







January 29, 2020

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

**Re: 2020 Path Forward**

Dear Mr. Akeeagok,

During our meeting in Iqaluit on January 21<sup>st</sup>, 2020 and follow-up conference call on January 24<sup>th</sup>, 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 Qaujimagatuqangit (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", is positioned above a solid black horizontal line.

Brian Penney

CEO – Baffinland Iron Mine