



Inuit Concerns and Protection of Environment Central to Baffinland Expansion Plans

By Brian Penney, CEO of Baffinland

Recent events and the public hearings on Baffinland's proposed expansion of the Mary River Project provide an important opportunity to scrutinize the expansion. We understand some people may support it while others don't, and others are unsure or have questions.

It's important that everyone has access to accurate information. Over the past six years, we have been in constant dialogue with hamlets, Hunter and Trapper Organizations, the Qikiqtani Inuit Association (QIA) and regulators at all levels through consultation, technical meetings, community roundtables, and other formal and informal meetings, many of which are open to the public. Extensive written documents have also been filed during this assessment process. Our plans have been closely reviewed by all parties and we have made changes based on this input, which includes direct Inuit feedback.

Baffinland is one of the most environmentally sustainable iron ore operations in the world - it produces very little waste rock, and no chemicals or water are used for processing. We will improve upon this strong performance with Phase 2, where we aim to set new benchmarks in the mining industry.

We understand that harvesting caribou, narwhal, seal and char are important food sources and at the centre of Inuit culture and identity. Preserving and respecting this aspect of Inuit wellbeing is critical to our planning. Narwhal monitoring shows consistent numbers in Eclipse Sound between 2013-19, with mine operations starting in 2015. The total allowable harvest was increased in 2016, and since that time, the annual average harvest number in Pond Inlet has increased substantially.

We recognize the importance of the North Baffin Island caribou herd and will work with Inuit to protect this valuable resource. We are taking a number of steps as part of the expansion plans, many of which are the direct result of Inuit engagement, such as providing caribou underpasses and designing rail embankments to support caribou crossing.

The Inuit Certainty Agreement (ICA), signed in 2020, expands the role of Inuit in monitoring and reviewing operations. Inuit will oversee many forms of monitoring through the Inuit Stewardship Plan, which will include monitoring for changes in Culture, Resources, Land Use and social well-being. This monitoring will tie directly into an Adaptive Management Plan, which will enable Inuit to identify additional preventative measures to protect the environment should impacts be greater than predicted.

Baffinland is the largest private sector employer in the Qikiqtani and has directly and indirectly contributed \$1.68 billion to Inuit businesses and communities since 2015. With Phase 2, Baffinland is expected to contribute even more over the mine life: \$4.5 billion to government and Inuit organizations, including roughly \$1 billion to the QIA, \$1.4 billion to Nunavut Tunngavik Incorporated, \$679 million to the Government of Nunavut, and \$1.5 billion to the Government of Canada.

Baffinland will also spend up to \$15 million to build or enhance childcare facilities in Pond Inlet, Arctic Bay, Clyde River, Igloolik and Sanirajak. We will also support a child care subsidy for Baffinland Inuit

employees who reside in Nunavut, a study of Pond Inlet's country food, the Hunters and Trappers Organizations, and make milestone payments to QIA totaling \$45 million over the first five years of Phase 2. Royalties paid to the QIA will increase from 1.19% to 3.00%, a portion of which will be provided by QIA to North Baffin communities through Community Direct Benefits.

Baffinland aims to set new standards in the Canadian mining industry for community oversight and benefit sharing. Our plan reflects years of engagement between Baffinland, Inuit, and all levels of government. Baffinland will work with all parties to deliver positive contributions for years to come, while protecting and respecting the environment.