

January 12, 2021

Delivered via Email: kcostello@nirb.ca

Karen Costello
Executive Director
Nunavut Impact Review Board
29 Mitik Street, PO Box 1360
Cambridge Bay, Nunavut
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RE: Letter of Support – Mary River Project, Phase 2 Expansion – Baffinland Iron Mines Corporation

I am writing to you today on behalf of Nuna East Ltd. (NEL). NEL is a partnership between the owners of Nuna Logistics Partnership and the 3 Arctic Cooperatives of Pond Inlet, Igloolik, and Hall Beach (1641170 Alberta Ltd), collectively resulting in an overall Inuit ownership of 63%.

The hiring and training of local Inuit Beneficiaries is a critical element of NEL's mandate as we execute projects for our clients in the Qikiqtaaluk Region of Nunavut. We know employment engagement with local Inuit Beneficiaries provides positive economic impact to these individuals and their families and the communities of which they reside. In addition to direct employment opportunities generated through NEL's contracting opportunities, the unique ownership structure of NEL enables the members of the Arctic Cooperatives in our 3 partner communities to directly participate in profit generated from contracts awarded to NEL.

As described in our previous letter of support dated November 14, 2019, Nuna has long been a partner of Baffinland Iron Mines Corporation (BIM) as the Company has developed the Mary River Project. Nuna's earliest activities on site starting in 2007 included the initial tote road upgrade and initial bulk sample. Following the creation of NEL, more recent activities have included a variety of heavy civil construction activities and site services. Throughout the evolution of the Project, we have remained committed to Inuit training and employment. Over the past 12 years, through various contracts on site employing work crews of 40-200 people, we have generated Inuit employment rates ranging from 12% to 30%.

Should the Project proceed, NEL's expected scope of work is significant and will generate direct benefit to NEL in excess of \$250 million dollars, providing tremendous opportunities for continued growth. The indirect benefits to suppliers of goods and services and the impact from Northern purchases relevant to our scope of work and the Project in general provides generational positive impacts to the Region.

Our assessment of employment requirements based on current NEL scope are as follows:

Personnel on Site Per Year (Peak)

Year 1 (2021)	250
Year 2 (2022)	600
Year 3 (2023)	500

We can expect an equal amount of people off-site on rotation, suggesting a peak payroll of 1,200 employees.

NEL believes the Phase 2 Project proposal is critical to the prosperity of the Region and Nunavut as a whole. Our work at site has resulted in the development of many careers for Inuit and wealth generated for the communities of the Qikiqtaaluk Region. For example, we estimate our Inuit workforce on site from 2007 to date has generated over \$10 million dollars in wages and taxes alone. Approximately 25% of the

full-time Project workforce are expected to be Inuit, generating approximately \$20 million in payroll and associated taxes to Nunavut.

Furthermore, once our projects are completed, we have seen success in transitioning our Inuit employees to our Client teams, thereby increasing the duration of local Inuit employment. The number of positions and associated earnings reflected above do not consider the positive post-Project transition of NEL employees to BIM, but these positive impacts will most definitely be felt by local Inuit.

We have long recognized the requirement of providing both on-site and off-site innovative training solutions necessary to ensure maximum Inuit employment across our projects. To maximize Inuit employment and assist our partners at BIM, during the 2019 sealift, NEL took the initiative to deliver several heavy equipment training simulators to Pond Inlet. Our intent was to use these simulators and our expert training personnel to provide training opportunities immediately prior to the Phase 2 Expansion Project. It is unfortunate this early positioning has not been utilized due to Project delays and COVID-19 related travel restrictions.

That said, NEL's North Baffin Training and Development Plan presented to BIM in August 2020 outlines a number of initiatives and practical methodologies specifically designed to maximize opportunities for Inuit training and considers a wide spectrum opportunity from community engagement to training, both off and on site, and apprenticeship opportunities.

Approval of the Phase 2 Proposal will ensure NEL is able to create even greater opportunities for Inuit through training, employment and wealth generation.

On behalf of the Inuit who work for NEL and in consideration of future potential employment for all Inuit in the Region, I strongly support Baffinland's Phase 2 Project Proposal. I also wish to express our concern over the negative impacts that will result due to a protracted delay in the approval of this Project. NEL, the Cooperative partners and Inuit employees are already experiencing the adverse affect of Project delays and we urge all Parties to work together to approve Phase 2 Project development.

Sincerely,

NUNA EAST LTD.
per:



Miles Safranovich, P.Eng.
Director, Nuna East Ltd.
President & Chief Operating Officer, Nuna Logistics Partnership