



February 3, 2020

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Resolute Bay

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Sanikiluaq

Tara Arko
Director, Technical Services
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0

RE: Request for Feedback regarding Baffinland Iron Mines Corporation's Production Increase (6 mpta) Extension Request

Ms. Arko,

The Qikiqtani Inuit Association (QIA) appreciates the opportunity afforded by the Nunavut Impact Review Board (NIRB, Board) to provide our comments on Baffinland Iron Mines Corporation's (BIMC) Mary River Project (Project) "Extension Request to the Production Increase Proposal" (2020 PIP). As I am sure you are aware, QIA has a complex history with the assessment of BIMC's 2018 Production Increase Proposal (2018 Proposal). QIA has also been very active and vocal in our assessment of the Phase 2 Proposal currently before NIRB.

Upon Ministerial Approval of the 2018 Proposal on September 30, 2018, BIMC was bound to the modifications to Terms and Conditions 10, 179(a), 179(b), 179(c), as well as the new terms as indicated by the Minister related to the Marine Environment Working Group under NIRB Project Certificate 005 (PC 005). While it is QIA's position that there are inconsistencies and shortcomings in BIMC's achievement of these requirements, the 2019 Production Increase was carried out generally as expected and permitted BIMC to continue sustainable operation of the Project while navigating the NIRB review of the Phase 2 Proposal.

Many of the 2020 PIP concerns carry forward and are magnified in the activities associated with the Phase 2 Proposal. These concerns are best addressed through the review of the Phase 2 Proposal. QIA and BIMC have been working together toward resolving the outstanding technical concerns outlined in our Final Written Submission in relation to Phase 2. One result of these continued talks is outlined in the attached letter¹ from BIMC CEO Brian Penney. QIA and BIMC have agreed that to move forward and work collaboratively, Inuit must be deeply involved in the Project. BIMC has accepted QIA's proposal to form an Inuit Committee to advise and inform QIA on a suite of management, mitigation, and monitoring plans, to be determined by QIA and BIMC in the coming weeks. BIMC has also agreed to create a Phase 2 negotiation table with QIA, to begin discussion of benefits that will flow to impacted Qikiqtani communities should Phase 2 be approved to proceed.

¹ Baffinland (2020). Re: 2020 Path Forward. January 29, 2020.



Sanikiluaq



January 29, 2020

Mr. PJ Akeeagok
President, Qikiqtani Inuit Association
Igluvut Building, 2nd floor
P.O. Box 1340
Iqaluit, NU
X0A 0H0
Phone: (867) 975-8400

Re: 2020 Path Forward

Dear Mr. Akeeagok,

During our meeting in Iqaluit on January 21st, 2020 and follow-up conference call on January 24th, 2020 we discussed how the Qikiqtani Inuit Association (QIA) and Baffinland Iron Mines Corporation (Baffinland) can map out a 2020 path that leads both parties to mutual success. Baffinland sincerely appreciates QIA's spirit of collaboration and the effort put forward to delineate the key areas of focus. This letter is meant to be a formal commitment on behalf of Baffinland to deliver in these areas and work with the QIA in a transparent manner.

1. Creation of a Mary River Project Inuit Committee

QIA has requested the opportunity to meet with impacted communities in an effort to determine how Inuit want to engage in the next steps related to the Phase 2 proposal. Baffinland recognizes the value of these meetings and will provide QIA and communities the necessary time and freedom to conduct these meetings. Baffinland will work with QIA and amend its current schedule to accommodate this effort.

Baffinland understands one of the topics of discussion at QIA-led meetings will be the development of an Inuit Committee. Baffinland anticipates that following meetings QIA will bring forward its proposals for how such a committee could function in the future Mary River Project. Baffinland anticipates particular attention will be placed upon how Inuit Qaujimajatuqangit (IQ) is incorporated into the project, and where parties can improve the delivery of project benefits. Baffinland is committed to engaging on and responding to proposals brought forward by QIA. Baffinland is also committed to resourcing agreed upon proposals including a clear Terms of Reference for the

committee. Baffinland appreciates invaluable Inuit input that will improve the Mary River Project.

2. Approval of Management Plans

Baffinland maintains that it cannot defer its decision-making responsibilities to QIA or an Inuit Committee for the safe and sustainable operation of the Mary River Mine. Baffinland understands this view will be taken into consideration when QIA develops its proposals.

Baffinland will work with QIA in an expeditious manner to identify management and/or monitoring plans that would benefit from an expanded role for the QIA and the Inuit Committee. It is the intention of this work to create a framework for QIA to approve these plans and for QIA to incorporate IQ and technical expertise as needed when evaluating these plans.

Baffinland can commit today to providing QIA with approval authority of the Adaptive Management Plan. Baffinland is committed to reaching agreement on the details of QIA's role with respect to this plan prior to the upcoming Nunavut Impact Review Board (NIRB) technical meeting.

Baffinland remains open-minded to having QIA also approve additional management and monitoring plans. Baffinland is committed to exploring this work further and reporting to all involved during the NIRB process.

3. Negotiation of Benefits

Baffinland will work with the QIA in negotiation of IIBA Benefits that will flow from an operation approved under Phase 2. Baffinland feels it is important that all IIBA negotiations be conducted between our two organizations, with QIA representing the interests of Qikiqtani communities. Baffinland respects that QIA will work with communities to develop the most appropriate approach to ensure they are properly represented. Baffinland will not undertake any IIBA negotiation outside the group identified by QIA. It is understood that the CEO of Baffinland and the President of the QIA will be the lead negotiators.

Baffinland will prepare introduction and clarification of information to ensure details of offers are well understood. Baffinland will work with the negotiating team in a spirit of full transparency.

It is Baffinland's intention that all benefits will flow through the IIBA or through amendment to other existing agreements. Baffinland also feels it is important that the communities see annual benefits from this agreement and it is easily understood that as Baffinland succeeds, so do the Inuit of the Qikiqtani Region.

I am open to discuss at any time if these commitments from Baffinland do not meet with the intention of the conversation to date. I appreciate QIA's continued support for the Mary River Operation.

Best regards

A handwritten signature in black ink, appearing to read "Brian Penney", written over a light gray rectangular background.

Brian Penney

CEO – Baffinland Iron Mine