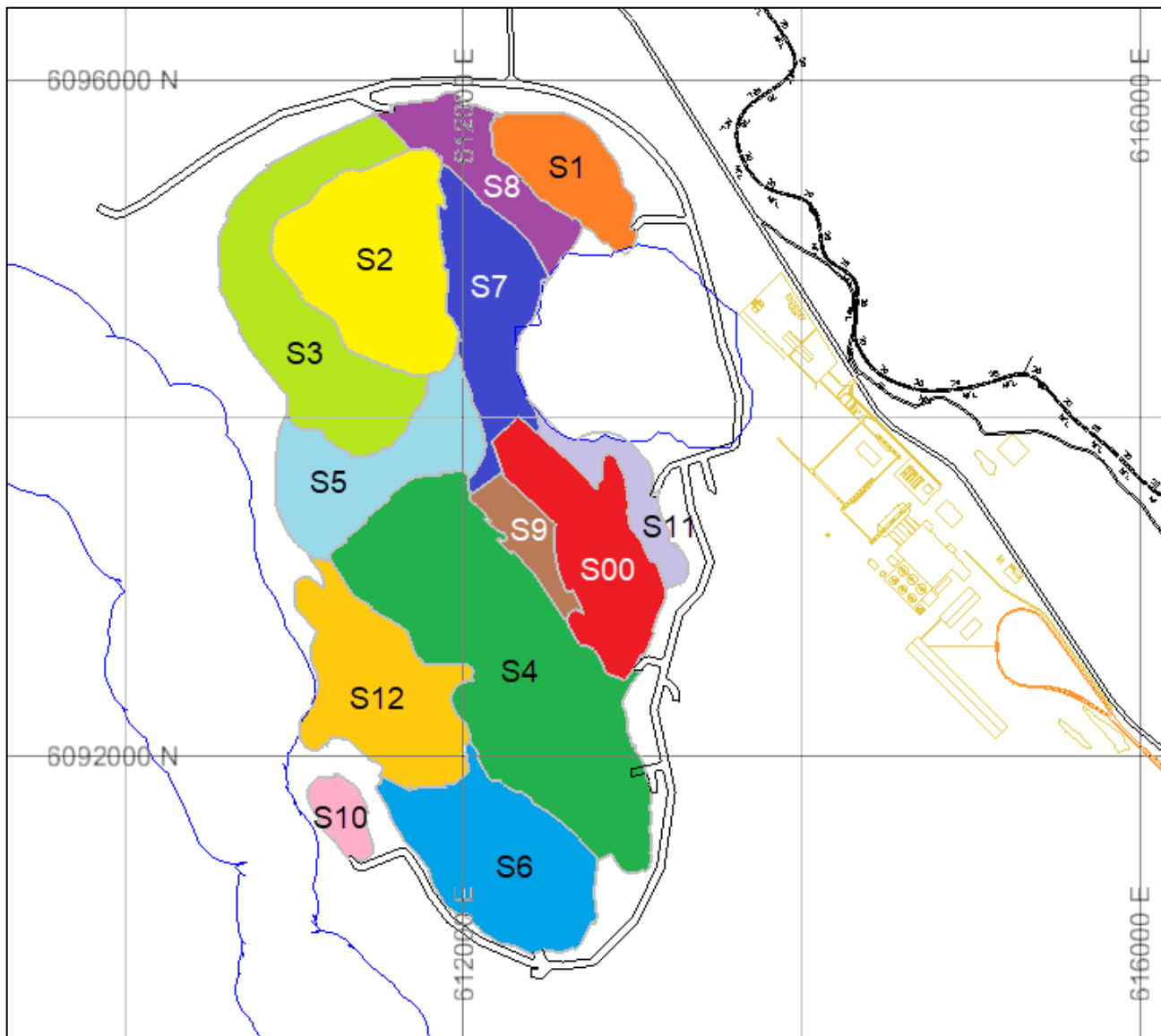


Figure 51: Plan layout of Pit Stage Designs

Table 42: Pit Stage Total Inventory Summary

Stage	Mill Feed Inventory (Mt)	MagFe %	Waste (Mt)	Strip Ratio (w:o)
0	4.5	17.4	93.9	0.03
1	69.0	22.8	6.1	0.09
2	188.0	21.2	46.5	0.25
3	583.6	20.9	207.2	0.36
4	506.0	19.9	121.0	0.24
5	333.9	19.4	135.9	0.41
6	168.8	18.1	74.3	0.44
7	181.3	19.0	128.1	0.71
8	557.2	19.8	310.4	0.78
9	203.6	19.4	62.3	3.14
10	9.1	19.6	5.5	0.24
11	398.2	19.5	181.7	0.46
12	235.9	18.8	139.8	7.04
Total	3,439.2	19.9	1,512.8	0.44

10.1.6 Mine Schedule

The LOM 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.

The mining schedule reflects the staged development of the pit, with production ramping up in line with infrastructure and processing capacity.

A two-year pre-production period has been applied to the mine schedule commensurate with the planned phase Project ramp-up plans. The pre-production period will cater for site establishment, tailings dam construction waste requirements and a general mining activity ramp-up to align with the processing ramp-up profile established. The processing ramp-up is applied to each commissioned processing train and is consistent with being between a Type 2 and Type 3 McNulty curve. This is considered appropriate for this Project given its large scale, project study maturity, and current flowsheet proposed.

Total ex-pit movement increases progressively during the early years as mining operations are established and additional equipment is deployed (Figure 52). Peak mining rates occur during the middle of the mine life, particularly in the period from approximately Year 25 to Year 30. 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.

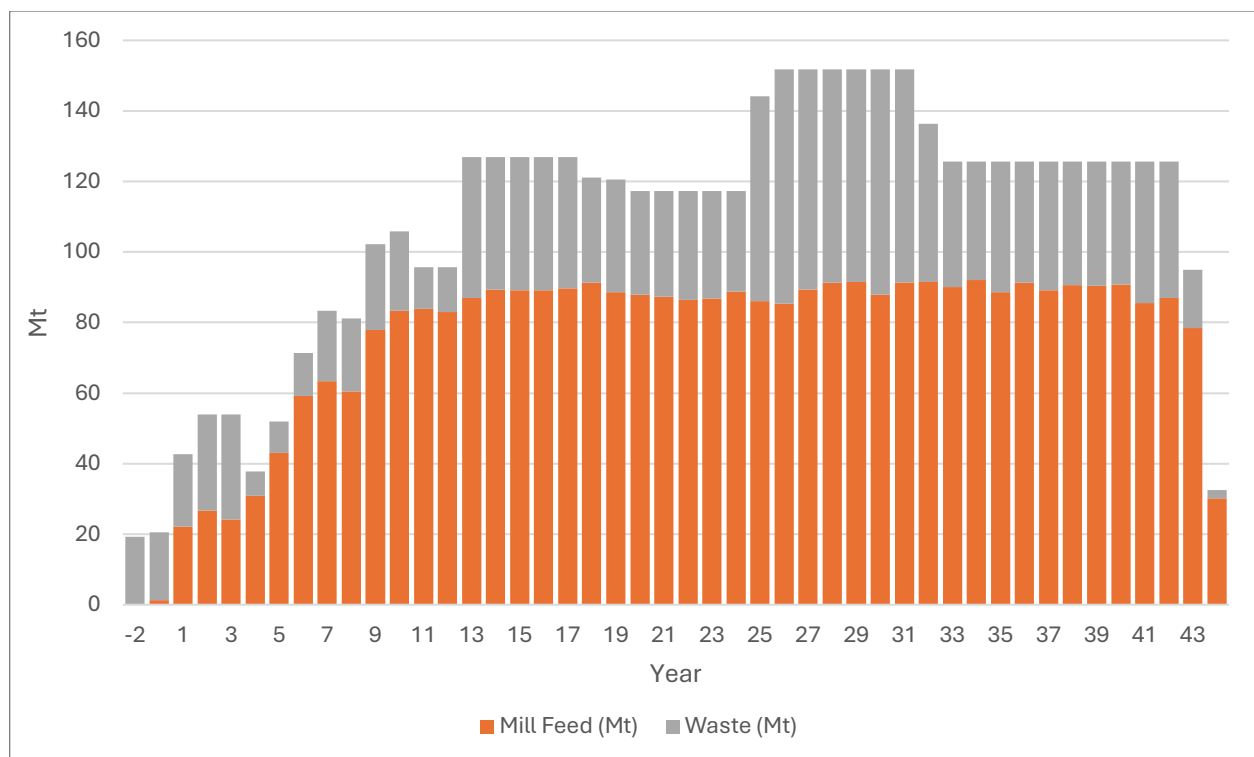


Figure 52: Mined Quantities

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 53), an outcome of the scheduling objective used. This does result in higher quantities of Inferred resource being included in the mill feed from years 11 to 21, up to 15% on an annual basis across a six-year period within that timeframe but overall determined to be immaterial to the Projects economic outcomes.

Although hard constraints on the quantity of Inferred resources being included in the mill feed in the first half of the projects life were applied, the spatial occurrences of the Inferred around targeted higher grade Probable Ore Reserves (Figure 54) was a limitation as to how long the deferral of Inferred resources could be maintained before impacting practical mine sequencing and ROM stockpiling limitations, and was therefore an unavoidable outcome. Inferred resources only make up 4% of total feed during the payback period and 9.4% of total feed during the first 20 years of operations.

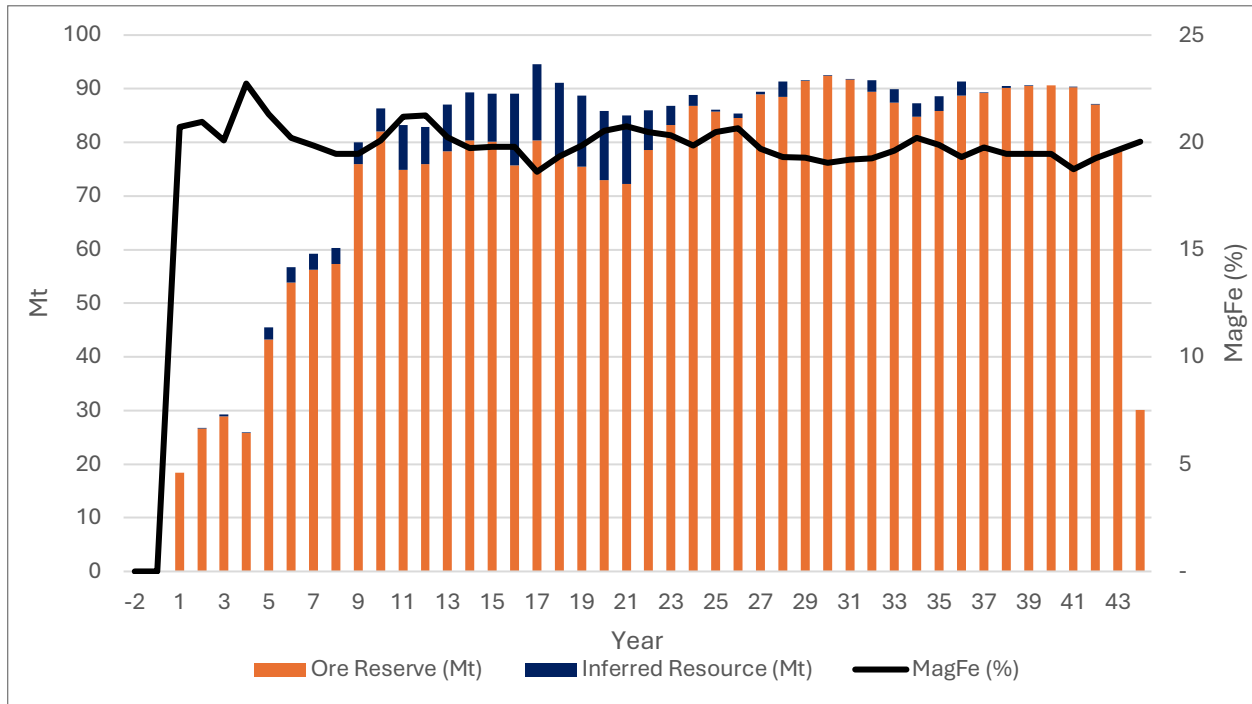


Figure 53: Process Feed Quantities and Grade by classification

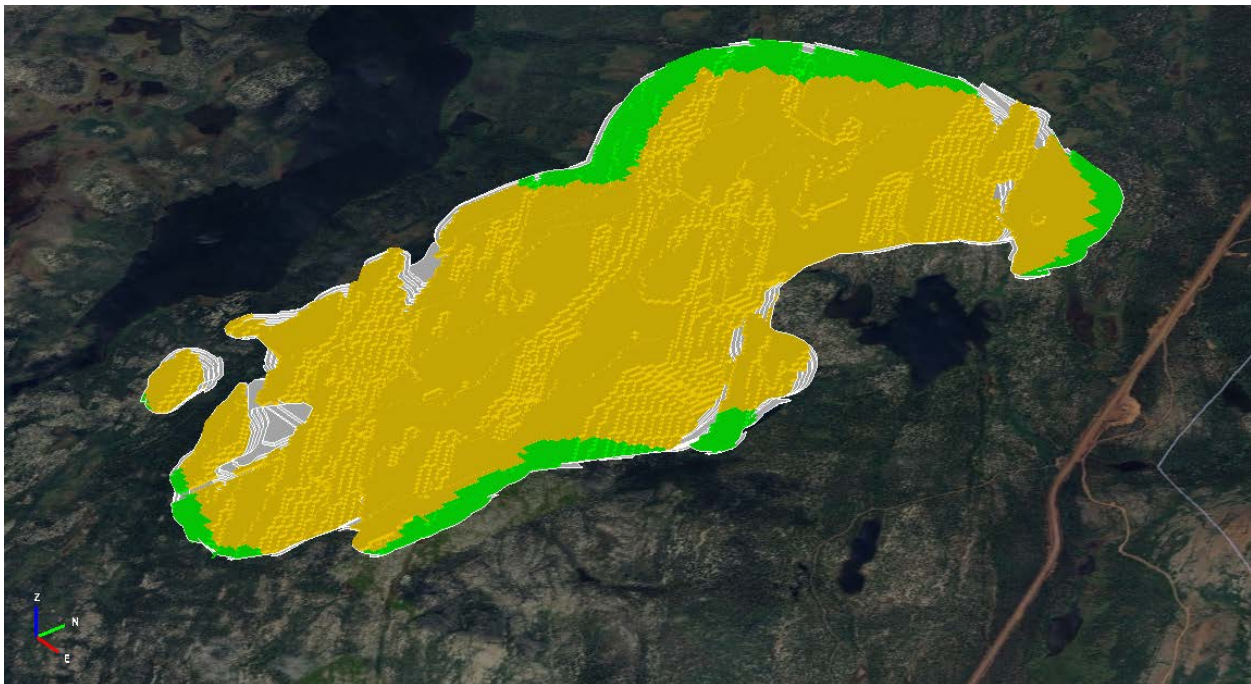


Figure 54: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)

A total of 888 Mt of product is produced over the LOM schedule after accounting for magnetic recovery, reverse flotation recovery and pelletising. The proportion of product sales by quantity and type are:



- BF Concentrate = 190 Mt (21%)
- DR Concentrate = 13Mt (2%)
- DR Pellets = 685Mt (77%)

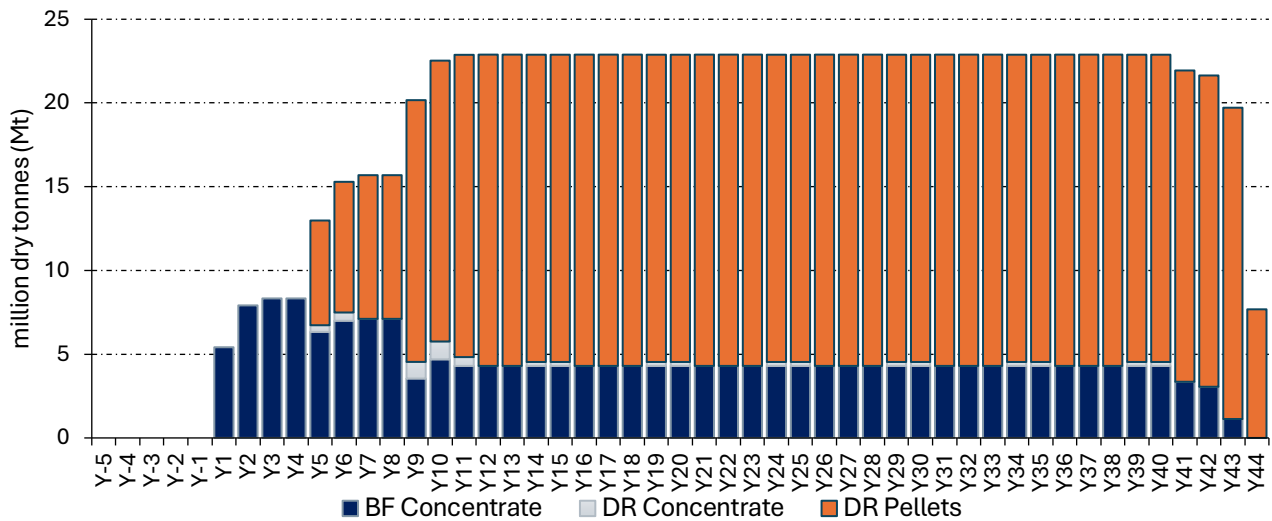


Figure 55: Production profile over time.

10.1.7 Ore Reserve Estimate

A maiden Probable Ore Reserve estimate of 3.3 billion tonnes (Bt) of magnetite ore at 29.1% Fe was estimated in accordance with the requirements of the JORC Code (2012). Based on the May 2026 Mineral Resource Estimate along with application of material modifying factors including detailed pit and stage designs, mine production scheduling, cost modelling and economic evaluation, has determined that the Project has reasonable prospects of being technically achievable and economically mineable to provide up to 98 Mtpa of feed to the process plant for a nominal 25 Mtpa of magnetite concentrate production.

Table 43: Iron Bear Ore Reserve Estimate reported at a 12.5% MagFe cut-off

Classification ^{1,2,3}	Tonnes (Bt)	Fe%	MagFe%
Proved	-	-	-
Probable	3.3	29.1	19.8
Total	3.3	29.1	19.8

1. The Ore Reserves are a subset of the Mineral Resource
2. Tonnages and grades are reported including mining dilution
3. Tonnages are dry metric tonnes; appropriate rounding has been applied, and rounding errors may occur

The Ore Reserve is a subset of the scheduled mineral inventory (Production Target) supporting the forecast financial information which includes Inferred resources. The Ore Reserve and economic viability of the project under the assumptions assessed for the PFS, are not reliant on the Inferred 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 in the PFS comprises of 95% Ore Reserves and 5% Inferred Resources.

The Ore Reserve estimation process followed a standard approach of input parameter definition, agreement on key project and mining assumptions, process driven evaluation and assessment of the established parameters and assumptions, and validation of the outputs produced. This is inclusive of block model regularisation for ore loss and dilution estimation, pit optimisation of the mining block model using optimisation software, mine design, mining method and equipment selection suitability, equipment productivity assessments and benchmarking, life-of-mine scheduling, mining cost estimation, cashflow modelling and project financial analysis.

COMPLIANCE STATEMENTS

Information included in this announcement constitutes forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “may”, “opportunity”, “plan”, “potential”, “project”, “seek”, “will” and other similar words that involve risks and uncertainties.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources and reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation as well as other uncertainties and risks set out in the announcements made by the Company from time to time with the Australian Securities Exchange.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of the Company that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by applicable law and stock exchange listing requirements.

11 Attachment 2: JORC Table 1

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as basis for the conversion to Ore Reserve</i> <i>Clear statement as to whether the Mineral Resources are reported in addition to, or inclusive of, the Ore Reserve</i>	- 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	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits</i> <i>If no site visits have been undertaken indicate why this is the case</i>	- Mr Joel van Anen of TME Mine Consulting (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) period. - Mr van Anen has been able to rely on the availability of the projects expansive data sets including 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	<i>The type and level of Study to enable Mineral Resources to be converted to Ore Reserves</i>	The maiden Ore Reserve estimate is based on the PFS released to the market on 29 July 2026. The PFS has been prepared to an accuracy of $\pm 30\%$ in accordance with an AACE Class 4 estimate (Tailings to AACE Class 5) using Indicated and Inferred Mineral Resources across a 44-year Life of Mine (LOM) schedule to produce approximately 25Mtpa (dry) of iron ore products inclusive of Blast Furnace (BF) and /or Direct Reduction (DR) concentrates and pellets. - The PFS was compiled with input from specialist consultants and vendors: - Hatch - Ammjohn - BBA - IOS Geosciences - Snowden Optiro - Bastion Geotechnical - TME Mine Consulting - COREM - IDOM/SMS - Scott Steel - Fortin Pipelines - Sikumiut Environmental Management (SEM) - AglomSA

Cut-off parameters

- *The basis of the cut-off grade or parameters applied*

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.*

- Application of material modifying factors commensurate with a PFS level of accuracy has determined that the Project has reasonable prospects of being technically achievable and economically mineable.

- The Ore Reserve is reported at a cut-off grade of 12.5% MagFe to align with the Mineral Resource Estimate. The cut-off grade also supports achieving the target feed grade to the process plant of 20% MagFe,

Pit Optimisation

- Pit optimisations were completed using Whittle software to produce a range of pit shells for each of the magnetite product scenarios using recommended slope design criteria, processing recoveries together with mining, processing, tailings disposal, general & administration, sustaining capital (Capex), and transport and sales cost estimates. Optimisations were also run at varying revenue projections to support the basis for detailed pit designs and subsequent LOM schedule sequencing.
- The resource block model was regularised to a Smallest Mining Unit (SMU) size of 25m x 25m x 15m (XYZ) based on the size and selectivity of the proposed mining fleet. The SMU size caters appropriately for ore loss and dilution estimates with an overall change in resource model to mining model being a 3.0% increase in total resource tonnes a 1.5% decrease in Total Fe% grade, and 4.0% decrease in MagFe% reported within the RPEEE pit shell. These values are similar to other taconite iron ore projects in the region. Primarily, ore loss and dilution occurrences take place at the hangingwall and footwall contacts of the stacked mineralised domains.
- Exclusions were placed on blocks within 200 – 250m of mineral licence boundaries and known exclusion areas (e.g. lakes) to prevent pit shells expanding into these areas.
- Pit shells that achieved an approx. 40 year mine life were selected to guide the final pit design. Variations in pit shell sizes both spatially and vertical depths between the different product scenarios is immaterial, supporting any production profile variation selected for the LOM schedule.
- A Revenue Factor (RF) pit shell of 0.70 (BF Concentrate) is the base case scenario for the pit design. Smaller RF pit shells have been used to guide pit stage designs and LOM schedule sequencing.
- A pit optimisation scenario including Inferred Resources was run as a sensitivity to guide infrastructure and ex-pit waste dumps placements with consideration to potential future economic resource growth, however, has not been used to guide the pit design process and/ or any other mining study component that supports the Ore Reserve estimate.

Mining

- A large-scale conventional truck and shovel open-pit operation is proposed using high-capacity electric rope shovels and hydraulic excavators, ultra-class dump trucks (360t payloads) and suitably sized ancillary fleet to support the mining operation that is commensurate with the cold-weather conditions experienced through the Canadian winters. An owner-operator structure has been assumed and costed for the PFS.
- Mining activities will take place on 15m high benches.

- Conventional drill and blasting (D&B) practices will be employed using large rotary drill rigs. 251mm blast holes and design powder factors up to 0.39kg/t (1.26kg/bcm) are assumed. These parameters are consistent with taconite iron ore projects in the region. A detailed D&B study is however recommended for the next study phase to improve on the site-specific D&B parameters used.
- An allowance for grade control has been included in the mining costs assumed to be achieved by a combination of RC grade control, blast hole drill sampling and use of a geophysical probe to establish the waste contacts based on density and magnetic susceptibility reading. Grade control studies will be required in future studies to optimise the drill spacing and suitability of utilising blasthole sampling and probe use as a grade control standard.
- Haul roads are 44m width for dual lane and 22m for single lane at a maximum gradient of 10%. Additional design considerations for switchbacks and intersections have been based on current industry benchmarks and guidelines.
- Minimum mining widths for the pit stages and designs are 100m and approx. 150m for mining cutbacks.
- The operation is 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. 5.4Mt of stockpile capacity exists on the ROM. No long-term stockpiling is included in the mine plan.
- Waste will be utilised for site establishment requirements, haul road construction, and tailings dam construction with the remainder disposed of in dedicated ex-pit waste dumps sequenced to optimise haulage distances over the LOM schedule. In-pit backfilling will be incorporated into the operation once parts of the pit reach final depths and limits. Ex-pit waste dump designs give consideration to final rehabilitation profile requirements.
- Waste characterisation for Potentially Acid Forming (PAF) and metal leaching materials was assessed for the PFS, with the risk of these material occurrences within the deposit considered low. Further testwork is recommended to be undertaken to increase the quality of the dataset, better characterise the material variability, and confirm the conclusions of the initial assessment.
- Topsoil will be stripped progressively as required for pit stage development. Dedicated stockpiles have been allocated to topsoil storage requirements. Seasonal limitations apply to clearing and topsoil stripping, an execution schedule has captured the impacts of these constraints. Further refinement on these components is required in the next study phase.
- A detailed hydrogeological study has not been completed for the PFS. Allowances for in-pit sump pumping have been included in the mining cost. Based on the Projects geological setting as well as other regional project experiences where seasonal rainfall and snowmelt forming the majority of water management requirements, the lack of hydrogeological study at this stage is not anticipated to be material to execution of the mine plan. This will be addressed in detail during the next study phase.

Geotechnical

- Pit slope design criteria used of the PFS pit design is based on a conceptual study completed by Bastion Geotechnical in 2025 as part of the Projects previous Scoping Study released to the ASX on the 11 August 2025, adjusted to a 15m bench height.

Design Sector	Batter Height (M)	Batter Face Angle (°)	Berm Width (M)	Inter_Ramp Slope Angle (°)
30YEAR_DS1	16	80	20.0	35
	22		27.5	
30YEAR_DS2	16		16.2	40
	22		22.3	

- A PFS level Geotechnical Study has been completed by Bastion Geotechnical to support the PFS incorporating updated geological modelling, lab testwork results, and expanded benchmarking

against other region iron ore projects. The PFS pit and waste dump designs were incorporated into the study assessment and reviewed against updated design criteria.

- The pit design and waste dumps were assessed to conform with the updated recommendations, Both the Pit and WRD slopes were assessed as being conforming with the 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

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

Mine schedule

- The LOM schedule is based on feeding up to 98Mtpa (dry) of process feed to achieve the production target of approximately 25Mtpa (dry) of BF-grade magnetite concentrate at full production.
- The schedule incorporates a 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 is included 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 was included in the scheduling outputs.
- Other key scheduling constraints include:

- o Total ex-pit tonnage movements of 150Mtpa (dry)
- o Vertical advance limitations typically up to 60m per annum
- o Maximum of four pit stages active at any one time
- The PFS LOM schedule was 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

- Supporting mining infrastructure proposed includes:
 - o Electrical reticulation into the pit
 - o Explosives storage facilities
 - o Mine communications, fleet management and GPS systems
 - o Mine offices and operator amenities
 - o Maintenance facilities and warehouse
 - o HV workshop and garage
 - o Contractor and commissioning yards

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 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?*
- The processing flowsheet and process plant design is 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 testwork at a larger scale will continue to de-risk this aspect.
- Extensive testwork of Project material has directed the detailed design and engineering of the process plant and flow sheet for the PFS. Numerous trade-off studies on processing options have also been concluded throughout the ongoing study process.
- Winterisation design and engineering is incorporated throughout the process plant and supporting infrastructure to prevent freezing, consistent with the Projects location and a common requirement for industrial plants and processing facilities in this part of Canada.
- The Process Plant is designed to process up to 98Mtpa (dry) of feed containing magnetite, hematite and gangue to produce up to 25Mtpa (dry) of BF concentrate at a product specification of 69.1% Fe and 3.5% SiO₂.
- With reverse flotation at an 88.7% recovery, the concentrate can be upgraded to Direct Reduction (DR) grades of 71% Fe and 1.2% SiO₂ 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 8.3Mtpa (dry) of concentrate production capacity. Phases are staged over a

four-year cadence with the second and third processing trains coming online in Years 5 and 9 respectively.

- The selected process flow for the PFS consists of:
 - Crushing and screening with three gyratory crushers, twelve sizing screens and six secondary cone crushers for the oversize.
 - An extensive three stage grinding circuit incorporating HPGR's, ball mills, hydrocyclones, dewatering screens, Isamill's, 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, is a 816m² travelling gate pelletising plant capable of producing between 9.3Mtpa and 10.1Mtpa (dry) of pellets at a productivity of 35t/m² 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 9 of operations. Excess concentrate not used for pelletising will be exported from the port facilities.
- Extensive testwork up to pilot scale has been conducted in a four-phase approach since IBR has taken ownership of the Project in 2023. The testwork phases have been released to the ASX on 28 November 2023, 14 December 2023, 23 April 2024, 10 October 2024 and 12 May 2026 and are summarised as follows:
 - Phase 1: validate previous testwork (2012) and flowsheet development to produce DR-grade concentrate
 - Phase 2: low grade sample flowsheet verification and bulk sample generation for pelletising
 - Phase 3: pelletising sighter testwork
 - Phase 4: resource grade bulk sample pilot testwork taken through to pellet production and thermal profile design
- Product samples (concentrates and pellets) have been validated against benchmark product specifications for market.
- Deleterious elements, specifically Al₂O₃, SiO₂, Phosphorus and Sulphur, have achieved product quality requirements for both concentrates and pellets, supporting the premium pricing assumptions detailed in the PFS.
- Process testwork has provided the basis of design for process recoveries for the PFS. These are:
 - 26.9% mass yield to BF Concentrate
 - 97.6% recovery of MagFe to BF Concentrate
 - 88.7% recovery of MagFe to DR Concentrate
- Future piloting testwork is planned for process optimisation and variability testwork, and to provide additional support for ongoing development, engineering and design efforts.

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*

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*

- Initial baseline environmental studies have been completed for integration into the PFS, including terrestrial ecology, terrain, water resources, aquatic ecology, and atmospheric conditions (air quality and noise).
- In addition, a human and social baseline study was completed. All baseline studies provide the groundwork for permitting requirements and future environmental impact assessments.
- Site infrastructure including tailings storage and the mine designs take into account environmental exclusion zones around key features in the project area, including lake systems, local and indigenous land use areas, and identified sacred sites.
- IBR have developed an extensive project implementation plan as part of the PFS incorporating environmental study and approvals required in the lead up to development activities commencing.
- There are very reasonable grounds to expect that all necessary environmental project approvals will be received within the timeframes required for commencement of construction as outlined within the current proposed development timelines.
- Extensive infrastructure requirements have been proposed for the Project including:
 - Site earthworks for access and construction requirements
 - Non-process infrastructure
 - Processing plant
 - Wet slurry tailings storage facility
 - Water management infrastructure
 - Rail loop and load out facilities at both the mine site and Port
 - Pellet Plant and supporting material handling systems at the Port
 - Administration and maintenance facilities for the mine and processing plant
 - Emergency response services and facilities
 - Supporting services and infrastructure including lighting, control systems, HVAC, heating, fire protection, compressed air, dust collection and waste management systems.
 - Power supply from the Churchill Falls hydroelectric facility to the mine site provided by new 315-kV transmission lines, site-based substation and requisite stepdown transformers, and site power reticulation. Power upgrades including new substation(s) will also be required to service the port and pellet plant facilities.
- Various tailings storage options, wet slurry and filtered dry stack tailings, have been investigated for the PFS. A centreline raised dam wet slurry disposal solution has been selected as the preferred case for the PFS. Other wet slurry and dry stack tailings options remain possible solutions and will continue to be refined with increasing project definition and supporting testwork.
- The workforce will be based at a dedicated workforce accommodation facility to be established within the Project area. The preferred location remains under evaluation and will support a predominantly FIFO workforce model.
- Although Schefferville is not connected by road to major population centres in Quebec or Labrador, the community benefits from reliable air and rail services.
- There are various gravel road connections regionally, some partially sealed along varying distances. A road access and modularisation study focussing on construction requirements and logistical needs

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*

to develop the project was completed for the PFS. A preferred route selection to access the project from suitable port infrastructure has been identified and upgrades costed. Other options remain possible, including rail, which will continue to be refined in future studies.

- Capex costs for the process plant, power, rail, logistics, and associated non-process infrastructure costs have been developed by Hatch. IDOM have completed the Capex estimate for the pellet plant. Engineering and design have been developed for the capital cost estimate to be calculated with an accuracy of $\pm 30\%$ in accordance with a Class 4 AACE estimate.
- 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 from internal databases.
- Mining Capex and Opex has been estimated by Snowden Optiro to an accuracy of $\pm 25\%$ 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 and LOM schedule completed in support of the PFS. The designs are considered fit-for-purpose for the expected duty over the life of the project. Cost estimates for this study were based on a combination of quantified material take-offs, established vendor supplied quotations, internal and external databases, benchmarking against other known projects, and factoring where required.
- Indirect costs, EPCM and contingency have been applied using standard industry factors appropriate for PFS level definition.
- Safety in Design and Constructability workshops were undertaken on all Project areas through the PFS to facilitate design and cost estimate requirements, as well as highlight areas for review in the next study phase.
- The Project has a Life of Mine of 44 years in the base case
- 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 and do not take into account IBR's current and future ownership of the Project under the binding development agreement entered into with Vale S.A (ASX announcement on 17 February 2025)
- The foreign exchange rates in the financial model are assumed constant and are:
 - o USD:AUD 0.65:1.
 - o 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*

- 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 being between a Type 2 and Type 3 McNulty curve which is considered appropriate for this Project given its large scale, project study maturity, and current flowsheet proposed.

- *The derivation of assumptions made of metal or commodity prices of the principal metals, minerals and co-product*

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*

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 Projects iron ore products will command a premium price to the benchmark iron ore pricing mechanisms due to the product grade specifications, typically up to an extra US\$35/dmt for BF Concentrates and US\$48/dmt for DR pellets. This is supported by recent market analysis on the global trends for the iron and steel market.
- IBR has assumed CFR product prices of US\$152.00/dmt (BF Concentrate), US\$160.00/dmt (DR Concentrate), and US\$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.

- 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.
- The product magnetite content reduces energy consumption during sintering and pelletising, and the low silica content fares very well in reducing electricity consumption in the electric arc furnace. The ultra-low alumina, phosphorus and sulphur contents of all products unlock opportunities in existing steel plants to recycle waste materials, produce high-quality steel products and reduce energy consumption and Scope 3 carbon dioxide emissions.
- The primary market for a premium grade magnetite concentrate is the European and MENA (Middle East and North Africa) iron and steel industry. The concentrate products of Iron Bear are suitable for pelletising or blending with hematite ores prior to sintering.
- The market for high grade magnetite concentrate is well established with stable demand and price history.
- Similarly, the primary market for direct reduction pellets is MENA and European existing and planned direct reduction facilities. The higher than benchmark grade and good metallurgical properties bode well for premium selling prices relative to benchmark.

- The inputs to the PFS 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 a discount rate of 8% has been used.
- 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 achieve significant annual average cashflows of US\$2,465m per annum with a Net Present Value of US\$9.0B after tax.
- The economic analysis undertaken for the Ore Reserves returns positive financial metrics based on the cost and revenue factors outlined. The Competent Person is satisfied that the Projects economics underpinning the Ore Reserve retains a robust profit margin against reasonable cost and revenue parameter sensitivities.

Social

- *The status of agreements with key stakeholders and matters leading to social license to operate*

- 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.

- 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-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*

- No naturally occurring risks have been identified.
- No offtake discussions have been concluded due to the Development Agreement (DA) in place with Vale (ASX announcement 17 February 2025), in anticipation of the DA proceeding to Phase 2.
- Iron Block 103 Corporation, IBR's Canadian subsidiary (100% owned), holds the 11 mineral licenses covering the Project area.
- Surface land use rights will be required for the tailings storage facility not currently covered by the Projects mineral licences. There are clear legislative frameworks for applying for surface rights for tailings storage, whether crown land or held by private/third parties, and is a common practice given the other iron ore projects in the region.
- Access to the project site currently utilises Tata Steel's mine haul road where they have adjacent active mining operations to the south-east of the Project. There is a historical agreement signed by CAPEX 29/09/2014 for access via Tata Steel's haul road. In addition there is an alternative public access route – the Greenbush road which can be used in summer and potentially cleared in winter.
- The 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 traverses both provinces. This dual-jurisdiction footprint, combined with the involvement of five Indigenous Nations and the multi-component nature of the Project, creates a multi-layered approvals process that is one of the primary schedule drivers for project delivery.

	- 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 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.
Classification	<i>The basis for classification of the Ore Reserves into varying confidence categories</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit</i> <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any)</i>
Audits or reviews	<i>The results of any audits or reviews</i>
Discussion of relative accuracy/ confidence	<i>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.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to</i>
	- Ore Reserves reported here are classified as Probable as they are derived from Indicated Mineral Resources in accordance with the JORC Code 2012. - All the Indicated Resource inside the pit design that has been scheduled across the presented 44 year mine life for the PFS has been classified as Probable Ore Reserves. - The results of the Ore Reserve estimate reflect the Competent Person's view of the deposit.
	- Contributing PFS reports have been reviewed by appropriate technical personnel and specialist consultants. - No formal audit has been completed on the Ore Reserve Estimate.
	- Reporting of the project Ore Reserve considers; - the Mineral Resources compliant with the JORC Code 2012, - the conversion of these resources into an Ore Reserve, - a detailed mine plan capable of delivering ore to the process plant from a LOM schedule to achieve target production rates, and - 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. A PFS was prepared at an overall level of accuracy of the order of $\pm 30\%$ (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.

technical and economic evaluation. Documentation 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 optimised to achieve the process feed and production targets 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.