



August 2, 2023

Nunavut Impact Review Board (NIRB)  
29 Mitik Street, PO Box 1360  
Cambridge Bay, Nu  
X0B 0C0

**Re: Sustaining Operation Proposal (SOP)**

Dear NIRB:

Please find enclosed an agreed list of commitments that have been developed through discussions between Baffinland and QIA in relation to the listed QIA technical comments on the Sustaining Operations Proposal (SOP). QIA is reporting separately to the NIRB on the status of resolution of their technical comments. Baffinland and QIA request that these commitments all be added to Appendix B of Project Certificate No. 005, should the SOP be approved.

For greater clarity: with respect to the project bonding commitment in response to QIA-SE-2, Baffinland confirms this commitment will continue to apply in the event NIRB or the Minister removes or varies the language of the commitment as part of the SOP decision making process.

Sincerely,

A handwritten signature in black ink that reads "Megan Lord-Hoyle".

Megan Lord-Hoyle, VP Sustainable Development  
Baffinland Iron Mines Corporation

cc. QIA

**QIA LIST OF PC OR APPENDIX B AMENDMENTS REQUIRED**  
**TO ADDRESS ENVIRONMENTAL AND INUIT RIGHTS IMPACTS OF SUSTAINING OPERATIONS PROPOSAL – AUGUST 2 2023**

With Baffinland’s agreement and support, QIA requests that the following commitments made to QIA by Baffinland be added to Appendix B of Project Certificate No. 005:

QIA TC #	
AE – 4  Dust Audit Committee	<p>Baffinland will provide sufficient funding for the Dust Audit Committee to continue to support the annual dust audit and associated reporting for the life of the Project, and for any other work of the Dust Audit Committee where it supports other areas of the project. Specifically, the second annual dust audit report will include a one-time retrospective review of the Objectives, Indicators, Thresholds and Responses related to dust in the most up to date version of the Air Quality and Noise Abatement Management Plan, unless the Dust Audit Committee independently determines it does not wish to carry out such review. It is acknowledged that the Dust Audit Committee name and duties may change or expand in future to other topics, and will continue to carry out annual dust auditing until such time as Baffinland and QIA agree such audits are no longer needed.</p>
TE-2	<p>BIM commits to work with the TEWG to redefine deflections to include repeated caribou balking in the Project area by November 30, 2024, to ensure that a new definition of deflections is included in an updated Terrestrial Environment Mitigation and Monitoring Plan filed with the 2024 Annual Report to NIRB.</p> <p>BIM commits to working with the TEWG to explore whether marked-recapture using pellets is an approach that could be used to estimate caribou abundance across the regional study area, including whether this method would be acceptable to Inuit, and provide a report with recommendations to TEWG by November 30, 2024 on potential use of this method. Whether this program can be considered as an alternative will consider if 1) the information is required, 2) the information provided would not be duplicative of another program that is running, and 3) the potential impact of additional flights is acceptable.</p>
FE-1	<p>Baffinland and the Qikiqtani Inuit Association commit to meet by September 30, 2023, November 30, 2023 and January 31, 2024 to discuss dust dispersion data from the following sites being monitored in 2023:</p> <ul style="list-style-type: none"><li>• Deposit 1 blasting</li><li>• mine site crusher</li><li>• OHT transport along the Tote Road</li><li>• OHT offloading point at Milne Port</li><li>• Stacking at Milne Port</li><li>• The highest point of the conveyor system at Milne Port</li></ul> <p>Baffinland commits to providing NIRB and all Parties with a final version of the site-specific thresholds for dust dispersion by March 30, 2024.</p>

FE-3	Baffinland commits to provide, by January 31, 2024 updated versions to NIRB and all Parties the Fresh Water Supply, Sewage and Wastewater Management Plan, the Snow Management Plan, and the Aquatic Effects Management Plan with Trigger Action Response Plan components
ME-6	Baffinland will provide NIRB and all Parties, by January 31, 2024, a report identifying all the vessels chartered by Baffinland (ore carrier, freight, fuel) that have called on Milne Port since commercial shipping started in 2015, with all available information on vessel characteristics (length and beam, draft, DWT or GT as appropriate), years those vessels called on port, and noise characteristics from PAM data (including all available Baffinland monitoring data such as multiple noise measures per vessel, if available). The report should also highlight any noise mitigating measures incorporated into the vessel design or retrofits (and when this occurred). This information will be used to inform updated acoustic modeling by Baffinland for the purpose of determining the effectiveness of additional mitigations, if required.
ME-7	<p>Baffinland will provide by January 31, 2024, a comparative assessment of the potential environmental impact trade-offs of using Baby-Cape and Capesize vessels relative to the smaller vessels currently in use, both at and en route to and from Milne Port, including but not limited to trade-offs related to accident risk, GHG emissions, noise disturbances to marine mammals, convoy optimization, ballast water discharges, seasonal operations, and docking and loading.</p> <p>Should they be required in future, Baffinland commits that there will be no dredging or in-water modifications to the port at Milne Inlet in relation to Capesize vessels unless and until any dredging or in-water modifications are approved in accordance with all applicable regulatory requirements <u>and</u> the above noted comparative assessment has been provided to QIA.</p> <p>If Capesize vessels are used, Baffinland commits to augment its benthic sediment and infaunal monitoring programs by conducting annual sampling at existing sites SW-1 through SW-4, SE-18-1 and SNW-1, and at two (2) new sites situated to ensure that any changes in bottom scouring by these longer, deeper vessels are captured—one site offshore the northwest corner of the dock at a similar distance/depth to SNW-1, the other between SW-1 and SW-2 but at the 25 m depth contour. Sampling shall continue annually at these locations for a minimum of three years following the initial use of Capesize vessels at Milne Port. Following this three-year period, Baffinland will consider a reduced frequency in sampling at these locations (once every three years) if sediment and benthic conditions at these sites are shown to be stable (and within the limits of impact predictions).</p>
SE-2	<p>Baffinland commits to fund, and to provide a workplan to QIA by September 30, 2023 for development of a new Regional Inuit Training Plan that will deliver training to Inuit across the Qikiqtani Region to improve Inuit employment at the Project; and Baffinland commits to finalize this Regional Inuit Training Plan by January 31, 2024.</p> <p>Baffinland and QIA agree to amend the IIBA on or before <u>November 30, 2023</u> to reflect the following. Baffinland commits to contribute a \$2,000,000 total Project Bond (in the form of cash, irrevocable letter of credit or other instrument as agreed upon between the parties) for the Sustaining Operations Proposal (\$1,000,000 to be posted with QIA by <u>April 30, 2024</u> and \$1,000,000 to be posted with QIA by <u>April 30, 2025</u>), and held for the purpose of drawing-upon in the event that the agreed Measurable Objectives (see topics listed in Commitment 72 of Appendix B to the Project Certificate) are not met and remedial measures are required, all in accordance with the terms of the IIBA as amended. In the event that QIA draws upon the Project Bond in 2024 or 2025, the amount that is drawn upon shall be replaced (in the manner agreed in the IIBA) so that the total value of the Project Bond remains \$1,000,000 in 2024 and \$2,000,000 in 2025.</p>
CRLU-1	<p>Baffinland commits to fund the development and implementation of the Inuit Stewardship Plan until March 31, 2025.</p> <p>The Qikiqtani Inuit Association will develop a draft Inuit Stewardship Plan Work Plan and seek agreement on a reasonable budget with Baffinland by September 30, 2023.</p>

	<p>The work plan will include dates for the completion and delivery of the:</p> <ul style="list-style-type: none"><li>• Pond Inlet Country Food Baseline Report</li><li>• Culture, Resource and Land Use Assessment</li><li>• North Baffin Caribou Study</li></ul>
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### Appendix 1 Proposed Term and Conditions Revisions

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Category	Terrestrial Environment – Dust Audit
Responsible Parties:	The Proponent, Qikiqtani Inuit Association, Government of Nunavut, Government of Canada, Hamlets and Hunters and Trappers Organizations of the Impacted Communities (Pond Inlet, Arctic Bay, Clyde River, Sanirajak, Igloolik)
Project Phase:	Construction, Operations, Temporary Closure /Care and Maintenance, Closure and Post-Closure Monitoring
Objective:	To consistently assess and monitor impacts of dust from project activities for the purpose of assessing the efficacy of project mitigation measures and to examine alternative mitigation and management options.
Term or Condition:	The Proponent is required to resource an annual audit of dust impacts and mitigations associated with project activities to be completed by a third party acceptable to the responsible parties, <b>until such time as the Proponent and QIA agree that annual dust audits are no longer needed</b> . The dust audit shall evaluate effectiveness of current measures and if necessary, contain recommendations and options to reduce the spread and impacts of dust from project activities.
Reporting Requirements:	Each year a dust audit shall be completed and shared with NIRB by the Proponent not later than January 31st.