Baffinland Submits Request for Emergency Order to Federal Government

Iqaluit, NU [May 26, 2022] – Today, Baffinland submitted a request for an emergency order from the Minister of Northern Affairs, the Honourable Dan Vandal that would allow the company to truck and ship 6.0 million tonnes for the 2022 calendar year, in compliance with all environmental permit limits, as the company has done since 2018. This request was made in order to protect our employees and the economy of North Baffin. Baffinland currently represents 23% of Nunavut's economy

Should the order not be granted, once production reaches 4.2 million tonnes, the Company will be required to suspend operations for the balance of 2022. This will result in the layoff of over 1,300 Baffinland employees and impact more than 400 contract employees, many of whom work for Inuit businesses.

"Baffinland is committed to working with the Federal government and all stakeholder groups to do everything possible to avoid the necessity of layoffs and to protect our employees and their communities."

Given the uncertainties of the permitting process and the emergency order application, Baffinland is preparing to file a notice with the Nunavut Labour Standards Compliance Office ("LSO") of termination of staff at its Mary River operations and Nunavut offices. Should this step be necessary, Baffinland will notify the more than 1,300 employees, including 209 Inuit employees, 16 weeks after its notice to the LSO.

In the letter submitted to the Minister, the Company stated: "This request is based on the significant negative impact on mental health that will occur both directly to workers and their families and communities that receive termination notices if they are sent next week, as well as on our remaining workers that experience concern for their colleagues, an increase in their employment burden and ongoing employment insecurity as the overall workforce is downsized. Additionally, there is a recognized positive correlation between wage employment and food security."

The request for an emergency order is an interim measure that will allow Baffinland and all of its employees and contractors to continue working through the end of 2022. Baffinland continues to actively work with the Federal Government, regulators and Inuit Organizations to identify a longer term solution.

"We request that the Minister use this legal authority granted under NuPPAA, which would enable Baffinland to maintain the status quo and avoid the significant negative impacts on the health of the workers at Mary River that will be directly and indirectly impacted by the layoffs and of Nunavut communities more broadly," stated in the letter.

We are taking the actions we are taking today so that the company can continue to operate into the future.

"Baffinland is requesting that the Minister choose to exercise his power to extend the approval until December 31, 2022. This is a targeted exercise of this power, the use of which is justified in the circumstances to prevent harm," stated in the letter.

For more information:

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About Baffinland Iron Mines Corporation

Baffinland Iron Mines Corporation is jointly owned by The Energy and Minerals Group and ArcelorMittal, and operates a high-grade iron ore mine located on Baffin Island, Nunavut. The Mary River Mine produces the highest grade of direct shipping iron ore in the world. Baffinland is committed to operating in an environmentally and socially responsible manner that benefits all stakeholders. Learn more at <u>baffinland.com</u> and follow us on <u>Twitter</u>, <u>Facebook</u> and <u>LinkedIn</u>