POPULAR SUMMARY 2024

Annual Report to the Nunavut Impact Review Board

Baffinland

CONTENTS

1 The Mary River Project

2 History of The Mary River Project 2024 Look Back

3 Planning Ahead

4 Community Engagement

5 Incorporation of IQ

6 Education and Training

7 2024 Compliance Performance

8 2024 Shipping Season

9 Air Quality Monitoring Program

10 Freshwater Monitoring Program

11 Terrestrial Monitoring Program

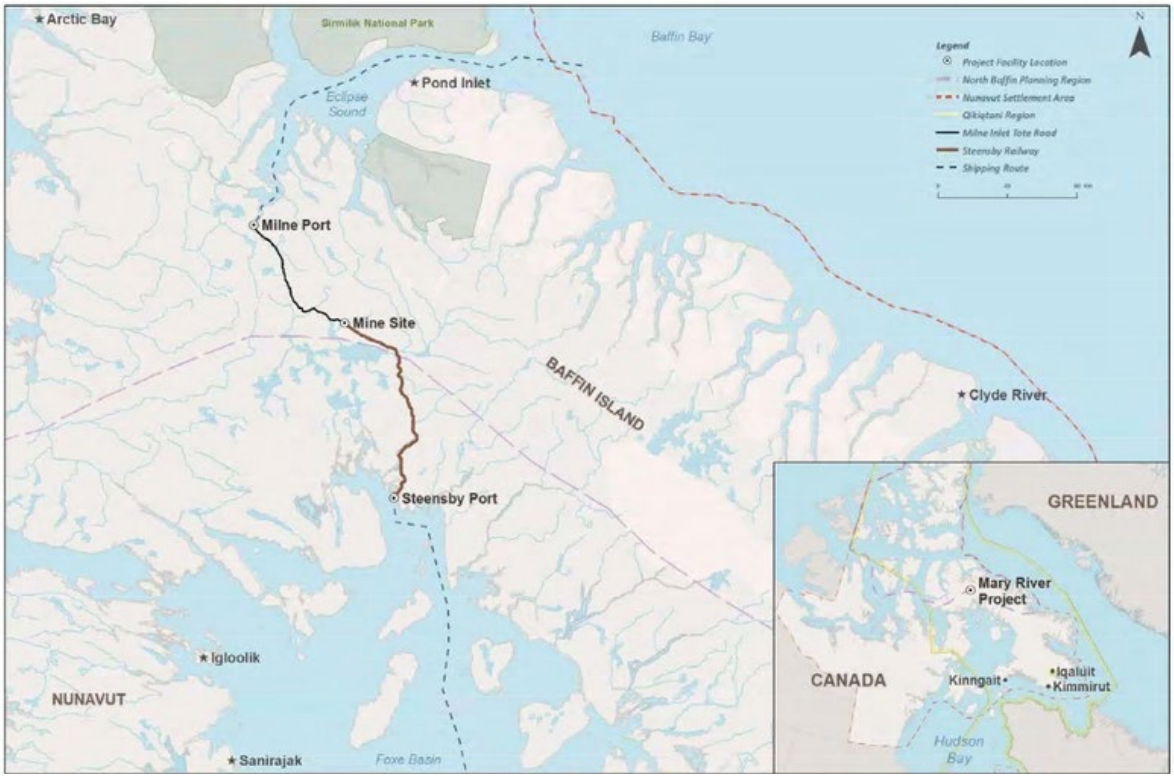
12 Socio-economic Benefits Summary

13 Steensby Supplemental Baseline Studies

Baffinland

MARY RIVER PROJECT

The Mary River iron ore deposits on North Baffin Island are among the largest and highest-quality iron ore open-pit deposits in the world. With such high-grade iron ore, there are no concentrators, wet tailings, or tailings ponds associated with production activities. The Mary River Project (the Project) is operated by Baffinland Iron Mines Corporation (Baffinland) and is jointly owned by The Energy & Minerals Group and Arcelor Mittal. The mine is located on Baffin Island, approximately 160 kilometres (Km) south-southwest of the nearest community of Pond Inlet (Mittimatalik), in the Qikiqtani region of Nunavut, Canada, and 1,000 km north-northwest of the territorial capital of Iqaluit. Baffinland's head office is located in Oakville, Ontario and its northern headquarters is located in Iqaluit, Nunavut. Baffinland also has staff in seven (7) Baffin communities - Arctic Bay, Clyde River, Igloolik, Kimmirut, Kinngait, Pond Inlet and Sanirajak. Baffinland is the only mine and the largest private employer in the Qikiqtani Region, and is one of three operating mines in the territory of Nunavut.



Pursuant to the Nunavut Agreement, the Nunavut Impact Review Board (NIRB) issued Project Certificate No. 005 for the Project on December 28, 2012. Project Certificate No. 005 approved the existing mine and the transportation of iron ore along the Southern Transportation Corridor via the South Railway, Steensby Port and the Southern Shipping Route. Due to changing market circumstances at the completion of the original NIRB review, baffinland proposed a smaller operation known as the Early Revenue Phase that utilized the Northern Transportation Corridor, while building interest and investment in the Southern Transportation Corridor component.

Baffinland

HISTORY OF THE MARY RIVER PROJECT

1962
Mary River's High-Grade Iron Ore First Noted in an Airborne Reconnaissance

1973
Baffinland Acquires Mining Lease

1999
Nunavut Created; Mary River Project Site Selected as Inuit-Owned Land

2012
The NIRB Issues Project Certificate No. 005 for the Mary River Project

2013
Early Revenue Phase Proposed; Baffinland and Qikiqtani Inuit Association (QIA) Sign the Inuit Impact and Benefit Agreement (IIBA), Commercial Lease and Water Compensation Agreement; Type A Water License Approved

2014
Early Revenue Phase Approved (Project Certificate No. 005 Amendment No. 01)

2015
First Iron Ore is Shipped to Europe

2018
Production Increase Proposal Approved (Project Certificate No. 005 Amendment No. 02); Amended IIBA; FEIS Submitted for Phase 2 Proposal

2020
Production Increase Proposal Extension Approved (Project Certificate No. 005 Amendment No. 03)

2022
Phase 2 Proposal does not receive approval; Production Increase Proposal Renewal (PIPR) Approved (Project Certificate No. 005 Amendment No. 04)

2023
Sustaining Operations Proposal (SOP) Approved (Project Certificate No. 005 Amendment No. 05)

2024
Sustaining Operations Proposal 2 (SOP2) Application suspended

Mining operations began in 2014 with the first iron ore shipped to Europe via Milne Port in 2015. Today the Project consists of four main operating centres: The Mary River Mine Site (the Mine Site), the 100-Km long Milne Inlet Tote Road (Tote Road), the Milne Port facility (Milne Port) and the Northern Shipping Route. The Southern Rail and Port components have yet to be constructed but planning is underway.

The current operation includes open pit mining, crushing, transporting and stockpiling of ore 12 months of the year between the Mine Site, the Tote Road and Milne Port. The ore is then shipped directly to markets in Europe and Asia between July and the end of October.

The current Approved Project is limited to mining out of Deposit No. 1, however, Baffinland administers an extensive exploration program designed to increase the known reserves in Deposit No. 1, as well as in other deposits in close proximity to the Project Area with intentions to first extend operations to Deposit 2 and 3. The development of additional deposits is the key to unlocking the multi-generational opportunity of the Mary River Project for resource-driven socio-economic development in the Qikiqtani Region.

Since 2018, Baffinland has been operating a 6 million tonne per annum operation. Operating as the Sustaining Operation Proposal through 2024. Baffinland submitted an application, the Sustaining Operation Proposal 2 (SOP2), in 2024 to extend the Approval for the 6Mtpa operation but ultimately decided to suspend the application and right size the operation back to the 4.2Mtpa limits.

In 2025, Baffinland plans to continue to focus on the development of the Steensby Component of the Project while returning to operating under the Early Revenue Phase (ERP) approved transportation limits of 4.2 Mtpa.

Baffinland

2024 LOOK BACK

Mining operations continued at Deposit No. 1 in 2024, and approximately 6 million tonnes (Mt) of ore was transported by ore haul trucks along the Tote Road from the Mine Site and stockpiled at Milne Port. During the 2024 shipping season, approximately 6 Mt of ore was shipped from Milne Port to international markets, using 70 ore carriers.

Baffinland's shipping operations were guided for the fourth year by the Narwhal Adaptive Management Response Plan (NAMRP), which involved the implementation of various mitigation measures to reduce the Project's potential effects on marine mammals, including:

- waiting for a continuous path of 3/10ths ice concentration, prior to the commencement of shipping
- adhering to strict vessel speed and course restrictions
- using convoys, when possible
- use of Capesize vessels to reduce the overall number of vessel transits

Baffinland's shipping season started July 27th when 3/10th ice conditions were met. The first vessels to enter the Regional Study Area (RSA) were two tugs followed by three ore carriers the next day. The shipping season spanned 92 days and open water was present at the end of season in October, so icebreaker escorts were not required.

PLANNING AHEAD

Mining from Deposit No. 1 will continue through 2025, as well as project environmental monitoring programs prescribed by Project Certificate No. 005, water licences, authorizations, management plans, and environmental effects monitoring plans.

Baffinland is actively working with the regulators, the QIA and impacted communities with a dedicated focus on the development of the Steensby Component of the Project. Environmental field studies and community engagement are expected to be carried out in relation to the Steensby Railway and Steensby Port in 2025 to collect supplemental baseline before the start of construction activities. These activities are expected to occur within the scope of existing approvals and will be reported, as required, in the annual reporting cycle for the 2025 period.

COMMUNITY ENGAGEMENT

Baffinland values meaningful and substantive Inuit, community, and other stakeholder engagement as a means of building and maintaining community relationships and maximizing benefits from the Project. Baffinland's approach to engagement emphasizes the importance of informing Inuit, affected communities, and other stakeholders, as well as establishing effective dialogue, and collecting feedback to inform our planning, and resolving issues and concerns if and as they are identified.

Prior to the suspension of the SOP2 in the fall of 2024, Baffinland engaged with Inuit in the five (5) North Baffin communities, the QIA and the Government of Canada, to allow for the continued operation of the Project at a nominal 6 Mtpa activity level along the Northern Shipping Route until the Steensby Component was completed. Often these discussions were had alongside updates about the Steensby Component, both topics being of interest to communities. However, in October 2024, Baffinland made a decision to suspend the application for amendment to focus on the future of the Company through the Steensby Component. The remainder of engagements focused on the Steensby Components of the Project including supplemental environmental baseline studies, Inuit Qaujimajatuqangit, and the outstanding authorizations from federal regulators, and like previous years, Baffinland's environmental monitoring and shipping activities.

COMMUNITY ENGAGEMENT

Baffinland's engagement approach incorporates the feedback received from Inuit, communities and stakeholders and applies it to existing operations. This includes developing new mitigations to address priority areas of the Project, as identified by Inuit. Some examples of this include: proactively implementing commitments for additional ballast water mitigations (i.e., requiring vessels to conduct both exchange and treatment), running narwhal entrapment clearance aerial surveys since 2019, when supported by the community, and ensuring that communities have up-to-date information on the movement and transits of Project vessels. Working with communities throughout 2024, Baffinland has been incorporating feedback into many aspects of the Steensby plans, including baseline conditions, caribou crossings and migration patterns, important harvesting areas, and high impact areas in the marine environment, just to name a few. Continuing to have meaningful relationships with the local communities will remain a priority for Baffinland.

COMMUNITY ENGAGEMENT

However, in October 2024, Baffinland made a decision to suspend the application for amendment to focus on the future of the Company through the Steensby Component. The remainder of engagements focused on the Steensby Components of the Project including supplemental environmental baseline studies, Inuit Qaujimajatuqangit, and the outstanding authorizations from federal regulators, and like previous years, Baffinland's environmental monitoring and shipping activities.

Baffinland

STEENSBY ELDER VISIT

Early in 2024, a series of community meetings were held in Igloolik, Pond Inlet, and Sanirajak to gather feedback on Baffinland's Fisheries Act Authorization applications for the Steensby Railway and Port. A notable milestone took place in August, when Baffinland facilitated a gathering at Ikpikitturjuaq, a culturally significant site located 10 km south of the Steensby Port site. A group of Inuit Elders from Igloolik and Sanirajak returned to the land where they had once lived and maintained camps. At the gathering, Elders, the QIA, the Government of Nunavut, Baffinland shareholders and staff, participated in discussions about the development of the Steensby Component. In the fall, Baffinland continued its engagement through in-community meetings and discussions with community leadership, including Mayors and the Qikiqtaaluk Wildlife Board, which included representatives from Baffin Island HTOs. These meetings focused on the SOP2 suspension and provided updates on Steensby permitting and environmental studies. Details on Baffinland's community engagements can be found in section two (2) of the NIRB annual report.

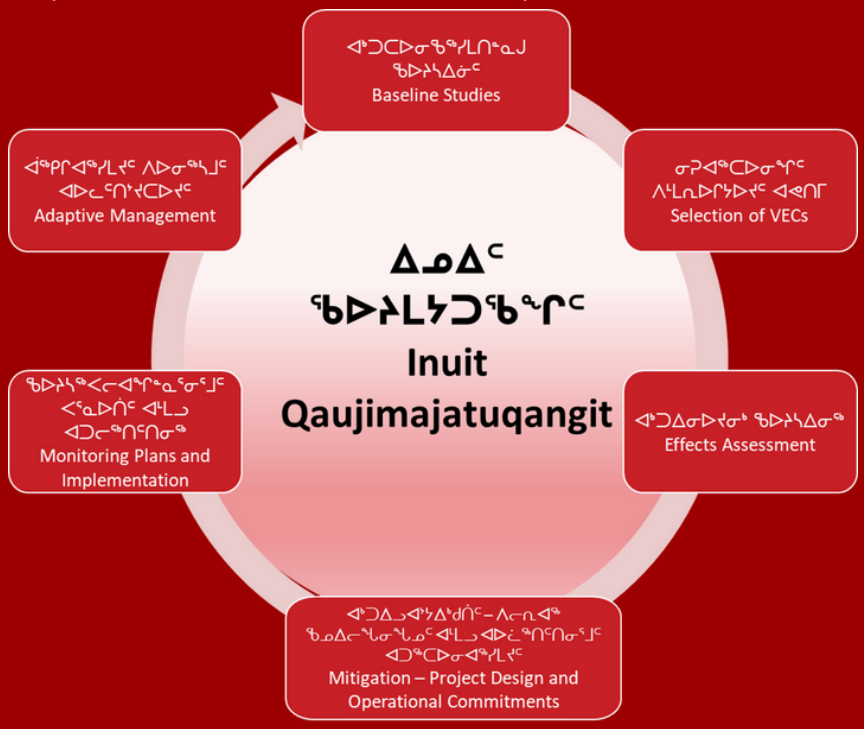
Baffinland

INCORPORATION OF IQ

Baffinland views IQ as central to the successful planning and operations of the Project. IQ is reflective of Inuit knowledge transferred from generation to generation. IQ captures knowledge of relationships and morality, core values and worldviews, as well as environmental knowledge. It is important for Baffinland to acknowledge and understand how IQ is used, and to ensure IQ has been considered in its decision-making.

Specifically, IQ is important for helping determine the accuracy of impact predictions and relevance for the potential bio-physical and socio-economic effects of the Project. IQ also provides context for designing, conducting and interpreting results from project monitoring activities and interpreting the effectiveness of mitigation measures, and is useful to support the verification of the effectiveness of mitigation measures. Baffinland has worked with the QIA for over a decade to develop methodological approaches for IQ studies, consistent with the Mary River IIBA. This collaborative approach resulted in the QIA providing its written support for requisite Nunavut Research Institute Research Licences for IQ studies and participation in the 2015/2016 IQ Workshops and 2019 Community Risk Workshops. The results of these undertakings have been consistently integrated into Baffinland's environmental impact statements, and made available as part of the NIRB review and reconsideration processes.

IQ continues to be prioritized and collected to inform the Project from sources like community-based Inuit Knowledge Holders and Community Relations Guides, who are staffed in all five communities closest to the mine, and the two communities along the southern shipping corridor. IQ is also used to inform ongoing activities, including regular meetings with Inuit and community organizations, Inuit participation in monitoring programs, membership in environmental and social working groups, IQ studies, site visits, and the Dust Audit Committee.



The Inuit Knowledge Holders and Community Resource Guides are critical to guiding Baffinland's senior management in its decision making, facilitating knowledge transfer within and between community members and Baffinland staff, and guiding the overall collection and use of traditional and contemporary IQ.

By working together on the current operation, IQ continues to shape the Steensby Component of the Project. IQ has informed several aspects of Steensby Project Certificate and project planning. For example, understanding baseline conditions (traditional land use studies, caribou behaviour, movement and distribution, fish, marine mammals, species important for harvesting, land and resource use, areas of cultural value); identifying historical caribou routes that interact with the railway and identifying areas where caribou could cross; identifying ideal locations to establish land user crossings; identifying areas where shipping would have impacts on marine life and local use; marine wildlife distribution through Steensby and Foxe Basin; and risks of shipping through ice, including increasing impacts to marine life and harvesting. These examples are just some of the important knowledge shared that has informed the project.

EDUCATION AND TRAINING

Work Ready Program Participants (Igloolik, 2024)

Baffinland and QIA are continuing to support the Mary River IIBA implementation with the Qikiqtani Skills and Training for Employment Partnership (Q-STEP) Inuit Training and Development Program. Funded by the Government of Canada, and with financial and in-kind supports from Baffinland, this initiative focuses on pre-trades instruction and related training and employment initiatives for apprenticeships at the Mary River Project The funding provides support for expenses related to training, such as wages, accommodations, and travel. This program began in February 2022, and is scheduled to continue to March 31, 2028. The target is to hire and maintain 8 Inuit apprentices in various trades, with the end goal that apprentices complete training and advance in their careers in mining industry trades.

In 2024, Baffinland saw its first three graduates of the Aulattijiit Inuit Leadership Development Program. Launched in 2023, it is an innovative, culturally based program that gives Inuit employees the opportunity to advance into leadership roles within the company. The IDLP integrates Inuit Qaujimajatuqangit (IQ), the Inuit seasonal calendar, and the use of Inuktitut. The program follows the “70-20-10 framework” for adult learning – 70% of the program involves job shadowing, 20% includes mentoring and relationship-building, and 10% is course work and training.

Inuit training for 2024 totalled 36,032 hours, equivalent to 32.5% of the total training provided by Baffinland.

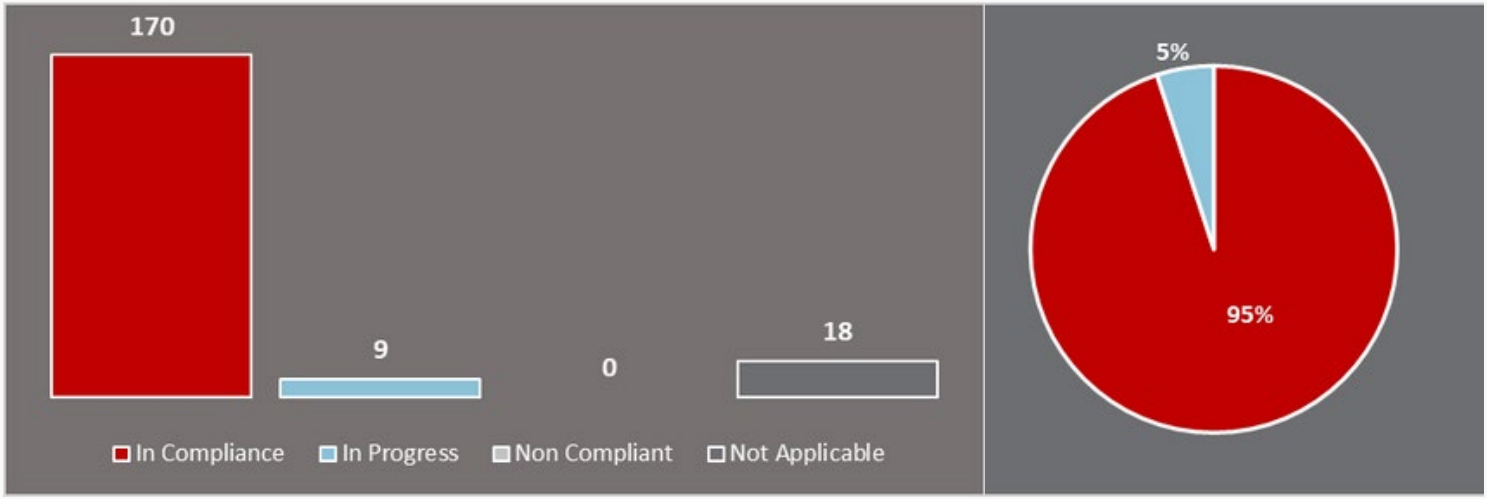
2024 COMPLIANCE PERFORMANCE

The Annual Report is a requirement of Project Certificate No. 005. The Annual Report provides information on how Baffinland is meeting the Terms and Conditions of Project Certificate No. 005 and its performance on the same. Terms and Conditions related to the construction and/or operation of the Steensby Components of the Approved Project (i.e., the Southern Transportation Corridor comprising the Steensby Railway and Steensby Port) were not applicable in 2024. 2024 Compliance performance is focused on those related to the Northern Transportation Corridor (Mine Site, Tote Road and Milne Port). Once applicable Terms and Conditions are triggered through the construction of the Steensby Components of the Approved Project, compliance performance will consider all Terms and Conditions as they apply to all Approved Project Components.

The Annual Report also presents an opportunity to discuss project activities over the preceding calendar year and highlight what is coming ahead for the following year. The complete Annual Report can be found on the NIRB Public Registry.

Overall, Baffinland is in compliance with the required and applicable Terms and Conditions of the Project along the Northern Transportation Corridor. Baffinland is in 95% compliance with 180 Terms and Conditions of the Project Certificate in 2024. The remaining 5% of commitments are currently in progress. Baffinland continues to collaborate with the Nunavut Impact Review Board (NIRB) and other relevant organizations to advance shared responsibilities and improve overall compliance with the terms and conditions.

Additionally, there are 17 commitments classified as Not Applicable, which specifically pertain to the Steensby component of the Project. Reporting on these commitments will commence once work on that component begins.

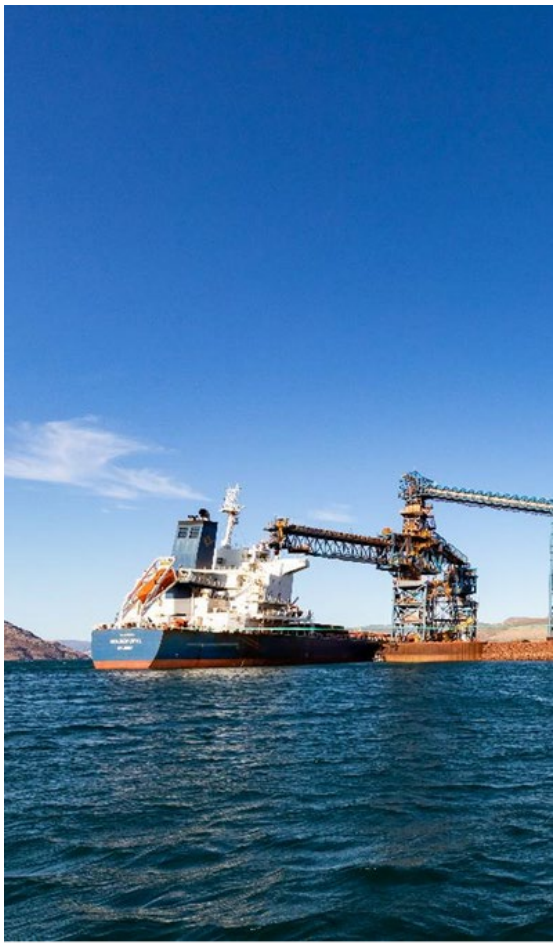


Summary of Baffinland's 2024 Overall Performance Against Project Certificate No. 005 Terms and Conditions

2024 SHIPPING SEASON

2024 Shipping Monitors, Shipping Monitoring Program

In 2024, Baffinland began its shipping activities once certain requirements were met, including a continuous path of 3/10ths ice concentrations along the entire Northern Shipping Route, and confirmation that the Pond Inlet floe edge was closed. Baffinland does not break land fast ice and therefore is subject to variable climatic conditions each season. In 2024, ice decay was typical compared to other years with a continuous path available July 27th. Baffinland continued its marine mitigation measures for the 2024 shipping season, including a dedicated shipping lane, no-go zones, and speed restrictions throughout the Regional Study Area (RSA).

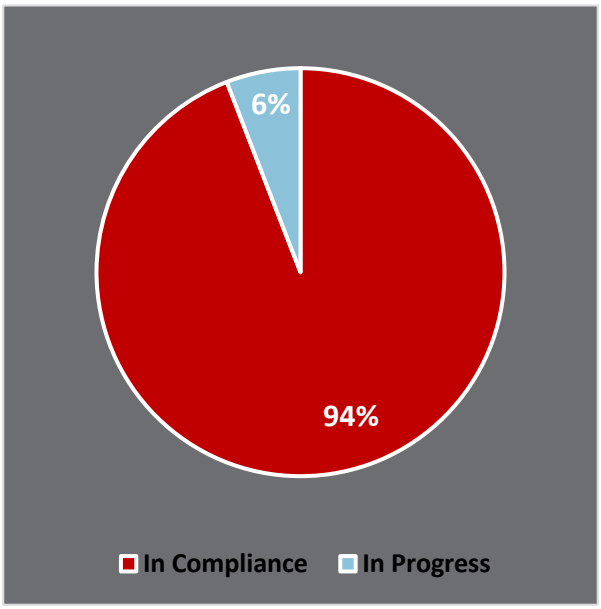


Baffinland's shipping season began on July 27, 2024, with two (2) tugs entering the marine RSA. The duration of the 2024 shipping season was 92 days, with all project vessels exiting the marine RSA by October 26st, 2024. Through the approval of Baffinland's SOP amendment, Baffinland was permitted to transport up to 6 Mtpa of iron ore until December 2024 (and an excess of 900,000 tonnes of stranded ore from the previous shipping season). In 2024 approximately 6 Mt of iron ore was shipped, using seventy (70) ore carriers. Once again, an achievement for the Company, as fewer vessels were required than previous years to move this amount of ore. In part a result of Baffinland using larger Capesize vessels that can carry more volume in fewer trips, reducing the overall number of transits.

Baffinland

AIR QUALITY MONITORING PROGRAM

- **Meterological Monitoring**
- **Ambient Air Quality Monitoring**
- **Dustfall Monitoring**
- **Emissions Reporting**



As with previous years, the general temperature trends in 2024 were similar to the trends of the Climate Normal data in the region. Minimum temperatures occurred during winter months in the year (December through March), and maximum temperatures occurred in July and August. The daily average air temperatures tended to be higher than the trend indicated in the Climate Normal for most of the year, except between June and August where the daily average air temperatures were similar. The data trends are consistent with previous years.

Ambient monitoring for sulphur dioxide (SO2) and nitrogen oxides (NO2) continued to be carried out at the Mine Site and Milne Port in 2024. Results from the continuous monitoring indicate that measured concentrations were generally below the Nunavut Ambient Air Quality Standards (NAAQS) for NO2 and SO2.

Measured dustfall deposition decreased across the Project area in 2024. Monitoring showed that although dustfall exceeded FEIS predictions at select locations, in general, total annual dustfall across the Project area in 2024 continued to show a decreasing trend, and was lower than in 2023, which was substantially lower than observed in previous years. During 2024, Baffinland expanded on work initiated in 2023, including ongoing additional dust monitoring that quantitatively assessed the effectiveness of dust mitigations. Significantly more water was applied to the Project for dust suppression activities as per previous years; further suppressants were applied to the Crushing facilities. Ongoing increased dustfall suppression efforts, particularly at the Crusher location and along the Tote Road, correlated to the decrease in dustfall deposition realized in 2024.

AIR QUALITY MONITORING PROGRAM

Passive dustfall monitoring continues to show that the areas with the greatest dustfall deposition are restricted to mainly within 1,000 m of the Project Development Area (PDA) and deposition decreases with distance from the Project. Dustfall imagery analysis has also been used to estimate dustfall extent at the Project since 2020.

The pattern of dustfall extent on the landscape was similar from 2014 to 2024 for all areas, with the highest concentrations near the Project and dustfall extending northeast along Milne Inlet, west and south of the Mine Site, and southwest of the Tote Road south crossing (KM 78) in the direction of prevailing and/or strong winds.

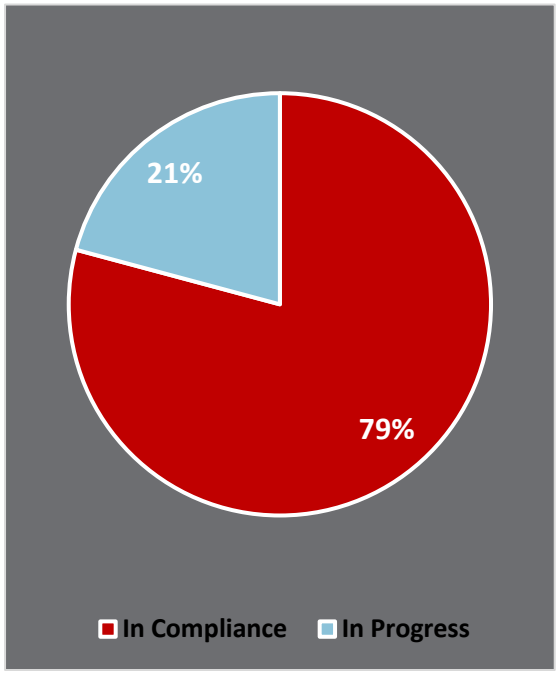
Baffinland calculates greenhouse gas emissions from the Project each year and reports these emissions to Environment and Climate Change Canada (ECCC) through the Greenhouse Gas Reporting Program. The calculations consider fuel combustion for power generation and mobile equipment including trucks, waste incineration, and wastewater treatment. Baffinland continues to investigate and implement ways to reduce fuel consumption on the Project each year and utilizes a vehicle activity and fuel tracking system to rationalize unnecessary use. Unnecessary infrastructure was also shutdown during energy intensive winter months to reduce fuel consumption.

Baffinland

FRESHWATER MONITORING PROGRAM

- **Aquatic Effects Monitoring Program**
  - **Core Receiving Environment Monitoring Program (CREMP)**
  - **Lake Sedimentation Monitoring Program**
  - **Hydrometric Monitoring Program**

- **Milne Inlet Freshwater Fish Health Study (completed in collaboration with the Mittimatalik Hunters and Trappers Organization[MHTO])**
- **Tote Road Water Quality Monitoring**
- **Monitoring of fish habitat for crossings along the Tote Road**
- **Surveillance Network Program (SNP)**
- **Groundwater Monitoring Program**



The Aquatic Effects Monitoring Program focuses on the key potential impacts to freshwater environment valued ecosystems components (VECs). The freshwater VECs include water quantity and quality, sediment quality, and freshwater biota and fish habitat. The results of the 2024 CREMP were compared to predictions for magnitude of effects made in the Final Environmental Impact Statement (FEIS) for the Project. Overall comparisons of water quality and sediment quality data within the Project in 2024 to FEIS predictions indicated all parameter concentrations were within applicable significance ratings for magnitude. This also meant that FEIS predictions for (absence of) effects on arctic char health and condition were met. Therefore arctic char health and condition at Camp Lake, Sheardown Lake, and Mary River and Lake conformed with predictions made in the FEIS. Project-related sedimentation accumulation thickness of less than 1 mm/year was predicted in the FEIS to result in negligible effects on direct mortality of arctic char. Because the sediment accumulation rate over the 2023 to 2024 arctic char egg incubation period was well below 1 mm/y at Sheardown Lake NW, FEIS predictions for (absence of) direct mortality of arctic char were met.Therefore, direct fish mortality effects were in conformance with predictions made in the FEIS.

To support the AEMP, the Hydrometric Monitoring Program assesses flow in several streams and rivers near Project sites. Hydrometric data were collected at seven (7) stations during 2024. Each of the stations were installed as early as possible in June, when the stream channels were ice-free. Four (4) of the stations were decommissioned for winter in September in anticipation of freeze-up conditions and three (3) stations remained in place until October, due to warmer than normal temperatures in September and early October 2024. Data collected in 2024 confirmed that the rating curves at all monitoring stations continue to be applicable.

Baffinland

FRESHWATER MONITORING PROGRAM

Assessments of fish bearing water crossings were completed at forty-nine (49) fish-bearing crossings during the spring of 2024 as part of the Project's fish habitat monitoring program. Potential issues with fish passage and/or habitat were evaluated and reported on within the 2024 Tote Road Fish Habitat Monitoring Annual Report. Baffinland undertook a culvert remediation program from February to May 2024 that included the construction of seven (7) high-priority crossings along the Tote Road, prior to the start of freshet.

Monitoring of effluent discharge and runoff from Project areas indicate that exceedances of applicable criteria in 2024 continued to involve primarily surface water runoff with elevated total suspended solids (TSS) levels.

The Milne Inlet Freshwater Fish Health Assessment sampling program continued in 2024 following engagement with the Mittimatalik Hunters and Trappers Organization.

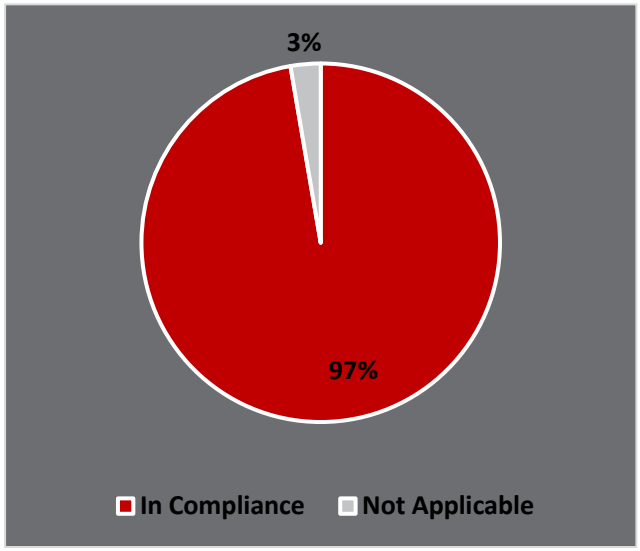
Field sampling in 2024 represented the third year of data collection for the program, with sampling also completed in 2021 and 2022 in collaboration with community members from the MHTO, the Qikiqtani Inuit Association (QIA), and the Hamlet of Pond Inlet. Overall, findings suggest that charr populations are healthy, with fish health endpoints generally within expected natural ranges compared to historical data and contaminant concentrations in fish tissues below Health Canada guidelines. Observed variations between lakes and over time are likely attributable to natural ecological differences, including differences in life history strategies.

Baffinland continued to advance the groundwater monitoring program at the Project in 2024 to refine understanding of groundwater and active layer mobilization on the Project. Groundwater consultants, specialized in permafrost environments, were retained in 2024 to execute the groundwater monitoring program activities at the Landfill Facility and Mine Site Hazardous Waste Berm (HWB) Facility.

Baffinland

TERRESTRIAL MONITORING PROGRAM

- Weather monitoring;
- Helicopter flight height analysis;
- Tote Road traffic monitoring;
- Dustfall monitoring (passive monitoring & extent imagery analysis);
- Exotic invasive vegetation monitoring;
- Snow track surveys;
- Snowbank height monitoring;
- Height of Land (HOL) caribou surveys;
- Remote camera monitoring;
- Caribou observations;
- Hunter and visitor log summaries;
- Active Migratory Bird Nest Surveys (AMBNS); and,
- Wildlife interactions and mortalities.



The 2024 passive dustfall monitoring program used 43 passive dustfall collectors to measure dust deposition related to Project activities. The magnitude of annual dustfall deposition at Mine Site sample locations continued to decrease. The magnitude of dustfall deposition at Milne Port has remained constant and, in some cases, has slightly decreased, a trend that began in 2018.

The vegetation monitoring program in 2024 focused on monitoring exotic invasive vegetation within the Potential Development Area (PDA). Targeted surveys of exotic invasive vegetation are completed every three to five years. No exotic invasive vegetation species were recorded during the 2024 surveys. Monitoring for exotic invasive vegetation is expected to occur again between 2027 and 2029.

Baffinland

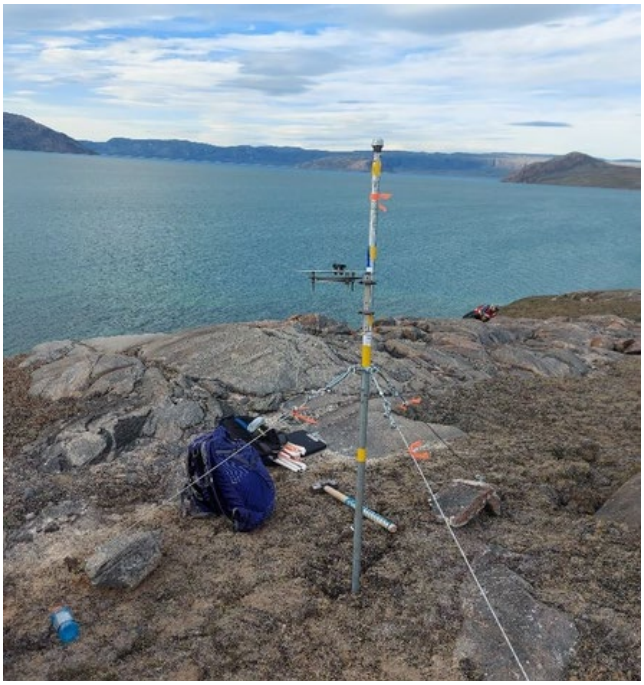
TERRESTRIAL MONITORING PROGRAM

Snow track surveys assessed wildlife response to the Tote Road, particularly for caribou. Twelve snow track surveys were completed in 2024. Similar to previous years, most tracks observed were from Arctic foxes, red foxes, Arctic hare, and ptarmigan.

Snowbank height monitoring was conducted to assess compliance with the operational 1 m height, which facilitates wildlife crossings and improves visibility for drivers to avoid wildlife collisions.

Overall, compliance was at 86% in 2024.

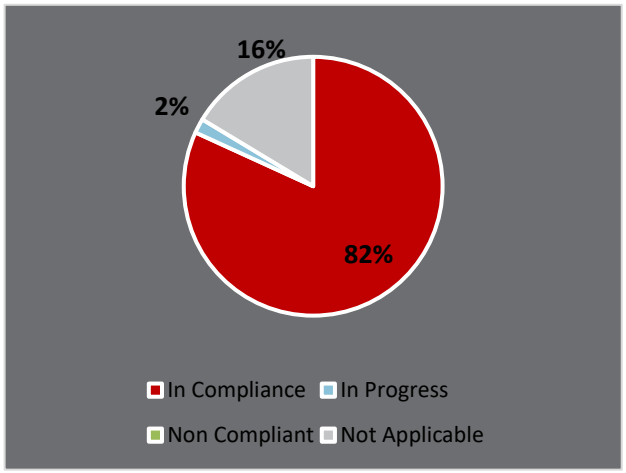
Baffinland undertakes Height of Land (HOL) surveys along with the installation of remote wildlife cameras to assess caribou distribution and behaviour in the PDA during calving season (May 29-June 10). Unlike previous years, fifteen (15) individual caribou were observed during the HOL surveys. The last time caribou were observed during this survey was 2013.



Baffinland

MARINE MONITORING PROGRAM

- **Bruce Head Shore-based Monitoring Program**
- **Underwater Passive Acoustic Monitoring Program**
- **Marine Environmental Effects Monitoring Program (MEEMP) and Non-Indigenous Species/Aquatic Invasive Species (NIS/AIS) Monitoring Program**
- **Collaborative Ballast Water Biological Sampling Program with DFO**
- **Marine Mammal Observation Network (MMON) Program**



T**he Bruce Head Shore-based Monitoring Program** was conducted over four (4) weeks in 2024 to monitor for potential adverse effects from shipping operations on marine mammals in the RSA. Highlights include:

- Observed behavioural responses of narwhal to shipping continue to demonstrate temporary and localized responses to shipping activities, with animals returning to their pre-response behaviour shortly following initial exposure.
- Findings from the combined multi-year dataset indicate that the relative proportion of immature narwhal observed in the study area in 2024 (0.152) was not significantly different from baseline levels recorded in 2014 and 2015 (0.152 and 0.167, respectively). This suggests that the 2024 annual proportion of immature narwhal did not differ from the baseline condition.

Baffinland

MARINE MONITORING PROGRAM

- The relative abundance of narwhal recorded at Bruce Head in 2024 was similar to the relative abundance recorded in 2020 (47.5 narwhal/h). Low narwhal numbers in 2023 were thought to be linked to the late break-up of land fast ice in the RSA that year. The late break-up period had also resulted in a delay to the start of the 2023 shipping with the first inbound ship transit in Milne Inlet taking place on August 9, 2023.

Groups of Narwhal, Bruce Head 2024

Underwater Passive Acoustic Monitoring Program

The 2023 and 2024 Acoustic Monitoring Programs were developed to evaluate potential Project-related effects to marine mammals from shipping noise. The main objective of the 2023 Underwater Acoustic Monitoring Program was to document and characterize ambient and anthropogenic underwater noise levels recorded in 2023 at two acoustic monitoring stations. The Milne Inlet recorders were deployed on 1 August 2023 and retrieved on 9 October 2023. Both Autonomous Multichannel Acoustic Recorders (AMARs) recorded continuously during this period.

As part of the 2024 Acoustic Monitoring Program, two (2) recorders were deployed (one in Milne Inlet and one in Eclipse Sound) on October 9th 2023 to document and characterize ambient and anthropogenic underwater noise levels in the RSA at the end of the 2023 shipping season, throughout the 2023/2024 winter period (land fast ice conditions), and at the start of the 2024 shipping season. Acoustic data from the 2024 field program have been retrieved. The analysis of the results and preparation of a technical report are not complete at this time.

MARINE MONITORING PROGRAM

Marine Environmental Effects Monitoring Program (MEEMP) and Non-Indigenous Species / Aquatic Invasive Species (NIS/AIS) Monitoring Program

In 2024, Baffinland continued to undertake its MEEMP and NIS/AIS Monitoring Program at Milne Port. This included monitoring of marine water quality, sediment quality, benthic in fauna, substrate macroflora and epifauna, marine fish community, fish health, NIS/AIS. Consistent with previous years, the results of this program indicate that effects of the Project on the marine environment are within predictions. There is no indication that the Project is negatively affecting fish health or resulting in changes to the local fish communities to date. Marine water and sediment quality at Milne Port remain within the applicable scientific guidelines or are consistent with pre-Project operation levels where no guidelines exist, such as iron. In total, 21 new animals or plants were added to the taxonomic inventory list for Milne Inlet. The majority had been previously known to occur in the Canadian Arctic, therefore they are considered to present no risk of invasion to Milne Inlet.

Baffinland

MARINE MONITORING PROGRAM

Collaborative Biological Sampling Ballast Water Program with DFO

In 2024, Baffinland and Fisheries and Oceans Canada (DFO) conducted the second year of ballast water monitoring at Milne Port. The primary objective of this program is to determine whether vessel treatment systems are operating as intended, in collaboration with youth community members, who are learning ballast water data collection and analysis methods. Additional objectives include understanding whether certain vessels pose greater risks than others, with regard to the introduction of invasive species, and determining whether any invasive species are being introduced to Milne Port via ballast water discharges. A total of thirteen (13) vessels were sampled during two periods August 27 –October 11 and October 9 - October 23.

Baffinland

MARINE MONITORING PROGRAM

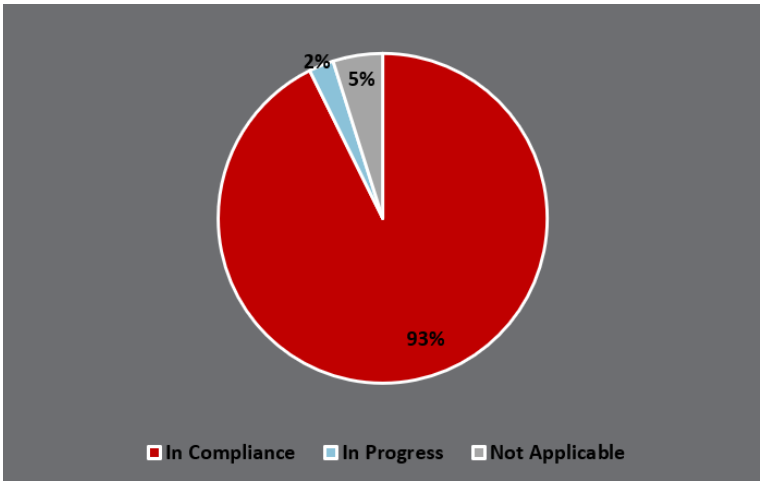
Marine Mammal Observation Network Program (MMON)

Baffinland continues to collaborate with the MMON to run a marine mammal incidental sightings program through the participation of vessels contracted by Baffinland. In 2024, a total of seven (7) vessels (ore carriers) participated in the MMON program in 2024. A total of four (4) sightings totalling 15 individuals were recorded between August and September in the RSA (Table 4.25). Fifty percent of incidental sightings were recorded by the MSV Nordic Oasis in the RSA. One (1) narwhal sighting totalling five (5) whales was recorded in July.

SOCIO-ECONOMIC BENEFIT SUMMARY

As of 2024, the Project has:

- Provided over $180 million in wages to Inuit Project Employees and Contractors
- Reached more than $1.95 billion in contracts signed and awarded to Inuit Firms
- Provided over $3.8 million through our Sponsorship and Donation Program since 2016;
- Seen over 600 graduates of pre-employment training programs; and,
- Have delivered over 265,000 hours of training to Inuit Project employees since Project development.



2024 marks twelve (12) years since construction first began, ten (10) full years of operations, and seven (7) full years of operating at a nominal transportation rate of 6 Mpta at the Mary River Project. Baffinland has continued its phased development of the Mary River Project. Socio-economic impacts of the Project are described in terms of total hours worked, income generated, and contracts awarded to Inuit firms.

In 2024, there were a total of 1,746 full-time workers who worked over 3.8 million hours, a 6% increase from last year. Baffinland's Inuit employee payroll totaled more than $18million and includes all Inuit employees who lived in and outside of Nunavut. Contractors' Inuit employee payroll totaled more than $7.43 million. This figure includes all Inuit employees who lived in and outside of Nunavut.

1,746
Full-time workers

3.8 M hours
↑ 6% since 2023

$18 M
Inuit Employee Payroll*

$7.43 M
Inuit Contractor Payroll*

> $ 167 M
37 contracts with Inuit-owned firms

*Includes Inuit employees who lived in and outside Nunavut.

Baffinland

SOCIO-ECONOMIC BENEFIT SUMMARY

In addition to the direct impacts of the Project discussed above, there are direct community-benefit programs financed via the IIBA, such as the Harvesters Enabling Program that provide substantial benefits to Inuit in the North Baffin communities. In addition, revenues from the Project flow to other parties, which are expected to have positive spin-off effects for Inuit and other Nunavummiut.

Throughout 2024, Baffinland also heard Inuit communities express a desire to receive direct financial benefits from the Project. One such initiative includes payment to the Tasiuqtiit Working Group, which is jointly managed by the Hamlet of Pond Inlet and the MHTO. The Tasiuqtiit Working Group has an agreement requiring Baffinland to pay $10,000 for each ore carrier required for shipments in excess of 4.2 Mt. Since 2018, this agreement has resulted in a total of $1,290,000 being paid to the Tasiuqtiit Working Group.

Taxes Paid to Government of Nunavut	Employee payroll and income taxes	Fuel tax	Royalties to QIA
$16.3 M	**$11.1 M**	**$5.1 M**	**$4.65 M**

Clyde River, Laptop Distribution Program

Baffinland

STEENSBY SUPPLEMENTAL BASELINE STUDIES

Since 2021 Baffinland has been conducting fieldwork in support of various environmental authorizations required to develop specific elements of the Steensby Component of the Project. Desk-based studies have been undertaken since 2020.

In 2024, Baffinland conducted the following supplemental baseline programs for the Steensby Component:

- **Freshwater Environment Program**
  - **Arctic Char Survey**
  - **Bathymetry and Substrate Survey**
  - **Habitat Assessments**
- **Ringed Seal Aerial Survey Program**
- **Archaeology Program**
- **Light Detection and Ranging (LiDAR) and Orthophoto Program**

Baffinland

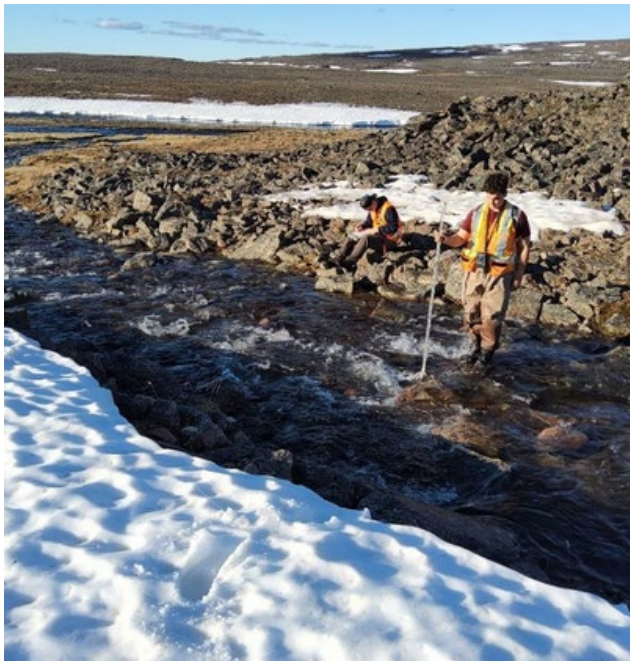
STEENSBY SUPPLEMENTAL BASELINE STUDIES

Freshwater Environment Program

In 2024, a series of freshwater studies were carried out to support the Freshwater Fisheries Act Authorization (FAA) application for the Steensby Component of the Project. The primary objectives of the 2024 freshwater studies were to supplement baseline environmental condition data, assess fish habitat quality, and evaluate the presence and distribution of key fish species within the planned footprint of Steensby Railway and Port. The work included both previously unsurveyed areas and sites requiring updated information due to design refinements. The studies included:

- An Arctic Char survey in Cockburn Lake
- A bathymetry and substrate survey, water quality sampling, benthic invertebrate community sampling, and a Ninespine Stickleback survey in KP85 Lake
- Field surveys along the Steensby Railway corridor and in the Port area to determine the presence/absence of Arctic Char and Ninespine Stickleback. Habitat assessments included stream crossings, lake and pond infill areas, bridge crossings, and water intake sites.

These studies, conducted primarily during the 2024 open-water season, build on multi-year supplemental baseline data collected from 2021–2023 and contribute to a comprehensive understanding of freshwater resources within the Project area. The results will directly inform impact mitigation, habitat offsetting, and final engineering designs for the Steensby Rail and Port infrastructure.



Baffinland

STEENSBY SUPPLEMENTAL BASELINE STUDIES

Steensby Camp Meteorological Station - September, 2024

Mid-Rail Camp Layout - September 2024

Baffinland

STEENSBY SUPPLEMENTAL BASELINE STUDIES

Ringed Seal Aerial Survey Program

In 2024, Baffinland conducted a Ringed Seal Aerial Survey in Steensby Inlet for the Southern Shipping Route. This marks the second year of supplemental baseline Ringed Seal Aerial Surveys for the Southern Transportation Corridor, the first year being in 2021. The objective of these surveys was to collect data on ringed seal population density and distribution throughout land fast ice in Steensby Inlet and Tasiujaq (the control location). Results are currently being analyzed and will be presented in a technical report to be shared with the MEWG and NIRB upon completion.

Archaeology Program

Baffinland's 2024 Archaeology Program focused on the Steensby Component. This marked the ninth (9) year of archaeological work by Baffinland in this area. Surveys were conducted in approved Project development areas prior to construction. No sites were excavated and no artifacts were collected during the 2024 archaeology field season.

Baffinland

STEENSBY SUPPLEMENTAL BASELINE STUDIES

Light Detection and Ranging and Orthophoto Program

A LiDAR and orthophoto program was carried out along the Tote Road and Steensby Railway alignment in 2024. The program provided Baffinland with detailed topographic data and high-resolution imagery of the land. This information will support the detailed engineering of the Steensby Railway and help monitor changes to the land from Project infrastructure.

Baffinland

CONTACT US

BAFFINLAND HEAD OFFICE
360 Oakville Place Drive, Suite 300
Oakville, Ontario, L6H 6K8

Communications
communications@baffinland.com

Job Opportunities
recruitment@baffinland.com

General Comments, Questions, Concerns
communityquestions@baffinland.com

Procurement Opportunities
procurement@baffinland.com

Donation Requests
donationrequests@baffinland.com

NORTHERN HEAD OFFICE

Iqaluit
Joe Tigullaraq
Head of Northern Affairs
Joe.Tigullaraq@baffinland.com
+1 867 975 2502
+1 867 222 6622

Celestino Uyarak
Community Relations Manager
Celestino.Uyarak@baffinland.com
+1 867 934 8562

BAFFINLAND COMMUNITY LIAISON OFFICER

Arctic Bay
April Taqtu
BCLO.ArcticBay@baffinland.com
+1 867 439 8847

Cylde River
George Iqalukjuak
BCLO.ClydeRiver@baffinland.com
+1 867 924 6444

Igloolik
Lena Angutiqjuaq
lena.angutiqjuaq@baffinland.com
+1 867 934 8464

Pond Inlet
Erica Koonark
erica.koonark@baffinland.com
+1 867 222 0394

Sanirajak
Ragilee Nangmalik
ragilee.nangmalik@baffinland.com
+1 867 928 8497