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## ANNOUNCEMENT

Hamlet of Pond Inlet (Mittimatalik) with regard to Support for Baffinland Iron Mines Corporation Phase 2 Expansion of its Mary River Mine

**The Hamlet of Pond Inlet will not support the Phase 2 Project unless Baffinland agrees to a proposal to ‘phase in’ the shipment of 12 million tonnes of ore per year, in yearly increments of 1.5 million tonnes per year.**

Rationale:

This approach is entirely consistent with the principles and the practice of Adaptive Management. Adaptive Management is a system where incremental changes that might affect an ecosystem are introduced. The results on the environment are carefully monitored in order to assess impacts and to change policies, procedures and practices in order to accomplish agreed upon objectives.

A sudden increase in production from 6 to 10, or 12 million tonnes per year, is incompatible with a commitment to Adaptive Management. A decision to achieve 12 million tonnes per year in increments of 1.5 million tonnes per year, with careful monitoring of effects informing policies, procedures and practices is an approach supported by a considerable body of international literature on the practice of Adaptive Management. Making a large change that may affect an ecosystem, and then studying the results and attempting to manage these changes ‘after the fact’ amounts to conventional, reactionary, and often ‘crisis management’. It is entirely inconsistent with the concept of Adaptive Management.

The Hamlet has reviewed data and information from Fisheries and Oceans Canada, as well as concerns raised by Transport Canada and Environment and Climate Change Canada. The Hamlet has taken seriously IQ observations and the experience of Mittimatalik hunters. The Hamlet has noted claims made by the proponent.

The Hamlet maintains that there is a real and recognizable risk to sea mammals, other species and environmental elements associated with the production, transport and shipment of 12 million tonnes of ore per year through Milne Inlet and Eclipse Sound.

This approach facilitates the monitoring of activities in a meaningful way. It allows adjustments to be made should monitoring reveal matters of concern. It allows for incremental changes to be made if necessary; the idea being to see what works before problems and concerns become serious or insurmountable.

This condition for approval is entirely consistent with the goals and objectives associated with the *Inuit Stewardship Plan* and the attention to be paid to an effective

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approach to Adaptive Management that includes a prominent role for the Hamlet of Pond Inlet and *Inuit Qaujimajatuqangit*.

The Hamlet is well aware of the risks and challenges this approach poses for Baffinland, and decisions and financing in relation to railroad construction. However, based on IQ and marine science we have examined, any other alternative poses serious risks to the marine species of Milne Inlet and Eclipse Sound.

The community of Pond Inlet and the Federal Government, working together, have spent many years and hundreds of millions of dollars creating the *Tallurutiup Imanga Marine Conservation Area* — that includes the waters of Eclipse Sound — and *Sirmilik National Park*. The Phase 2 Project challenges goals, objectives and principles associated with these considerable undertakings. It poses risks to the food security and the cultural integrity and well-being of our community.

We believe that the Phase 2 Proposal asks that we bear an unfair proportion of the risks associated with this development. The step-by-step and Adaptive Management approach that is a condition of our support, is a fair, scientifically based and entirely reasonable approach to sharing the risk associated with the Phase 2 Proposal.

**The Hamlet of Pond Inlet will only support the Phase 2 Proposal if Baffinland makes a firm commitment to increase the percentage of Inuit labour in its operations, as a percentage of the total workforce, by 2.6% per year, in each of the 4 years of an incremental increase in production.**

Rationale:

Between 2018 and 2019, despite a considerable overall increase in the size of BMC's workforce, the percentage of Inuit employed by BMC decreased from 13.2 to 12.8% of the total workforce. Baffinland, despite a range of initiatives has never approached its 25% target for Inuit employment. Inuit were 15.4% of the workforce in 2016 and only 13.7% in 2017.

Baffinland has consistently promoted its project as one that will materially, socially, and in other ways benefit Inuit of the North Baffin Region. Social indicators suggest that the impact on social conditions and general well-being has been less than what BMC predicted, or would like to believe is the case.

The number of high school graduates in Pond Inlet, over the period of the mine's operation, has declined slightly. Taken as a percentage of a growing population, it has declined considerably. In 2014/15 there were 20 secondary school graduates. In 2016/17 this number had declined to 9, and to 8 the following year. Social assistance rates have not changed. Sixty percent of Inuit in the North Baffin Region were receiving social assistance in 2009. The figure for 2018 is the same. In 2015 there

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were 741 social assistance recipients in Pond Inlet. In 2018 there were 802. Criminal violations in Pond Inlet were 424 in 2014 and had risen to 588 by 2018.

All of these indicators involve multiple factors and considerations. One of the most meaningful and theoretically manageable statistics available to Baffinland is the percentage of Inuit employed. In the interests of the region, the Hamlet is insisting that Baffinland commit itself to annual increases of 2.6% in Inuit employment, associated with permission to move incrementally toward 12 million tonnes of ore produced per year.

Furthermore, the Hamlet expects Baffinland to take very seriously the impacts of employment on the community, recognizing that, as indicated above, these are not “significant” and “positive”, or “insignificant”, and need to be addressed.

**The Hamlet of Pond Inlet supports, *in principle*, the Inuit Certainty Agreement (ICA) negotiated between the Qikiqtani Inuit Association and Baffinland Iron Mines Corporation.**

Rationale:

The Hamlet recognizes that should a decision be made not to proceed with the Phase 2 Project, the *Inuit Certainty Agreement* will become null and void.

The ICA states that: “The Inuit Stewardship Plan (ISP) is a Project Management Plan that *will* be authored by QIA.” The Hamlet recognizes the importance of a greatly enhanced role for Inuit in decision making related to the environmental, socio-economic, and cultural impacts of the current project, and any further project development. It supports the intentions found within the *Agreement*.

The Hamlet recognizes and appreciates the impact that future development may have on Inuit families and communities in the five affected communities.

At the same time, Mayor and Council recognize that important elements of the *Inuit Certainty Agreement*, particularly the *Inuit Stewardship Plan*, and the development of an ‘Adaptive Management Plan’, are ‘works in progress’.

Our support for the *Inuit Stewardship Plan*, as part of the *Inuit Certainty Agreement*, is therefore ‘*in principle*’. Our full support and agreement await the completion of the *Inuit Stewardship Plan*, and Baffinland’s agreement with the Plan.

**The Hamlet of Pond Inlet will not support the Phase 2 Project, unless there is a clear and consistent agreement reached that there will be no ice breaking in Milne Inlet or Eclipse Sound for a period of two weeks after ice is no longer land-**

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**fast. Thereafter, the Hamlet recognizes and supports the right of the MHTO control a decision as to when icebreaking may commence.**

Rationale:

Observations made by hunters, and others, support our contention that ice breaking presents considerable risk to marine mammals upon which residents of Pond Inlet depend.

Hunting is essential to the food security of the community. It is of central importance to our Inuit culture, as well as our mental and physical health, and sharing relationships essential to the well-being of our community. These social, cultural and health-related matters are responsibilities of the Hamlet and Hamlet Council.

The Hamlet recognizes the IQ possessed by members of the MHTO and acknowledges that subject to the limitations stated in the Hamlet's position with regard to this matter, the MHTO is in the best position to decide on icebreaking, should Phase 2 be approved.

The Hamlet of Pond Inlet  
Joshua Arreak, Mayor

December 29, 2020