

July 19, 2022

Karen Costello
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU
X0B 0C0

Re: 2022 Marine Shipping and Vessel Management Report, including 2022 Narwhal Adaptive Management Response Plan

Dear Ms. Costello,

Please find attached Baffinland Iron Mine Corporation's ("Baffinland") 2022 Marine Shipping and Vessel Management Report ("the Report"), as required by the current Project Certificate 005 for the Mary River Project (the 'Project'). In addition to the information outlined for inclusion in Section 3.1 of Project Certificate 005, this year's submission includes a 2022 Narwhal Adaptive Management Response Plan (2022 NAMRP).

The 2022 NAMRP outlines the second year of investigation into the reported low abundance of narwhal in Eclipse Sound, identified during Baffinland's 2020 and 2021 aerial surveys. The contents of the 2022 NAMRP have been influenced by the cumulative engagement and monitoring activities carried out since April 2021, as well as Baffinland's commitment to implementing precautionary mitigation measures that factor in the direct input of Inuit, in particular those representing the community of Pond Inlet.

Report Composition

For the benefit of all parties, the following is a breakdown of the composition of this years report submission, with page numbers included to facilitate access to all relevant documents:

- Marine Shipping and Vessel Management Report (Page 1)
 - Appendix 1 - Shipping and Marine Wildlife Management Plan, 2022 (Page 39)
 - Appendix A – International and Federal Shipping Regulations and Acts (Page 85)
 - Appendix B – Baffinland Pre-Charter Bulk Carrier Ice Capability Assessment (Page 89)
 - Appendix C – Baffinland Pre-Charter Inspection Checklist and Limited Audit (Page 93)
 - **Appendix D – Narwhal Adaptive Management Response Plan, 2022 (Page 106)**
 - Attachment 1 – MHTO Correspondence (Page 131)
 - Attachment 2 – Convoy Technical Memo (Page 266)
 - Attachment C – Operational Guide for Ore Carrier Convoys (Page 274)
 - Appendix 2 – 2022 Shipping and Marine Monitoring Summary (Page 295)

Engagement with Inuit, Regulators and Other Interested Parties

A detailed summary of Baffinland's engagement related to the shipping season generally, and adaptive management for narwhal specifically are included in Section 4 of the Report and Section 3 of the 2022 NAMRP, respectively. It is important to note that the majority of the information contained in the submission, particularly the technical components of the 2022 NAMRP have been publically available for review and comment for some time. Two examples are provided here for reference:

- The convoy technical memo (NAMRP, Attachment 2), which provides evidence of the effectiveness of convoys at reducing cumulative noise exposure, was circulated on June 15, 2022 as part of Baffinland's supplemental information package related to the Production Increase Proposal Renewal, and again on June 20, 2022 as part of Baffinland's follow up response to the Mittimatalik Hunter and Trapper Organization (MHTO)'s May 6th letter to the unavut Impact Review Board (NIRB).
- The proposed adaptive management performance indicators, thresholds, and responses to apply to Baffinlands 2022 narwhal monitoring programs (NAMRP, Section 5.2), a significant advancement on the Early Warning Indicator system, have been publically available for review and comment since March 21, 2021 as part of the Phase 2 Proposal reconsideration process record.

In instances where new information has been provided and not previously discussed, such as the Operational Guide for Ore Carriers (NAMRP, Attachment 3) Baffinland, as always, remains open to responding to questions and comments and encourages interested Parties, especially members of the MEWG, to submit them through the appropriate channels.

2022 Mitigation and Monitoring

As in 2021, Baffinland is again proposing to implement precautionary mitigation measures in recognition of the importance of narwhal to the community of Pond Inlet. Building on the mitigations developed to date, Baffinland will continue to implement industry leading speed restrictions on vessels transiting through the marine Regional Study Area (>9nm), avoid icebreaking to begin the season by waiting for a continuous path of 3/10ths or less ice along the entire shipping route, and reducing the overall number of vessel transits by 15% through a new convoy system that will have the same effect as using less vessels to transport ore in 2022.

The decision to further delay shipping in 2022 is not without significant risk to the operation. The current outlook on summer ice conditions along Baffinland's approved Northern Shipping Route indicates a heavier ice year than experienced in 2019-2021, with the conditions to begin shipping not being met until late July or even early August. The consequences of losing any tonnage this year are amplified by the fact that Baffinland is in the process of implementing significant cost reducing measures aimed at lowering the financial exposure of the operation while we continue to experience significant uncertainty related to permitting and a downward trend in iron ore prices.

Baffinland accepts the risks of a delayed shipping season in 2022 because it is committed to listening and responding to the concerns and priorities of the community of Pond Inlet. As previously indicated, Baffinland is implementing additional mitigations in 2022 as a precaution, despite our monitoring results to date suggesting the low narwhal abundance in Eclipse Sound is more than likely the result of natural factors, including the natural exchange of narwhal between the Eclipse Sound and Admiralty Inlet systems, which is well documented in MHTO and Qikiqtaaluk Wildlife Board (QWB) submissions to the Nunavut Wildlife Management Board (NWMB). To be clear, Baffinland's 2022 mitigations do not attribute causality of observed changes in narwhal abundance to Baffinland operations.

Baffinland appreciates the time and effort of interested Parties to engage in the planning for the 2022 shipping season. Through this contribution, Baffinland has developed a strong response to its 2020 and 2021 narwhal monitoring program findings for implementation during 2022 shipping operations, clearly demonstrating a sincere, rapid and flexible commitment towards operating in a protective, precautionary and adaptive manner.

Regards,

A handwritten signature in black ink, appearing to read "Lou Kamermans".

Lou Kamermans
Senior Director, Sustainable Development
Baffinland Iron Mines Corporation

Cc: Tara Arko, NIRB
Guillaume Daoust, NIRB
Cory Barker, NIRB
Joshua Arreak, Hamlet of Pond Inlet
Enookie Inuarak, MHTO
David Lee, NTI
Thomas Hoggarth, DFO
Natalie O'Grady, Government of Nunavut
Jared Ottenhof, QIA
Megan Lord-Hoyle, Baffinland

Attachment: 2022 Marine Shipping and Vessel Management Report to the NIRB