

## Baffinland Iron Mines Corporation

Specified Auditing Procedures on the  
Commitments Audit Protocol report to the  
Nunavut Impact Review Board

For the period ending December 31, 2020



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## Accountant's Report on Applying Specified Auditing Procedures in Respect of the Commitments Audit Protocol Report

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To: Baffinland Iron Mines Corporation

As specifically agreed, we have performed the auditing procedures described in Appendix A, to assist the Nunavut Impact Review Board in assessing Baffinland Iron Mines Corporation's performance with respect to the Commitments Audit Protocol report for the period ending December 31, 2020. This engagement to apply agreed upon auditing procedures was performed in accordance with the standards established by CPA Canada. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A either for the purposes for which this report has been requested or for any other purpose.

The results of our procedures are documented in Appendix A. These procedures do not constitute an audit on the books, records and accounts provided to us by Baffinland Iron Mines Corporation and, therefore, we express no opinion on the work done on the books, records and accounts provided to us by Baffinland Iron Mines Corporation as at December 31, 2020. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is for use solely in connection with Baffinland Iron Mines Corporation's requirement to report to the Nunavut Impact Review Board in assessing Baffinland Iron Mines Corporation's performance with respect to the Commitments Audit Protocol report for the period ending December 31, 2020 and is not intended to be and should not be used by any other party for any other purpose.

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
March 26, 2021

## Appendix A - Specified Procedures and Results

Specified Auditing Procedures on the Commitments Audit Protocol report to the Nunavut Impact Review Board	Result of Specified Auditing Procedures on the Commitments Audit Protocol report to the Nunavut Impact Review Board
1. Obtain the Commitments Audit Protocol report from Baffinland Iron Mines Corporation.	We obtained the Commitments Audit Protocol report from Baffinland Iron Mines Corporation.
2. Read the Instructions and Introduction tabs on the Commitments Audit Protocol report.	We read the Instructions and Introduction tabs on the Commitments Audit Protocol report.
3. Record the auditor's name and report date of the specified auditing procedures at the top of the Project Certificate (PC) Conditions section and Inuit Impact and Benefit Agreement (IIBA) Commitments section on the Commitments Audit Protocol report (Appendix C).	We recorded our name and the report date of the specified auditing procedures at the top of the Project Certificate (PC) Conditions section and Inuit Impact and Benefit Agreement (IIBA) Commitments section on the Commitments Audit Protocol report (Appendix C).
4. For each Audit Question on the PC Conditions section and IIBA Commitments section in the Commitments Audit Protocol report, obtain documented evidence and/or interview personnel from Baffinland.	We read each Audit Question in the PC Conditions section and IIBA Commitments section in the Commitments Audit Protocol report, and when applicable, obtain documented evidence and/or interviewed personnel from Baffinland as deemed appropriate.
5. For documented evidence referred to in procedure 4 above, record a file name and/or url that links to the source of documented evidence, including page number if reasonable.	For documented evidence referred to in procedure 4 above, we provided a file name and/or url that links to the source of documented evidence, including page number if reasonable. Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.
6. For interviewing personnel referred to in procedure 4 above, record the position of the interviewee and document what was discussed.	For interviewing personnel referred to in procedure 4 above, we recorded the position of the interviewee and documented what was discussed. Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.

<p>7. For each Audit Question referred to in procedure 4 above, record whether there was evidence provided, in the form of documented evidence and/or interview notes, that supported the completion of the audit question. This is to be answered either Yes, No or Non-applicable.</p>	<p>For Audit Questions referred to in procedure 4 above, we recorded whether evidence was provided that supported the completion of the audit question.</p> <p>For Audit Questions deemed to be non-applicable (for example, relating to future phases of the project), we have documented the interviewee and noted what was discussed. We also removed the question from the 'Completion Rate' calculation at the top of the relevant section.</p> <p>We have provided Appendix B - Summary of Results to detail how many Audit Questions have had evidence provided supporting the completion of the audit question or were non-applicable for each section.</p> <p>Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.</p>
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## Appendix B - Summary of Results

Audit Section	December 31, 2020 Completion Rate	Details of Completion Rate	June 30, 2020 Completion Rate
Project Certificate (PC) Commitments	95%	<div>87 total Audit Questions</div> <div>-14 Audit Questions non-applicable</div> <hr/> <div>73 Audit Questions applicable</div> <div>69 Audit Questions where evidence was provided</div> <div>95% Completion Rate</div>	95%
Inuit Impact and Benefit Agreement (IIBA) Commitments	93%	<div>57 total Audit Questions</div> <div>3 Audit Questions non-applicable</div> <hr/> <div>54 Audit Questions applicable</div> <div>50 Audit Questions where evidence was provided</div> <div>93% Completion Rate</div>	93%

## Appendix C - Commitments Audit Protocol report

## Project Certificate (PC) Conditions

Project Certificate (PC) Conditions

Name of Auditor: BDO Canada LLP

Date of Audit: 03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	69
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	95%

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
1	10	The Proponent shall update its Dust Management and Monitoring Plan to address and/or include the following additional items:  1.a. Outline the specific plans for monitoring dust along the first few kilometers of the rail corridor leaving the Mary River mine site.  1.b. Identify the specific adaptive management measures to be considered should monitoring indicate that dust deposition from trains transporting along the rail route is greater than initially predicted.	Has Baffinland updated its Dust Management and Monitoring Plan to address and/or include the following additional items:  1.a. Does the Plan outline the specific plans for monitoring dust along the first few kilometers of the rail corridor leaving the Mary River Mine site?  1.b. Does the Plan identify the specific adaptive management measures to be considered should monitoring indicate that dust deposition from trains transporting along the rail route is greater than initially predicted?			x	N/A	Interviewed Environmental and Regulatory Compliance Manager (as part of June 2019 report) - Not applicable since rail not yet planned/constructed. Therefore, there is no specific plans for monitoring dust along the rail corridor leaving the Mary River Mine site.
		1.c. Outline specific plans for monitoring dustfall at intervals along and in the vicinity of the Milne Inlet Tote Road to determine the amount and extent of dustfall.	1.c. Does the Plan outline specific plans for monitoring dustfall at intervals along and in the vicinity of the Milne Inlet Tote Road to determine the amount and extent of dustfall?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Vegetation and Monitoring: Dust fall' section 4-3, appendix B (page 104) (refer to B-1)	Interviewed Environmental and Regulatory Compliance Manager (as part of June 2019 report) - Not applicable since rail not yet planned/constructed.
		1.d. Identify the specific adaptive management measures to be considered if monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted.	1.d. Does the Plan identify the specific adaptive management measures to be considered if monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted?	x			"2019 Mary River Project Terrestrial Environment Annual Monitoring Report" document (refe to B-2)	Interviewed Sustainability Specialist - This whole report describes the adaptive management measures if/when monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted.
2	21	Measures for dustfall monitoring designed as follows:  2.a. To establish a pre-trucking baseline and collect data during Project operation for comparison	Measures for dustfall monitoring designed as follows:  2.a. Has the AEMP established a pre-trucking baseline and collected data during Project operation for comparison?	x			"2019 Mary River Project Terrestrial Environment Annual Monitoring Report" document, 'Dust Fall Monitoring Program' section 3 (Page 32-70) & "Air Quality Baseline Study Baffinland Iron Mines Corporation Mary River Project" document (Page 19-21)	Interviewed Environmental and Regulatory Compliance Manager - Additional data was collected during the 2019 field season. The draft annual report inclusive of dustfall results was submitted to the members of the Terrestrial Environment Working Group for comment in April 2020 and also as part of the 2019 Annual Report for the Nunavut Impact Review Board in May 2020. Comments were received by the QIA, GN and ECCC-CWS in May 2020. The final draft will include comment responses and will be provided as part of comment responses to the NIRB Annual report.
		2.b. To assess the seasonal deposition (rates, quantities) and chemical composition of dust entering aquatic systems along representative distance transects at right angles to the Tote Road and radiating outward from Milne Port and the Mine Site.	2.b. Has the AEMP assessed the seasonal deposition (rates, quantities) and chemical composition of dust entering aquatic systems along representative distance transects at right angles to the Tote Road and radiating outward from Milne Port and the Mine Site?	x			"Aquatic Effects Monitoring Plan" document, (Page 9, 18-21) & "2019 Lake Sedimentation Monitoring Report" document, 'Conclusions and Recommendations' section (Page 21) & "Aquatic Effects Monitoring Reports" document, 'Executive Summary' section (Pages 5-6)	
3	45	3. The Proponent shall adhere to the No-Net-Loss principle at all phases of the project to prevent or mitigate direct or indirect fish and fish habitat losses.	3. Has Baffinland developed policies and implemented procedures to ensure it adheres to the 'No-Net-Loss' principle?	x			"Aquatic Effects Monitoring Plan" document, 'Tote Road Upgrade' section (Page 42)	
4	47	4. The Proponent shall ensure that all Project infrastructure in watercourses are designed and constructed in such a manner that they do not unduly prevent and limit the movement of water in fish bearing streams and rivers.	4. Has all project infrastructure in watercourses been designed and constructed to not unduly prevent the movement of water in fish bearing streams and rivers?	x			"Fish Habitat Monitoring 2019 Annual Report" document, 'Section 3.0 - Aquatic Monitoring' section (Pages 5-8)	Interviewed Environmental and Regulatory Compliance Manager (as part of December 2019 report) - Issues noted in the 2019 report will be addressed in 2020.
5	48(a)	5.a. The Proponent shall develop plans to conduct additional surveys for the presence of arctic char in freshwater bodies in relation to the Tote Road...	5.a. Have plans been developed to conduct additional surveys for the presence of Arctic Char in Freshwater bodies in relation to the Tote Road?	x			"Aquatic Effects Monitoring Plan" document, 'Established SNP Monitoring Stations Associated with ERP' section (Page 36)	Interviewed Environmental and Regulatory Compliance Manager (as part of June 2019 report) - Fish surveys undertaken by Baffinland are in general for Arctic Char.
		5.b. and ongoing monitoring of arctic char health where applicable, within watersheds proximal to the Tote Road.	5.b. Has a plan been implemented to monitor Arctic Char health, within watersheds proximal to the Tote Road?			x	N/A	Interviewed Environmental and Regulatory Compliance Manager (as part of December 2019 report) - Monitoring for char health is not currently conducted or a plan implemented as no applicable sites have been identified.
		5.c. The Proponent shall consult with the MHTO regarding the design, timing, and location of proposed surveys and ongoing monitoring.	5.c. Has Baffinland consulted the MHTO regarding the design, timing and location of proposed surveys and ongoing monitoring?	x			"Surface Water and Aquatic Ecosystem Management Plan" document, 'Sustainable Development' section (Page 30)	Interviewed Environmental and Regulatory Compliance Manager (as part of December 2019 report) - Consultation is ongoing with the MHTO through working groups.
6	53	The Proponent shall demonstrate consideration for the following (6a-6f):  6.a. Steps taken to prevent caribou mortality and injury as a result of train and vehicular traffic, including operational measures meant to maximize the potential for safe traffic relative to operations on the Milne Inlet Tote Road and associated access roads.	Has Baffinland demonstrated consideration for the following (6a-6f):  6.a. Have measures been taken to prevent caribou mortality and injury from vehicle traffic, particularly the Tote Road and associated access roads?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Mortality Mitigation' section 3.3.4 (Page 53-55) (refer to B-1)	
		6.b. Specific measures intended to address the reduced effectiveness of visual protocols for the Milne Inlet Tote Road and access roads/trails during times of darkness and low visibility must be included.	6.b. Have measures been taken to address the effectiveness of visual protocols for the Tote Road and access roads during times of darkness?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Mortality Mitigation' section 3.3.4 (Page 53-55) (refer to B-1)	
		6.c. Monitoring and mitigation measures at points where the Tote Road passes through caribou calving areas, particularly during caribou calving times. The details of these monitoring and mitigation measures shall be developed in conjunction with the Terrestrial Environment Working Group.	6.c. Have monitoring and mitigation measures, at points where the Tote Road passes through caribou calving areas, been developed in conjunction with the Terrestrial Environment Working Group?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'October 2012' section (Page 3) (refer to B-1)	
		6.d. Evaluation of the effectiveness of proposed caribou crossings over the Milne Inlet Tote Road and access roads as well as the appropriate number.	6.d. Have the proposed caribous crossings over the Tote Road and access been evaluated for effectiveness?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52) & 'Caribou Monitoring: Movement' appendix B4-9 section (Page 125) (refer to B-1)	



Project Certificate (PC) Conditions

Name of Auditor: BDO Canada LLP

Date of Audit: 03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	69
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	95%

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
6 (cont'd)	53 (cont'd)	6.e. Protocols for documentation and reporting of all caribou collisions and mortalities...	6.e. Have protocols for documentation and reporting of all caribou collisions and mortalities been established?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, "Mortality Mitigation" section (page 53) (refer to B-1)	Interviewed Sustainability Specialist (as part of June 2019 report) - This section includes monitoring for sightings and reporting requirements concerning for mortality.
		6.f. as well as mechanisms for adaptive management responses designed to prevent further such interactions.	6.f. Has a mechanism for adaptive management response, which is designed to prevent further caribou interactions, been developed?			x	N/A	Interviewed Sustainability Specialist - No mortalities or caribou interactions have occurred.
7	76	7. The Proponent shall develop a comprehensive Environmental Effects Monitoring Program to address concerns and identify potential impacts of the Project on the marine environment.	7. Has Baffinland developed a comprehensive Environmental Effects Monitoring Program to address concerns and identify potential impacts of the project on the MARINE environment?	x			"Marine Environmental Effects Monitoring Plan" document, "EEM Approach" section 2 (Page 11) (refer to B-3)	
8	83a	8.a. The Proponent shall conduct hydrodynamic modelling in the Milne Inlet Port area to determine the potential impacts arising from disturbance to sediments including re-suspension and subsequent transport and deposition of sediment.	8.a. Has Baffinland conducted hydrodynamic modelling in the Milne Inlet Port area to determine the potential impacts arising for the disturbance to sediments, including re-suspension and subsequent transport and deposition of sediment?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-298)	
		8.b. The modelling results shall be used to update the marine water and sediment quality monitoring and mitigation program to include activities associated with the construction and operation of the Milne Inlet Port.	8.b. Have the modeling results been used to update the marine water and sediment quality monitoring and mitigation program to include activities associated with the construction and operation of the Milne Inlet Port?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-298)	
		8.c. The monitoring program shall include an ongoing assessment of the potential introduction of metals that bio-accumulate in the marine food chain.	8.c. Does the monitoring program include an ongoing assessment of the potential introduction of metals that bio-accumulate in the marine food?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-298)	
9	84	9.a. The Proponent shall update its sediment redistribution modeling once ship design has been completed and...	9.a. Has Baffinland updated its sediment redistribution modeling since ship design was completed?			x	N/A	Interviewed Sustainability Specialist - Built for purpose ships were not commissioned for this phase of the Project, therefore question is not applicable.
		9.b. sampling should be undertaken to validate the model and to inform sampling sites and the monitoring plan.	9.b. Has sampling been undertaken by Baffinland to validate the model and to inform sampling sites and the monitoring plan?			x	N/A	Interviewed Sustainability Specialist - Built for purpose ships were not commissioned for this phase of the Project, therefore question is not applicable.
10	85	10.a. The Proponent shall develop a monitoring plan to verify its impact predictions associated with sediment redistribution resulting from propeller wash in shallow water locations along the shipping route. If monitoring detects negative impacts from sediment redistribution, additional mitigation measures will need to be developed and implemented.	10.a. Has Baffinland developed a monitoring plan to verify its impact predictions associated with sediment redistribution resulting from propeller wash in shallow water locations along the shipping route?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project.
		10.b. If monitoring detects negative impacts from sediment redistribution, additional mitigation measures will need to be developed and implemented.	10.b.1. Has the monitoring program detected any negative impacts from sediment redistribution?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project.
			10.b.2. If negative impacts from sediment redistribution have been identified, have additional mitigation measures been developed and implemented?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project.
11	87	11.a. The Proponent shall develop a detailed monitoring program at a number of sites over the long term to evaluate changes to marine habitat and organisms...	11.a. Has Baffinland developed a detailed monitoring program at a number of sites to evaluate changes to marine habitat and organisms?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 305-308) (refer to B-4)	
		11.b. and to monitor for non-native introductions resulting from Project-related shipping.	11.b. Does Baffinland monitor for non-native introductions resulting from Project-related shipping?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 305-308) (refer to B-4)	
		11.c. This program needs to be able to detect changes that may have biological consequences and should be initiated several years prior to any ballast water discharge into Steensby Inlet and Milne Inlet to collect sufficient baseline data and should continue over the life of the Project.	11.c. Does the program detect changes that may have biological consequences, including sufficient baseline data?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 305-308) (refer to B-4)	
12	89	12.a. The Proponent shall develop and implement an effective ballast water management program...	12.a. Has Baffinland developed and implemented a ballast water management program?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 312-318) (refer to B-4) & "Terrestrial Environment Mitigation and Monitoring Plan" (Page 5) (refer to B-1)	
		12.b. that may include the treatment and monitoring of ballast water discharges in a manner consistent with applicable regulations and/or exceed those regulations if they are determined to be ineffective for providing the desired and predicted results.	12.b. Does the water management program ensure that the treatment and monitoring of ballast water discharges are conducted in a manner consistent with applicable regulations?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 312-318) (refer to B-4) & "Terrestrial Environment Mitigation and Monitoring Plan", "Relationship to Other Management Plans" section 1.5 (page 34) (refer to B-1) & "Shipping and Marine Wildlife Management Plan" (Page 8, 43 in B-5) references to the Marine Monitoring Plan.	Interviewed Sustainability Specialist - NIRB Annual report provides a summary of 2019 results collected through the Marine Environmental Effects Monitoring Program and Aquatic Invasive Species Program.
		12.c. The ballast water management program shall include, without limitation, a provision that requires ship owners to test their ballast water to confirm that it meets the salinity requirements of the applicable regulations prior to discharge at the Milne Port...	12.c. Does the ballast water management program include a provision that requires ship owners to test their ballast water to confirm that it meets the salinity requirements of the applicable regulations prior to discharge at Milne Port?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 312-318) (refer to B-4) & "Ballast Water Management Plan" document, "Monitoring and Controls" section 3 (Page 12) (refer to B-6)	

Project Certificate (PC) Conditions

Name of Auditor:

BDO Canada LLP

Date of Audit:

03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	69
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	95%

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
12 (cont'd)	89 (cont'd)	12.d. and a requirement noting that the Proponent, in choosing shipping contractors will, whenever feasible, give preference to contractors that use ballast water treatment in addition to ballast water exchange.	12.d. Does Baffinland choose shipping contractors, whenever feasible, that use ballast water treatment in addition to ballast water exchange?		x		"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 312-318) (refer to B-4)  In 2020, 18 of the vessels calling to Milne Port (representing 42 of the 72 carrier voyages in 2020) had approved #2 treatment systems and completed both exchange and treatment (see B-7)	Interviewed Sustainability Specialist (as part of December 2019 report) - This will not be completed, as all vessels are required to follow regulatory requirements for ballast water exchange, treatment and management. Vessels are in the process of being fitted with treatment systems in a phased manner as required under D2 Compliance with the International Maritime Organization and Transport Canada regulatory standards. All vessels are anticipated to have treatment systems by 2024.
13	91	13.a. The Proponent shall develop a detailed monitoring plan for Steensby Inlet and Milne Inlet for fouling that complies with all applicable regulatory requirements and guidelines as issued by Transport Canada...	13.a. Has Baffinland developed a detailed monitoring plan for Steensby Port and Milne Inlet for fouling that complies with all applicable regulatory requirements and guidelines as issued by Transport Canada?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 321-325)	
		13.b. and includes sampling areas on ships where antifouling treatment is not applied such as the areas where non-native species are most likely to occur.	13.b. Does this include sampling areas on ships where antifouling treatment is not applied, such as the areas where non-native species are most likely to occur?	x			"2019 Marine Environmental Effects Monitoring Program (MEEMP) and Aquatic Invasive Species (AIS) Monitoring Program" document, "Ship Hull Monitoring" section (44, 151, 164 in B-8);  Also completed in 2020 but results are currently in prep (will be available in 2020 Annual Report to the NIRB)	Interviewed Sustainability Specialist - Extensive surveying is conducted along various areas of the ship (i.e. bowlocker, hull, nose, etc.). Sampling completed and reported in the 2019 NIRB Annual Report and specialized report Draft 2019 Marine Environmental Effects Monitoring Program (MEEMP) and Aquatic Invasive Species (AIS) Monitoring Program
14	104	Subject to safety considerations and the potential for conditions as determined by the crew of transiting vessels, to result in route deviations:	Subject to safety considerations and the potential for conditions as determined by the crew of transiting vessels, to result in route deviations:					
		14.a. The Proponent shall require, for shipping to/from Steensby Port, project vessels to maintain a route to the south of Mill Island to prevent disturbance to walrus and walrus habitat on the northern shore of Mill Island.	14.a. Does Baffinland ensure project vessels shipping to/from Steensby Port maintain a route to the south of Mill Island to prevent disturbance to walrus and walrus habitat on the northern shore of Mill Island?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable.
		14.b. Where project vessels are required to transit to the north of Mill Island owing to environmental or other conditions, an incident report is to be provided to the Marine Environment Working Group and the NIRB within 30 days...	14.b. If project vessels are required to transit to the north of Mill Island due to environmental or other conditions, does Baffinland provide an incident an incident report to the Marine Environment Working Group and the NIRB within 30 days?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable.
		14.c. noting all wildlife sightings and interactions as recorded by shipboard monitors.	14.c. Does the incident report note all wildlife sightings and interactions as recorded by shipboard monitors?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 362-372)	
		14.d. The Proponent shall summarize all incidences of significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port as presented in the FEIS and FEIS Addendum to the NIRB annually...	14.d. Does Baffinland give instructions to vessel captains to avoid significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port, subject to safety considerations as determined by the crew, and summarize all incidences of significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port, as presented in the FEIS and FEIS Addendum to the NIRB annually?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 360-361)	
15	105	14.e. with corresponding discussion regarding justification for deviations and any observed environmental impacts.	14.e. Has a corresponding discussion occurred regarding justification for deviations and any observed environmental impacts?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 360-361)	
		15.a. The Proponent shall ensure that measures to reduce the potential for interaction with marine mammals, particularly in Hudson Strait and Milne Inlet, are identified and implemented prior to commencement of shipping operations. These measures could include, but are not limited to...	15.a. Has Baffinland reduced the potential for interaction with marine mammals, particularly in Hudson Strait and Milne Inlet?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 362-372)	
		15.c. Reduced shipping speeds where ship-marine mammal interactions are most likely	15.c. Has Baffinland reduced shipping speeds where ship-marine mammal interactions are most likely?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 362-372)	Interviewed Sustainability Specialist (as part of December 2019 report) - Speeds have been reduced below project requirements (should be 7-10 knots) as Baffinland has communicated and enforced a speed limit of 9 knots for all Baffinland-contracted vessels throughout the 2019 shipping season.
16	106	16.a. The Proponent shall ensure that shipboard observers are employed during seasons where shipping occurs	16.a. Has Baffinland ensured that shipboard observers are employed during seasons where shipping occurs?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 373-377)	
		16.b. and provided with the means to effectively carry out assigned duties.	16.b. Has Baffinland provided shipboard observers with the means to carry out assigned duties?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 373-377)	
17	109	17.a. The Proponent shall conduct a monitoring program to confirm the predictions in the FEIS with respect to disturbance effects from ships noise on the distribution and occurrence of marine mammals.	17.a. Has a monitoring program been implemented that confirms the predictions in the FEIS with respect to disturbance effects from ships noise on the distribution and occurrence of marine mammals?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.b. The survey shall be designed to address effects during the shipping seasons, and include locations in Hudson Strait,	17.b. Has the survey been designed to address affects during the shipping seasons, and include locations in Hudson Strait?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable.
		17.c. Foxe Basin,	17.c. Foxe Basin?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable.

Project Certificate (PC) Conditions

Name of Auditor:

BDO Canada LLP

Date of Audit:

03/26/2021

Completion Rate:

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Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
17 (cont'd)	109 (cont'd)	17.d. Milne Inlet,	17.d. Milne Inlet?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.e. Eclipse Sound,	17.e. Eclipse Sound?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.f. and Pond Inlet.	17.f. and Pond Inlet?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.g. The survey shall continue over a sufficiently lengthy period to determine the extent to which habituation occurs for narwhal...	17.g. Has monitoring been conducted to determine the extent to which habituation occurs for narwhal? (Auditor to record # years of monitoring in Evidence cell.)	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.h. Beluga...	17.h. Beluga?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.i. Bowhead...	17.i. Bowhead?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
		17.j. and Walrus?	17.j. and Walrus?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 388-400)	
18	110	18.a. The Proponent shall immediately develop a monitoring protocol that includes, but is not limited to, acoustical monitoring...	18.a. Has Baffinland developed a monitoring protocol that includes, but is not limited to, acoustical monitoring?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 401-407)	
		18.b. to facilitate assessment of the potential short term, long term, and cumulative effects of vessel noise on marine mammals and marine mammal populations.	18.b. Does the protocol facilitate assessment of the potential short term, long term, and cumulative effects of vessel noise on marine mammals and marine mammal populations?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 401-407)	
		18.c. The Proponent is expected to work with the Marine Environment Working Group to determine appropriate early warning indicator(s) that will ensure rapid identification of negative impacts along the southern and northern shipping routes.	18.c. Is Baffinland working with the Marine Environment Working Group to determine appropriate early warning indicators that will ensure rapid identification of negative impacts along the southern and northern shipping routes?	x			Early Warning Indicator Memo (refer to B-10)	
19	111	19.a. The Proponent shall develop clear thresholds for determining if negative impacts as a result of vessel noise are occurring.	19.a. Has Baffinland developed clear thresholds for determining if negative impacts as a result of vessel noise are occurring?	x			Early Warning Indicator Memo (refer to B-10)	
		19.b. Mitigation and adaptive management practices shall be developed to restrict negative impacts as a result of vessel noise. This shall include, but not be limited to...	19.b. Have mitigation and adaptive management practices been developed to restrict negative impacts as a result of vessel noise?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 408-413, 414-418)	
		19.c. Identifications of zones where cumulative noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)	19.c. Have zones been identified where cumulative noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)?		x		"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 408-413, 414-418) (refer to B-4)	Interviewed Sustainability Specialist (as part of December 2019 report) - Baffinland has not completed this exercise. They have not defined bathymetry or seafloor geacoustics along the entire shipping route, though some assumptions are made in modelling where information is available.
		19.d. Vessel transit planning, for all seasons, to determine the degree to which cumulative sound impacts can be mitigated through the seasonal use of different zones	19.d. Has vessel transit planning, for all seasons, determined the degree to which cumulative sound impacts can be mitigated through the seasonal use of different zones?		x		"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 408-413, 414-418) (refer to B-4)	Interviewed Sustainability Specialist (as part of December 2019 report) - Baffinland has not completed this exercise. They have not defined bathymetry or seafloor geacoustics along the entire shipping route, though some assumptions are made in modelling where information is available.
20	112	20.a. Prior to commercial shipping of iron ore, the Proponent, in conjunction with the Marine Environment Working Group, shall develop a monitoring protocol that includes, but is not limited to, acoustical monitoring that provides an assessment of the negative effects (short and long term cumulative) of vessel noise on marine mammals.	20.a. Has Baffinland, in conjunction with the Marine Environment Working Group, developed a monitoring protocol that includes acoustical monitoring that provides an assessment of the negative effects (short, long term and cumulative) of vessel noise on marine mammals?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 414-418)	
		20.b. Monitoring protocols will need to carefully consider the early warning indicator(s) that will be best examined to ensure rapid identification of negative impacts.	20.b. Do monitoring protocols carefully consider the early warning indicators to ensure rapid identification of negative impacts?	x			Early Warning Indicator Memo (refer to B-10)	
		20.c. Thresholds shall be developed to determine if negative impacts as a result of vessel noise are occurring.	20.c. Has a threshold for negative impacts caused by vessel noise been developed?	x			Early Warning Indicator Memo (refer to B-10)	
		20.d. Mitigation and adaptive management practices shall be developed to restrict negative impacts as a result of vessel noise. This shall include, but not be limited to...	20.d Have mitigation and adaptive management practices been developed to restrict negative impacts as a result of vessel noise?	x			Early Warning Indicator Memo (refer to B-10)	
		20.e. Identification of zones where noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)	20.e. Have zones been identified where noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)?		x		"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 414-418)	
		20.f. A monitoring and mitigation plan is to be developed, and approved by Fisheries and Oceans Canada prior to the commencement of blasting in marine areas	20.f. Has a monitoring and mitigation plan been developed, and approved by Fisheries and Oceans Canada, prior to the commencement of blasting in marine areas?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 414-418)	
21	113	21.a. The Proponent shall conduct monitoring of marine fish and fish habitat, which includes but is not limited to, monitoring for Arctic Char	21.a. Does Baffinland conduct monitoring of marine fish and fish habitat, which includes but is not limited to, monitoring for Arctic Char?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 419-425)	
		21.b. stock size and health condition in Steensby Inlet , as recommended by the Marine Environment Working Group	21.b. Does the monitoring measure stock size and health condition in Steensby Inlet, as recommended by the Marine Environment Working Group?			x	N/A	Interviewed Sustainability Specialist (as part of December 2019 report) - This phase of the Project is not currently active therefore question is not applicable.
		21.c. stock size and health condition in Milne Inlet , as recommended by the Marine Environment Working Group	21.c. Does the monitoring measure stock size and health condition in Milne Inlet as recommended by the Marine Environment Working Group?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 419-425)	

Project Certificate (PC) Conditions

Name of Auditor:

BDO Canada LLP

Date of Audit:

03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	69
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	95%

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
22	120	22.a. The Proponent shall ensure that, subject to vessel and human safety considerations, all project shipping adhere to the following mitigation procedures while in the vicinity of marine mammals...	22.a. Has Baffinland ensured that, subject to vessel and human safety considerations, all project shipping adheres to mitigation procedures while they are in the vicinity of marine mammals?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 433-436)	
		22.b. Wildlife will be given right of way	22.b. Has Baffinland ensured that wildlife will be given the right of way?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 433-436)	
		22.c. Ships will when possible, maintain a straight course and constant speed, avoiding erratic behavior	22.c. Has Baffinland ensured that ships will, when possible, maintain a straight course and constant speed, avoiding erratic behavior?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 433-436)	
		22.d. When marine mammals appear to be trapped or disturbed by vessel movements, the vessel will implement appropriate measures to mitigate disturbance, including stoppage of movement until wildlife have moved away from the immediate area.	22.d. Has Baffinland ensured that when marine mammals appear to be trapped or disturbed by vessel movements, the vessel will implement appropriate measures to mitigate disturbance, including stoppage of movement until wildlife have moved away from immediate area?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 433-436)	
23	121	23a. The Proponent shall immediately report any accidental contact by project vessels with marine mammals or seabird colonies to Fisheries and Oceans Canada and Environment Canada...	23.a. Has Baffinland ensured Fisheries and Oceans Canada and Environment Canada are contacted immediately should any accidental contact by project vessels with marine mammals or seabird colonies occur?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 437-438)	
		23.b. (And), by notifying the appropriate regional office of the: • Date, time and location of the incident; • Date, time and location of the incident; • Species of marine mammal or seabird involved; • Circumstances of the incident; • Weather and sea conditions at the time; • Observed state of the marine mammal or sea bird colony after the incident; and, • Direction of travel of the marine mammal after the incident, to the extent that it can be determined.	23.b. Does Baffinland also notify the appropriate regional office of the following: • Date, time and location of the incident; • Species of marine mammal or seabird involved; • Circumstances of the incident; • Weather and sea conditions at the time; • Observed state of the marine mammal or sea bird colony after the incident; and, • Direction of travel of the marine mammal after the incident, to the extent that it can be determined.	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 437-438)	
24	123	24.a. The Proponent shall provide sufficient marine mammal observer coverage on project vessels to ensure that collisions with marine mammals and seabird colonies are observed and reported through the life of the Project.	24.a. Does Baffinland provide sufficient marine mammal observer coverage on project vessels to ensure that collisions with marine mammals and seabird colonies are observed and reported through the life of the project?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
		24.b. The marine wildlife observer protocol shall include, but not be limited to, protocols for marine mammals...	24.b. Does the protocol for the marine wildlife observer include protocols for marine mammals?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
		24.c. seabirds...	24.c. Does the protocol for the marine wildlife observer include protocols for seabirds?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
		24.d. and environmental conditions	24.d. Does the protocol for the marine wildlife observer include protocols for environmental conditions?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
		24.e. and immediate reporting of significant observations to the ship masters of other vessels along the shipping route...	24.e. Does the protocol for the marine wildlife observer include protocols for immediate reporting of significant observations to the ship masters of other vessels along the shipping route?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
		24.f. as part of the adaptive management program to address any items that require immediate action.	24.f. Is the protocol part of the adaptive management program that addresses any items that require immediate action?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Page 441-445)	
25	171	25.a. The Proponent shall include within its updated Terrestrial Wildlife Management and Monitoring Plan...	25.a. Has Baffinland updated its Terrestrial Wildlife Management and Monitoring plan?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52) (refer to B-1)	Interviewed Sustainability Specialist (as part of December 2019 report) - The plan is up to date as it includes all requirements, such as caribou deterrents.
		25.b. ...a commitment to establish deterrents along the Tote Road embankments at any areas where it is determined that caribou are utilizing the embankments or transportation corridors to facilitate movement and where such movement presents a likelihood of caribou mortality to occur.	25.b. Does the Terrestrial Wildlife Management and Monitoring plan include a commitment to establish deterrents along the Tote Road embankments at any areas where it is determined that caribou are utilizing the embankments or transportation corridors to facilitate movement and where such movement presents a likelihood of caribou mortality to occur?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52) (refer to B-1)	
26	173	26. The Proponent shall employ best practices and meet all regulatory requirements during all ship-to-shore and other marine-based fuel transfer events.	26. Does Baffinland ensure that it employs best practices and meets all regulatory requirements during all ship-to-shore and other marine-based fuel transfer events?	x			"Oil Pollution Emergency Plan-Milne Inlet (OPEP)" document, 'Fuel Storage Facilities and Infrastructure' section 5.2 (Page 22) & 'Tank Farm' section 9.3 (Page 47-48)	
27	174	27.a. The Proponent and the Canadian Coast Guard are required to provide spill response equipment and...	27.a. Does Baffinland and the Canadian Coast Guard provide spill response equipment?	x			"Spill at Sea Response Plan" document, 'Spill Response Resources' section 10 (Page 36) (refer to B-9)	Interviewed Sustainability Specialist (as part of December 2019 report) - Baffinland has a Spill at Sea Response Plan (SSRP) and this plan details what assets at site are available for responding to spills. Any reliance on the Canadian Coast Guard would be outlined in that plan, however Baffinland has a contract with a company called OSRL (Oil Spill Response Limited) that will provide response assistance if they ever need it during the shipping season. The CCG as part of its own programming may have a cache of equipment in Pond Inlet, however if it's not mentioned in the SSRP it wouldn't be relevant.
		27.b. annual training to Nunavut communities along the shipping route to potentially improve response times in the event of a spill.	27.b. Does Baffinland and the Canadian Coast Guard provide annual training to Nunavut communities along the shipping route?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 583-584)	

## Inuit Impact and Benefit Agreement (IIBA) Commitments

Inuit Impact and Benefit Agreement (IIBA) Commitments

Name of Auditor: BDO Canada LLP

Date of Audit: 03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	50
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	93%

Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
1	4.12 Annual IIBA Implementation Report	1.a. The Company will prepare the Annual IIBA Implementation Report required pursuant to Section 20.3 herein in order to summarize all reports generated in relation to the Project...	1.a. Has Baffinland prepared the Annual IIBA Implementation Report required (pursuant to Section 20.3 herein) in order to summarize all reports generated in relation to the Project?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document	
		1.b. Including reports by the Employment Committee and the Contracting Committee...	1.b. Does this include reports by the Employment Committee and the Contracting Committee?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document	Interviewed IIBA Reporting Specialist - Throughout the report the document describes activities that the Employment and Contracting Committees pursued in the 2019 Annual Work Plan year.
		1.c. On environmental issues...	1.c. Does this include a report on environmental issues?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Page 38-39)	Interviewed IIBA Reporting Specialist - This report is on the environmental issues as it effects the Inuit.
		1.d. Social and cultural objectives...	1.d. Does this include a report on social and cultural objectives?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Page 31-41)	
		1.e. Financial provisions and participation...	1.e. Does this include a report on financial provisions and participation?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Appendix A)	
		1.f. Inuit training and employment...	1.f. Does this include a report on Inuit training and employment?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document, "Inuit Participation Report" section 2 (Page 5-28)	
		1.g. Contracts and economic benefits.	1.g. Does this include a report on contracts and economic benefits?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Page 26-30)	Interviewed IIBA Reporting Specialist - Throughout the document it describes economic benefits and contract benefits provided to the Inuit.
2	9.2.2 Shipping-related Relations Between QIA and the Company	2. The Company will appoint a senior manager responsible for maritime shipping.	2. Has Baffinland appointed a senior manager responsible for maritime shipping?	x			"Baffinland Corporate Development" document, Organization chart shows the corporate structure including the Director of Shipping & Sales, Administration, Evaluation and Reporting (refer to C-1)	Interviewed Sustainability Specialist - the Head of Shipping, as indicated on Baffinland's organization structure, is in charge of maritime shipping.
3	9.2.4	3. The Company and QIA will establish a communications protocol to keep QIA and Inuit in the North Baffin communities and any other communities affected by Project-related maritime shipping, continuously informed about maritime shipping activities related to the Mary River Project.	3. Has Baffinland and QIA established a communications protocol to keep QIA and Inuit in the North Baffin communities and any other communities affected by Project-related maritime shipping, continuously informed about maritime shipping activities related to the Mary River Project?	x			"Draft Communications Protocol for Shipping Activities" document, 'Communications' section (page 15) (refer to C-2)	Interviewed Sustainability Specialist - The 'Communications Protocol' document is considered a live document as new methods are piloted (e.g. new as of July 2020 Baffinland has a dedicated Facebook Baffinland Shipping Page)
4	9.2.5	4. The Company shall provide QIA and Inuit in the North Baffin communities and in other communities affected by Project-related maritime shipping, ship tracking information to ensure Inuit have knowledge of ship positions and paths and ship traffic in general in Foxe Basin and Hudson Strait.	4. Has Baffinland provided QIA and Inuit in the North Baffin communities and in other communities affected by Project-related maritime shipping, ship tracking information to ensure Inuit have knowledge of ship positions and paths and ship traffic in general in Foxe Basin and Hudson Strait?	x			"Draft Communications Protocol for Shipping Activities" document, 'Communications' section (page 15) (refer to C-2)  Also, live tracking of vessels available on <a href="https://www.baffinland.com/operation/shipping-and-monitoring/">https://www.baffinland.com/operation/shipping-and-monitoring/</a>	Interviewed Sustainability Specialist - Updated to include newest webpage with live vessel tracking (included in documented evidence column)
5	9.3 Communication of Shipping Requirements for the Project	5.a. The Company shall keep QIA informed of the following information regarding shipping during all phases of the Project:  For Vessels and Vessel Traffic:	5.a. Has Baffinland kept QIA informed of the following information regarding shipping during all phases of the Project?  The following conditions are specific to vessels and vessel traffic:	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2019' section 3.1 (Page 51) & (Page 353-382)	
		5.b. Type of Vessel(s):	5.b. Type of Vessel(s)?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2019' section 3.1 (Page 51) & (Page 353-382)	
		5.c. Nature of cargo(s):	5.c. Nature of cargo(s)?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2019' section 3.1 (Page 51) & (Page 353-382)	
		5.d. Development of the MTMP, procedure for review, updates and amendment:	5.d. Development of the MTMP, procedure for review, updates and amendment?		x		N/A - not started	
		5.e. Standards for on-board communications and navigation equipment and procedures including ability to communicate with the Mine/Port Site:	5.e. Standards for on-board communications and navigation equipment and procedures including ability to communicate with the Mine/Port Site?	x			"Standing Instructions and General Information for Masters of Vessels Loading at Milne Inlet Port " document (appendix 4) (refer to C-3), see C-4 and C-5	
		5.f. Procedures to address Vessel traffic safety, including safety of small boat traffic along the shipping route:	5.f. Procedures to address Vessel traffic safety, including safety of small boat traffic along the shipping route?	x			"Communications Protocol for Shipping Activities" document, 'During Shipping Communications' (Page 6-8) (refer to C-2)	Interviewed Sustainability Specialist (as part of December 2019 report) VHF notification provides live alerts and communication to boaters on waters regarding the location of carriers along the shipping routes, allowing them to plan their travel routes accordingly.
		5.g. Hydrographic charting and placement of navigational aids along the shipping route:	5.g. Hydrographic charting and placement of navigational aids along the shipping route?	x			"Standing Instructions and General Information for Masters of Vessels Loading at Milne Inlet Port " document (appendix 4) (refer to C-3), see C-4 and C-5	
		5.h. Application of the Arctic Ice Regime Shipping System (AIRSS) to Vessels transiting:	5.h. Application of the Arctic Ice Regime Shipping System (AIRSS) to Vessels transiting?	x			"Ice and Marine Shipping Assessment Mary River Iron Ore Project North Baffin Island Nunavut Revision 2" document, 'Zone E- Steensby Inlet' section (Page 38-46)	
		5.i. Ballast water management procedures to be used by Vessels transiting along the shipping route:	5.i. Ballast water management procedures to be used by Vessels transiting along the shipping route?	x			"Ballast Water Management Plan" document, 'Regulatory Framework' section 1.5 (Page 6) & 'Ballast Water Management' section 2 (Page 9) (refer to C-6)	
		5.j. Ice classification for Vessels:	5.j. Ice classification for Vessels?	x			"Ice and Marine Shipping Assessment Mary River Iron Ore Project North Baffin Island Nunavut Revision 2" document (Page 37-44)	
		5.k. Identification of shipping route and process for changes to the route:	5.k. Identification of shipping route and process for changes to the route?	x			"Early Revenue Phase, Addendum to Final Environmental Impact Statement" document	
		5.l. Process and procedures for public consultation and for public notification with respect to Vessel transits:	5.l. Process and procedures for public consultation and for public notification with respect to Vessel transits?	x			"Learn more about Baffinland's shipping and marine monitoring programs" document, 'Communications' section (Page 5)	
		5.m. Vessel requirements for pollution control, including bilge discharges, sewage and garbage:	5.m. Vessel requirements for pollution control, including bilge discharges, sewage and garbage?	x			"Shipping and Wildlife Management Plan" document, 'Onboard Waste Management' section 5.4 (Page 39):	
		5.n. Requirements with respect to Oil Pollution Emergency Plans (OPEPS) under the Canada Shipping Act:	5.n. Requirements with respect to Oil Pollution Emergency Plans (OPEPS) under the Canada Shipping Act?	x			"Oil Pollution Emergency Plan-Milne Inlet (OPEP)" document, 'Oil Handling Facility Declaration' section (Page 6) (refer to C-7)	Interviewed Sustainability Specialist - This OPEP document was updated May 2020

Inuit Impact and Benefit Agreement (IIBA) Commitments

Name of Auditor: BDO Canada LLP		Date of Audit: 03/26/2021		Completion Rate: Total # of audit questions with evidence provided supporting completion of the audit question50 Percentage of applicable audit questions with evidence provided supporting completion of the audit question93%				
Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
5 (cont'd)	9.3 Communication of Shipping Requirements for the Project (cont'd)	5.o. Identification of locations for emergency anchorages;	5.o. Identification of locations for emergency anchorages?	x			A.1 2020 Pre-shipping season mtg document, "2020 Shipping Operations" (pdf page 5, 15) held July 8 and July 15 (refer to C-8)	Interviewed Sustainability Specialist (as part of December 2019 report) Since emergency anchorage only affects hunters (i.e. communities), we have liaised directly with the impacted parties, whom the QIA is set up to represent.
		5.p. Procedures for dealing with anticipated unusual Vessel traffic, including towing arrays; and	5.p. Procedures for dealing with anticipated unusual Vessel traffic, including towing arrays?		x		N/A - not started	
		5.q. Procedures for shipping requirements for any construction after commencement of Commercial Production;	5.q. Procedures for shipping requirements for any construction after commencement of Commercial Production?	x			2020 Vessel Summary (refer to C-13)	Interviewed Sustainability Specialist (as part of June 2019 report) - There are no separate requirements for Construction material shipping outside of the defined 'construction period'. These vessels still have to follow all operational requirements (for example, speed limit of 9 knots etc.).
6	9.4 Shipping Monitoring	6.a. The Company in consultation with QIA will facilitate and pay for training for Inuit ship monitors...	6.a. Has Baffinland, in consultation with QIA, facilitated and paid for training for Inuit ship monitors	x			"Ship-Based Observer Program - Training Manual" document, which is 'Appendix A' (Page 78) of the "2019 Shipboard Observer Program Report" document, which describes the training process during non-COVID-19 restrictions. (refer to C-9)	Interviewed Sustainability Specialist - Costs for training are exclusively paid for by Baffinland. No program in 2020 due to COVID-19 pandemic onboarding restrictions.
		6.b. and to the extent such individuals are available for employment will hire trained Inuit to act as monitors.	6.b. If such individuals are available for employment does Baffinland hire trained Inuit to act as monitors?	x			"Ship-Based Observer Program - Training Manual" document, which is 'Appendix A' (Page 78) of the "2019 Shipboard Observer Program Report" document, which describes the training process during non-COVID-19 restrictions. (refer to C-9)	Interviewed Sustainability Specialist - Baffinland employed the Inuit ship monitors subsequent to the completion of the course. No program in 2020 due to COVID-19 pandemic onboarding restrictions.
		6.b. Inuit monitors on behalf of the Company and QIA will act as monitors on project related voyages that pose a significant environmental risk as agreed to by the Parties.	6.b. Have Inuit monitors, on behalf of Baffinland and QIA, acted as monitors on project related voyages that pose a significant environmental risk as agreed to by the Parties?	x			"2019 Ship-Based Observer Program" document (July 2020 version), 'MWO Training ' section 1.3 (Page 19) (refer to C-9)	Interviewed Sustainability Specialist - The individuals are located on vessels such as ice breakers which would pose a higher environmental risk. Also, the individuals are monitoring at the beginning and the end of the shipping season, which represent ice periods which are environmentally riskier and this timing was agreed to by QIA.  The program was repeated in 2019 and was reported on in the 2019 annual monitoring report, which was issued in May 2020.
		6.c. In the event Inuit monitors are unavailable and if required as a continuing condition of the NIRB "Project Certificate", the Company will still ensure that ship monitors are present on voyages that pose a significant environmental risk.	6.c. In the event Inuit monitors are unavailable and if required as a continuing condition of the NIRB "Project Certificate", has Baffinland ensured that ship monitors are present on voyages that pose a significant environmental risk?	x			Ship-based observers could not board icebreaker as done previously in 2018-2019. As an alternative, incidental marine mammal monitoring program was established in collaboration with MMON. (refer to C-12)	Interviewed Sustainability Specialist - The individuals are located on vessels such as ice breakers which would pose a higher environmental risk. Also, the individuals are monitoring at the beginning and the end of the shipping season, which represent ice periods which are environmentally riskier and this timing was agreed to by QIA.  The program was repeated in 2019 and was reported on in the 2019 annual monitoring report, which was issued in May 2020.
		6.d. The intent of establishing monitoring stations under Subsection 13.3.2 will be to complement or potentially substitute for the need for ship monitors. The Joint Executive Committee will periodically assess the effectiveness of ship monitoring and other monitoring methods as the Project evolves.	6.d. Has the Joint Executive Committee periodically assessed the effectiveness of ship monitoring and other monitoring methods as the Project evolves?	x			"Master Action Item List for the JEC" excel spreadsheet (located at the bottom of JEC tab)	Interviewed IIBA Reporting Specialist (as part of December 2019 report) - JEC discussed shipping related concerns and the effectiveness of ship monitoring prior to December 31, 2019.
7	9.4.4	7.a. Shipping monitors shall prepare a written report of their activities after each voyage and summarize the Year's activity.	7.a. Did shipping monitors prepare a written report of their activities after each voyage and summarize the year's activity?	x			"2019 Ship-Based Observer Program" document (July 2020 version), 'Executive Summary' (Page 3) (refer to C-9)	Interviewed Sustainability Specialist - The shipboard observer program was repeated in 2019 and was reported on in the 2019 annual monitoring report, which was issued in May 2020. Therefore, the 2019 program report is the most recent and relevant evidence as of June 30, 2020.
		7.b. The reports shall be delivered to the Joint Executive Committee and included in the Annual IIBA Implementation Report.	7.b. Were the reports delivered to the Joint Executive Committee and included in the Annual IIBA Implementation Report?			x	"2019 Shipboard Observer Program Report" document, 'Executive Summary' (Page 4). (refer to C-9).	Interviewed Sustainability Specialist - The shipping and environmental monitors are not Baffinland employees and do not report directly to Baffinland, which results in Baffinland being at the mercy of their submission to be able to include it Baffinland's annual IIBA reporting and to the JEC. Baffinland received the shipping and environmental monitors' report in May 2020, which was past the annual IIBA and JEC report issued date of March 31, 2020. Since the timing of the report is out of Baffinland's control, this Audit Question has been determined to be N/A.



Inuit Impact and Benefit Agreement (IIBA) Commitments

Name of Auditor: BDO Canada LLP		Date of Audit: 03/26/2021		Completion Rate: Total # of audit questions with evidence provided supporting completion of the audit question 50 Percentage of applicable audit questions with evidence provided supporting completion of the audit question 93%				
Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
8	9.6.4	8. The Company will ensure that all safety, spill response and operational plans and mitigation measures acknowledge, respect and protect the relationship of Inuit to the sea, sea ice and marine resources, including the rights of Inuit pursuant to Subsection 5.7.16 and subject to limitations on such rights set out in the NLCA, including Section 5.7.17, 5.7.18 and 5.7.25 when considering the operational needs of the Project	8. Has Baffinland ensured that all safety, spill response and operational plans and mitigation measures acknowledge, respect and protect the relationship of Inuit to the sea, sea ice and marine resources, including the rights of Inuit pursuant to Subsection 5.7.16 and subject to limitations on such rights set out in the NLCA, including Section 5.7.17, 5.7.18 and 5.7.25 when considering the operational needs of the Project?	x			"Shipping and Marine Wildlife Management Plan" document, 'Culture, Resources, and Land Use' section 6.1 (Page 47) (refer to C-10) & "Spill at Sea Response Plan" document, 'Environmental Information' Appendix 4 (Page 136) (refer to C-11)	
9	14.3 Annual Project Review Forum	9. The Parties agree to hold an Annual Project Review Forum (referred to in this Article 14 as the "Forum") at which QIA and the Company shall discuss Project related issues directly with members from impacted communities.	9. Did the Parties hold an Annual Project Review Forum (referred to in this Article 14 as the "Forum") at which QIA and Baffinland discussed Project related issues directly with members from impacted communities?	x			"2019 Annual Project Review Forum Report" document, 'Community Comments, Recommendations and Next Steps' (Page 7-16)	
10	15.2 Mitigation and Monitoring	10.a. The Company will implement all mitigation measures or monitoring provisions, including those identified in the Final EIS and required by NIRB under the NIRB Project Certificate(s)...	10.a. Has Baffinland implemented all mitigation measures or monitoring provisions, including those identified in the Final EIS and required by NIRB under the NIRB Project Certificate(s)?		x		"Status of PC Conditions in 2019" document & "Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation , 'Summary of 2019 Compliance with Conditions' section 4.3 (Page 59)	Interviewed IIBA Reporting Specialist - Baffinland is only partially compliant as not all mitigation measures have been implemented, therefore evidence provided does not support the completion of the Audit Question.
		10.b. and other mitigation measures and monitoring provisions developed by the Company from time to time through the Environmental, Health and Safety Management System ("EHS System").	10.b. Have other mitigation measures and monitoring provisions developed by Baffinland from time to time through the Environmental, Health and Safety Management System ("EHS System")?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		10.c. Project monitoring programs will evaluate the accuracy of the project impact predictions and significance determinations including assessments of the efficacy of all mitigation measures.	10.c.1. Does the project monitoring programme evaluate the accuracy of the project impact predictions?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
			10.c.2. Does the project monitoring programme evaluate the significance determinations, including assessment of the efficacy of all mitigation measures?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
11	15.3.4 EHS System	As part of the EHS System the Company agrees to undertake a series of monitoring programs on a continuous basis for the following purposes:	As part of the Baffinland EHS System, is there a series of monitoring programs on a continuous basis for the following purposes:	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		11.a. To supplement the baseline data:	11.a. To supplement the baseline data?					
		11.b. To comply with environmental, regulatory and contractual requirements:	11.b. To comply with environmental, regulatory and contractual requirements?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		11.c. To validate the predictions relating to the potential effects:	11.c. To validate the predictions relating to the potential effects?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		11.d. To improve management plans:	11.d. To improve management plans:	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		11.e. To support and refine adaptive management processes and procedures; and	11.e. To support and refine adaptive management processes and procedures?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
12	15.6.2 Final EIS Impact Projections – Different or Greater Significance of Foreseen Impacts	12.a. If the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrates that the significance of residual adverse impacts foreseen by the Final EIS Impact Projections are determined to be significant and materially greater than described in the Final EIS...	12.a. Has the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrated that the significance of residual adverse impacts foreseen by the Final EIS Impact Projections are determined to be significant and materially greater than described in the Final EIS?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		12.b. (T)hen the Company shall carry out appropriate measures as contained in the EHS System.	12.b. If so, did Baffinland carry out appropriate measures as contained in the EHS System?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation (Pages 65, 80, 94, 109, 121, 149, 173, 196, 239, 268, 336, 459, 478, 499, 509, 520, 536, 547, 568, 570, 577, 590)	
		12.c. These measures will be reviewed by the Forum pursuant to Article 14 and by the Joint Executive Committee pursuant to Section 14.14.	12.c. Have these measures been reviewed by the Forum pursuant to Article 14 and by the Joint Executive Committee pursuant to Section 14.14?	x			"2019 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation Report" document, 'Engagement Highlights' section (Page 43)	Interviewed IIBA Reporting Specialist - In 2020, the Annual Project Review Forum has not yet occurred due to COVID-19 travel restrictions put in place by the Government. Reviewed at the forum in 2019.
13	15.8 Environmental Monitors	13.a. The Company shall pay QIA the cost to fund a full-time presence on site for Environmental Monitors to be appointed and employed solely by QIA...	13.a. Has Baffinland paid QIA the cost to fund a full-time presence on site for Environmental Monitors to be appointed and employed solely by QIA?	x			"Environmental Monitor Operating Procedures Manual" document, 'Description of the IIBA & Environmental Monitor Commitment' (Page 4)	Interviewed IIBA Reporting Specialist (as part of June 2019 report) - Baffinland funds QIA's costs to hire and employ staff (Environmental Monitors) working on site.
		13.b. who shall be in attendance on site at the Project...	13.b. Are the Environmental Monitors in attendance on site at the Project provide written reports to QIA and Baffinland?			x	N/A	Interviewed IIBA Reporting Specialist - These employees are employed by QIA and not Baffinland, therefore they report directly to QIA and Baffinland does not have reports available for this audit.
		13.c. and provide written reports to QIA and the Company.	13.c. Do They provide written reports to QIA and Baffinland?			x	N/A	Interviewed IIBA Reporting Specialist - These employees are employed by QIA and not Baffinland, therefore they report directly to QIA and Baffinland does not have reports available for this audit.



Inuit Impact and Benefit Agreement (IIBA) Commitments

Name of Auditor:

BDO Canada LLP

Date of Audit:

03/26/2021

Completion Rate:

Total # of audit questions with evidence provided supporting completion of the audit question	50
Percentage of applicable audit questions with evidence provided supporting completion of the audit question	93%

Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
13 (cont'd)	15.8 Environmental Monitors (cont'd)	13.d. The Environmental Monitors shall attend the Project site with a copy of all environmental approval conditions, including any applicable NIRB project certificate conditions...	13.d. Have the Environmental Monitors attended the Project site with a copy of all environmental approval conditions, including any applicable NIRB project certificate conditions?	x			"Environmental Monitor Operating Procedures Manual" document, "Description of the IIBA & Environmental Monitor Commitment" (Page 7 and 8)	Interviewed IIBA Reporting Specialist (as part of June 2019 report) - Baffinland has made all materials available to on-site Environmental Monitors as part of their on-boarding.
		13.e. and shall work with representatives of the Company's environmental department to, inter alia, ensure the proper and adequate implementation of all management and monitoring plans specific to the physical environment.	13.e. Do Environmental Monitors work with representatives of the Baffinland's environmental department to, inter alia, ensure the proper and adequate implementation of all management and monitoring plans specific to the physical environment?	x			"Environmental Monitor Operating Procedures Manual" document, "Description of the IIBA & Environmental Monitor Commitment" (Page 7 and 8)	
14	15.10 regulatory Affairs	14.a. The Company will comply with all regulatory requirements associated with the Project, as described in their Sustainability Policy...	14.a. Has Baffinland complied with all regulatory requirements associated with the Project as described in their Sustainability Policy?	x			"Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation, "Performance on Compliance with Regulatory Instruments" section 4.5 (Page 62)	
		14.b. including but not limited to the NIRB Project Certificate...	14.b. Has Baffinland complied with all regulatory requirements associated with the Project as described the NIRB Project Certificate?		x		"Status of PC Conditions in 2019" document & "Baffinland Iron Mines 2019 Annual Report to the Nunavut Impact Review Board" presentation ; "Summary of 2019 Compliance with Conditions" section 4.3 (Page 59)	Interviewed IIBA Reporting Specialist - The Annual reports outline the status of compliance with terms and conditions of the PC. Since they are not "all" marked as compliant, evidence provided does not support the completion of the Audit Question. "The Status of PC Conditions in 2019" is an appendix attached to the 2019 annual report to the Nunavut Impact Review Board. The 2019 annual report to the Nunavut Impact Review Board was issued in May 2020. Therefore, the 2019 report is the most recent and relevant evidence as of June 30, 2020.
		14.c. and all Nunavut Water Board licenses related to the Project.	14.c. Has Baffinland complied with all regulatory requirements associated with the Project as described in all Nunavut Water Board licenses related to the Project?	x			Type A Water License 2AM-MRY1325 Type B Water License 2BE-MRY1421	Interviewed IIBA Reporting Specialist - Baffinland has complied with all regulatory requirements associated with the Project as described in all Nunavut Water Board licenses related to the Project, as described in the license renewals.