



**Baffinland Iron Mines Corporation**  
2275 Upper Middle Road East, Suite 300, Oakville, Ontario, Canada L6H 0C3

August 18, 2022

NIRB File No. 08MN053

NPC File No. 149829

**Attention: Chairperson Kaluraq**

Nunavut Impact Review Board

P.O. Box 1360

Cambridge Bay, NU X0B 0C0

Dear Chairperson Kaluraq,

**Reference: Baffinland Final Reply to Technical Comment and CRT Submissions**

Per your procedural direction of July 19, 2022, please find enclosed Baffinland Iron Mines Corporation (**Baffinland**)'s final reply to written submissions and Community Roundtable comments directed to Baffinland and received by the Nunavut Impact Review Board (**NIRB or the Board**) in relation to its assessment of our "Production Increase Proposal Renewal Proposal", as filed with the NIRB on May 20, 2022 and as further described to NIRB in June 2022 (**PIP Renewal**).

The following documents are enclosed:

- Baffinland Summary of Community Roundtable
- Baffinland Response to Comments on the Production Increase Proposal Renewal
  - 2022 Marine Mammal Monitoring Program Daily Observations – Preliminary Data
  - Representative satellite imagery and photos showing ice concentrations at 3/10<sup>ths</sup> or less
  - Radashevsky VI, et al. (2022) Canals and invasions: a review of the distribution of Marenzelleria (Annelida: Spionidae) in Eurasia, with a key to Marenzelleria species and insights on their relationships. Aquatic Invasions 17(2): 186–206
  - Baffinland Commitment Table
  - Disposition of QIA Commitment List
  - Summary of Engagement

Baffinland requests the Board also give due consideration to this letter, which provides further context for the enclosed materials.

**a. Urgency to Avoid Severe Negative Impacts to Inuit and Other Baffinland Employees**

At the outset, we want to emphasize that the PIP Renewal is focused on providing stability for our employees from all the North Baffin communities, Nunavut and throughout Canada, who rely on their employment with us or our contractors to support their well being. We recognize this has been a very difficult period of uncertainty for them, and we ask the Board to take this into consideration in the timing of their release of their recommendation report. We thank our employees for their professionalism, particularly those at site that are working hard to provide a safe and supportive work environment for all. We thank the participants in this review process and the NIRB who have also responded expeditiously and for those who have provided their support to the continuation of 6mtpa for 2022.

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The current situation is urgent. Baffinland expects to reach the transportation limits set out in section 179(a) and (b) in September (trucking) and October (shipping). If that occurs, we will have no choice than to complete the termination of the 1,156 employees (including over 200 Inuit employees) that were sent termination notices on July 31st. We also note that because there is no icebreaking of landfast ice, Baffinland generally completes shipping activities in October of each year (depending on ice conditions) and so we are also limited by weather factors. We feel we owe the communities, NIRB and all participants full and complete transparency about the risk that the operation is facing at this point in time. We appreciate that some participants in the process have suggested such statements are perceived as threats – unfortunately we cannot continue to pay over one thousand employees if there is no work for them to do, and we are providing an accurate reflection of our current situation. It is regrettable that we are currently in this position.

#### **b. PIP Renewal has Broad Nunavut Community and Inuit Support**

What follows is a summary of North Baffin communities and community groups that have formally confirmed their support for the PIPE Renewal Proposal in correspondence to NIRB:

- Hamlet of Pond Inlet, NIRB Registry No. 340950 and 340949
- Hamlet of Sanirajak, NIRB Registry No. 341201 and 341200
- Hamlet of Arctic Bay, NIRB Registry No. 340954
- Hamlet of Igloolik, NIRB Registry No. [pending]
- Sanirajak Hunters and Trappers Association, NIRB Registry No. 341199
- Igloolik Hunters and Trappers Association, NIRB Registry No. 341337
- Ikajutit Hunters and Trappers Association, NIRB Registry No. 341282
- Arctic Co-operatives Limited, NIRB Registry No. 341336
- Elders of Pond Inlet, NIRB Registry No. 340843
- 59 Inuit employees of Baffinland (via the International Union of Operating Engineers, NIRB Registry No. 341334)

We have not included the participants in the Community Roundtable in this list, where we heard many positive oral statements of support for the PIP Renewal from the majority of participants.

We appreciate that IUOE Local 793 have provided considerable support to our Inuit employees to help them share their views and experiences with NIRB in this process. The IUOE represents approximately 150 employees that reside in the Qikiqtani Region of Nunavut. We are proud to hear the experiences of Mary River Project employees and how the employment and training opportunities have transformed their lives. We have read the submissions, spoken with employees and heard their statements at the Community Roundtable. We thank them for sharing their support. We are committed to our shared goal of maximizing Inuit employment and training opportunities, with an emphasis on areas where there is room to grow, including the trades and management, and we are working hard with youth to help prepare them for any opportunities they wish to pursue. As confirmed through community support letters, employee support letters and oral statements provided at the Community Roundtable, there are very limited opportunities to provide for oneself and family in North Baffin, and we are proud to be the largest private sector employer in the region.

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### **c. Mary River Inuit Impact Benefit Agreement and Other Benefits**

We have followed the process identified in Article 26 of the Nunavut Agreement, and together with QIA have developed a strong and comprehensive Mary River Inuit Impact Benefit Agreement (**IIBA**) that protects Inuit interests and enables Inuit to take full advantage of the opportunities created by the operation of the mine. In 2018, Baffinland and the QIA agreed to important updates to the Mary River IIBA that included specific considerations for the 6 mtpa operating limit contained in the original PIP.

At the time the PIP Application did not request the expiry of Terms and Conditions 179(a) and 179(b), and it received the support of the QIA, Hamlet of Pond Inlet and MHTO. The added benefits related to the PIP included in the Mary River IIBA at that time, and that will continue to apply to the 2022 operation include:

- 17.7 Harvesters Enabling Program, this has provided \$1.68 million in benefits to date
- 17.8 Wildlife Monitoring Program, this has funded one proposal to date in 2019 for \$205,000;
- 17.9 Marine research Equipment, Pond Inlet will receive a marine research vessel once deliveries can be made in 2023
- Although not included directly in the Mary River IIBA, the Tasiuqtiit Working Group will receive \$10,000 for every ore carrier required to carry more than 4.2Mt to market in 2022; this fund has received \$730,000 to date

Baffinland has made additional commitments through the PIP Renewal that further enhance the role of Inuit and IQ in project management, including but not limited to:

- Agreement to QIA's proposed commitment to review and implement changes to the Wildlife Compensation Agreement (Commitment 26); and
- Agreement to QIA's proposed commitment to complete the Pond Inlet Country Food Baseline and Culture, Resource and Land Use Assessment (Commitment QIA-09), develop Inuit focused indicators (Commitment QIA-07) and Inuit led monitoring programs (Commitment QIA-08).

To be clear: Baffinland is not waiting for the results of these additional CRLU studies in order to implement mitigations designed to address the concerns regarding dust, wildlife and hunting. The Commitment List has been developed to help address these concerns now.

The Mary River IIBA provides significant benefits to Inuit and there are numerous examples where Baffinland has provided benefits to communities over and above the terms of the IIBA. Many of these are detailed in the submission to NIRB from the Arctic Co-op dated August 11, 2022, as follows:

- Approximately 78 tons of Food delivered to Kaniqtugaapik Food Bank and Iliqsasivik Society in Clyde River;
- Food/contributions of \$67,600 in the amount of approximately 21 tons provided to Qajuqturvik Food Centre in Iqaluit;
- Food/contributions of \$75,000 in the amount of almost 22.5 tons of food provided to school foodbanks at Nakasuk and Joamie schools in Iqaluit;
- Over 15 tons of water valued at more than \$50,000 contributed by Baffinland to the Iqaluit DEA during the water crisis October 2021;
- \$10,650 contributed to the Nunavut Kamtsiaqtut Helpline;
- \$5,250 contributed to the REACH Program in Iqaluit;
- \$18,850 to sponsor Iqaluit New Year's Eve Fireworks 2020 & 2021 through 123Go;
- Freight for Foodbanks Canada "After the Bell" program of almost \$6,100;
- Country Food donation to Elder's Centre in Iqaluit valued at over \$1,600;

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- Christmas Food Hampers delivered to over 1,500 households in impacted communities;
- Two separate cleaning/sanitation kits delivered to each of over 1,500 households in impacted communities during the pandemic valued at approximately \$300,000; and
- Contribution of an ATV and freight valued at over \$22,000 to the school in Grise Fiord.

Baffinland wishes to continue its partnerships and support for the improved well-being of the 5 North Baffin impacted communities. At the Community Roundtable, Baffinland provided a summary of socio-economic monitoring results from the years between 2018 and 2021 when Baffinland was permitted to operate at 6 mtpa. The results clearly demonstrate the overwhelming socio-economic benefits of operating at 6 mtpa to date, and of sustaining the operation through the approval of the Production Increase Proposal Renewal.

Benefit Highlights	6 MTPA Operation		ERP	% Increase
	2018-2021	Average	2017	
Payments to QIA	\$ 67,816,349.85	\$ 16,954,087.46	\$ 8,114,453.60	<b>109%</b>
Payments to GN	\$ 58,760,000.00	\$ 14,690,000.00	\$ 1,500,000.00	<b>879%</b>
Payments to Tasiuqtiit Working Group	\$ 730,000.00	\$ 182,500.00	N/A	<b>N/A</b>
Inuit Employee Payroll	\$ 74,680,962.00	\$ 18,670,240.50	\$ 8,313,898.00	<b>125%</b>
Inuit Contract Expenditures	\$ 610,900,000.00	\$ 152,725,000.00	\$ 116,000,000.00	<b>32%</b>
Inuit Training (Hours)	126000	31500	4000	<b>688%</b>

The Hamlets of Pond Inlet, Arctic Bay, Sanirajak and Igloolik have all recognized that they wish to support continuing jobs for their community members that need to participate in the wage economy. The communities have told us they cannot afford to lose those jobs for their community members, that they want to see opportunities for their populations, and that they see the long term benefit to their communities of a continuing mining operation. Baffinland respects the balance between socio-economic benefits and environmental protection that has been shared by the HTOs from Arctic Bay, Sanirajak and Igloolik, that it is essential to protect their ability to protect the environment, practice traditional activities and also that their members and communities rely on the availability of monetary livelihood opportunities. This balance has been considered in their letters of support, which in the case of the Igloolik HTA offered conditions for their support. Baffinland is accepting all conditions put forward and has introduced additional environmental mitigations for the 2022 year to mitigate against environmental impacts.

#### **d. Overview of Key PIP Renewal Proposal Mitigations and Responses to Comments**

In the PIP Renewal Proposal, Baffinland has built on the lessons learned since 6 mtpa transportation limits were first introduced in 2018. We are listening to the communities and making changes, particularly on key issues such as dust, wildlife protection and benefits enhancements. We have also listened to the NIRB and its advice on current impacts that are described in the Phase 2 Recommendation Report released on May 13, 2022.

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We believe we have met the high standards of the NIRB with respect to environmental protection and prevention of negative socioeconomic effects. We have worked hard since the PIP Renewal was initiated in May to meet with interested parties, community members and other groups (see enclosed Engagement Summary; Appendix 5 of the Baffinland Response to Comments on the Production Increase Proposal Renewal). These engagements provided an opportunity to increase understanding of the proposal as well as for Baffinland to hear additional feedback, concerns and advice for improvement. A number of important commitments were developed directly in response to community input. Two prime examples include:

- In response to MHTO requests to implement additional adaptive management to the 2022 shipping season, Baffinland developed and implemented an ore carrier convoy system, extended the 3/10 trigger to avoid icebreaking at the beginning of the shipping season and reduced the maximum number of ore carriers required to transport 6 mt from 86 to 80.
- In response to initial discussions with the Qikiqtani Inuit Association, Baffinland agreed to revise the Marine and Terrestrial Environment Working Group Terms of Reference to include additional HTO representatives, implement a consensus based decision making system, and resource an independent Chair to manage meetings and the disposition of recommendations; Baffinland also agreed to request support from the federal government to appoint an independent Project Monitor to oversee general commitment implementation.
- In line with requests from the Hamlet of Igloolik, Igloolik HTA and Hall Beach HTO, Baffinland will accept the recommendations from the Inuit-led Dust Audit Committee Report to be issued in September 2022.

The commitments above and others are reflected in the enclosed Commitment List (Appendix 3 of the Baffinland Response to Comments on the Production Increase Proposal Renewal).

We also wish to highlight the enclosed (Baffinland Response to Comments on the Production Increase Proposal Renewal), which provides our response to comments submitted by participants up to August 11, 2022. Some participants have indicated that they wish the NIRB to rely on submissions made by their organizations in the Phase 2 process; should the NIRB do so, Baffinland also requests that the NIRB give full consideration to our corresponding responses in the Phase 2 process as relevant to this application.

#### **e. Community Roundtable**

Baffinland thanks the Board for organizing a community roundtable session in Pond Inlet on August 16, 2022, which included both in-person participation opportunities in Pond Inlet and opportunities for representatives from the North Baffin region to participate remotely.

We also want to thank Mitimatalikmiut for welcoming us to their community for the roundtable as well as for other meetings, whether it be with the meetings with MHTO, Council, or the general public of Mitimatalik.

Generally, the Community Roundtable provided information on the following broad topics and themes:

- |                      |                                      |
|----------------------|--------------------------------------|
| • Employment         | • Effects to Wildlife and Harvesting |
| • Training           | • Dust and Shipping Mitigations      |
| • Community Benefits | • Marine Monitoring                  |
| • Project Economics  | • Incorporation of IQ                |
| • Project Planning   |                                      |

Baffinland provided complete responses to the community representatives and the Board. Baffinland also recorded in writing questions and responses, including those delivered in Inuktitut and provided in English by the interpreters for our reflection and inclusion in future decision making and reporting. Attachment 1 provides a more detailed summary of the topics discussed, which is intended to respond to the NIRB Chair's request at the conclusion of the Community Roundtable to address both written submissions and Community Roundtable questions in our final written response.

#### **f. Response to Procedural Matters Raised by Some Participants**

Some parties have criticized the PIP Renewal reconsideration process. Baffinland has respected all of the processes developed under the Nunavut Agreement and reflected in NuPPAA which set out how a "Major Development Project" can proceed. We will continue to do so in future should any applications be needed.

Some participants have expressed a desire for additional consultation, from Baffinland, other organizations and government participant. We respect the need for consultation and as reflected in our enclosed Engagement Summary (Appendix 5 of the Baffinland Response to Comments on the Production Increase Proposal Renewal), are committed to deep engagement with the communities. We work hard to hear the views from Inuit, incorporate IQ that is shared with us, provide feedback to communities and to provide direct opportunities for Inuit to participate in our monitoring programs, and provide support to carry out Inuit led monitoring. We also note that where recommendations have not been incorporated into our Project operations is not a reflection of a lack of consultation or engagement. We have been flexible and responsive to community concerns since beginning operations and have made many requested improvements over the years. For 2022, we have made additional significant commitments in that regard as part of this application (see Commitment List; Appendix 3 of the Baffinland Response to Comments on the Production Increase Proposal Renewal).

However, we also recognize that consultation requires participation of the parties we wish to consult with. Should parties decline opportunities to meet, it is challenging to incorporate their feedback and communicate how the feedback has been incorporated back to them (see Engagement Summary; Appendix 5 of the Baffinland Response to Comments on the Production Increase Proposal Renewal). We will continue extending opportunities even where parties have declined to meet in the past. But, it is our hope that new processes that will provide avenues for direct communication (such as expanded North Baffin hunter and trapper organization participation in the working groups, at Baffinland's cost) will help provide a new venue for all parties to come to the table and share and learn.

#### **g. Future Project Plans**

We respect the questions about future plans for the Mary River Mine that NIRB has received from the participants in this process, and have attempted to address them as they were received during the Community Roundtable, in the attachments to our written response submission, and in this cover letter. These responses are all provided in the context of significant permitting uncertainty.

First and foremost, Baffinland is asking for permission to proceed with the PIP Renewal to ensure the Project has a future to build from at all. As set out above, the Mary River Mine cannot currently transport more than 4.2 mtpa and unless transportation limits are increased, we will not have sufficient work available for our employees.

Baffinland wishes to be transparent about the need to continue with similarly elevated transportation levels in future years. Baffinland limited the PIP Renewal to 2022 only in recognition of the need for an expedited process in the circumstances, and also in response to a request from the QIA to do so. Any future applications will be provided as early as is feasible to ensure they are complete. They will also respect the fact that the amendment we are seeking

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to the Project Certificate Terms and Conditions 179(a) and 179(b) expire on December 31, 2022 (should this current application be approved and the Minister choose to again draft the final Project Certificate terms and conditions in that manner).

As for the longer term, Baffinland is continuing to plan to construct the approved Steensby infrastructure components of the Mary River Mine, which started with the development of the Mine Site in 2015. However, we still face the enormous challenge of obtaining financing for these components and the timeline is thus highly uncertain. As the NIRB is aware, the Phase 2 Proposal is currently before the Minister. We continue to be of the view that Phase 2 presents significant opportunities for benefits to the company and Inuit, and presents a robust and protective approach to environmental management. We respect that the regulatory process relating to Phase 2 is ongoing.

We wish to thank NIRB and the NIRB staff for their expedited attention to the PIP Renewal, and we request that you issue a positive recommendation to the Minister as soon as possible.

Regards,

**Baffinland Iron Mines Corporation**



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**Megan Lord-Hoyle**

Vice President, Sustainable Development

Attachment: Attachment 1 Baffinland Summary of Community Roundtable  
Attachment 2 Baffinland Response to Comments on the Production Increase Proposal Renewal

c. Udlu Hanson, BIM  
Lou Kamermans, BIM