

Investing in People. Building for the Future.

SUSTAINING OUR OPERATIONS

APRIL 2023 TO SEPTEMBER 2023

COMMUNITY ENGAGEMENT

Where we've been, and where we're going.

See page 4

SHIP SHAPE

Record setting ore and innovation. **See page 7**

INUIT EXCELLENCE

All about the new Leadership Development Program, developed with Inuit, on page 10

ROCK TALK

Celebrating Nunavut's geology in Pond Inlet. **See page 11**



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This newsletter addresses only Baffinland's commitments under the IIBA and does not address Qikiqtani Inuit Association's (QIA) compliance with its obligations under the IIBA.



LETTER FROM THE CHIEF EXECUTIVE OFFICER

BRIAN PENNEY

After years of uncertainty, I am pleased to write you that we have taken several positive steps forward, both for our short-term and long-term planning. We are now on a trajectory that I believe signifies stability and a clear mandate to our workers, many of whom come from communities across Nunavut.

In October, the federal government approved our Sustaining Operations Proposal (SOP), which means we have clearance to continue producing and shipping 6 million tonnes per year until the end of 2024. We also have clearance to ship the additional ore stranded at Milne Port, when the presence of multi-year ice forced the early closure of the season last year.

Minister of Northern Affairs and Economic Development, the Hon. Dan Vandal, approved the SOP following a positive recommendation from the Nunavut Impact Review Board (NIRB). But let's not forget the crucial role that our community partners played. It was their support and commitment to our shared vision that made this result possible. Members of the QIA, as well as the dedicated mayors, councilors, and representatives from the HTOs, all contributed to this achievement.

During this shipping season, we have truly seen a positive shift – a better understanding of the opportunities before us all, when Baffinland and the communities of North Baffin work together. A positive coexistence between Baffinland, which provides jobs, training, community programs, scholarships and many other areas of support, and the unique needs of the Inuit communities, has been our priority.

Our next goal, which we have already been working very hard on for years, is the Steensby Component. It will see the development of a new rail line from Mary River, south to a new deep-water port at Steensby. Since 2021, we have been updating environmental information in the Steensby area to support additional activity-specific permitting and developed environmental monitoring programs. We have also been actively working with communities, including re-introducing ourselves to the hamlets of Kinngait and Kimmirut. And, as we have on all past projects and initiatives, we continue to meet with community members and groups – we have already held more than a dozen meetings in the communities to share information and support the construction and operation of Steensby. We look forward to sharing more of our plans on Steensby as they continue to unfold.

My commitment to you all is that, as we move forward with this transition to a southern railway operation, Baffinland will continue creating jobs and economic opportunities for all Nunavummiut and providing lasting benefits to all stakeholders right across the country.

Qujannamiik,

Brian Penney

Chief Executive Officer

BAFFINLAND STATISTICS

APRIL 1, 2023 TO SEPTEMBER 30, 2023



247,254

Total Hours Worked by Inuit Employees & Contractors



95%

of active Inuit Employees have Individual Career Development Plans



15,363

Inuit Training Hours (23% of Total Training Hours)



597.1M

Value of New Contracts with Inuit Firms (30% of Total Contract Value)





\$94.9M

Inuit Contract Spend (32% of Total Contract Value)

PAYROLL BY COMMUNITY

APRIL 1, 2023 TO SEPTEMBER 30, 2023

Baffinland & Contractors \$11.94M

POND INLET \$2.03M

\$935.8K

\$1.67M

SANIRAJAK \$1.67M \$1.00M

Inuit Residing Elsewhere

\$2.00M

\$2.63M

*Figures may not add due to rounding



IIBA 10th Anniversary

This spring Baffinland celebrated an important anniversary. Ten years ago, history was made when then Baffinland CEO Tom Paddon and Qikiqtani Inuit Association (QIA) President Okalik Eegeesiak signed the Mary River Project Inuit Impact Benefit Agreement (IIBA). A decade later, the Project is still providing quality high-paying and long-lasting jobs to Inuit, substantial business development opportunities and other social and economic benefits to all Qikiqtani communities.



Sustaining Operations Proposal Approved

Baffinland is entering a new era of stability, after our Sustaining Operations Proposal (SOP) was approved by the Nunavut Impact Review Board (NIRB) in early September, and, in turn, by Minister of Northern Affairs, the Hon. Dan Vandal, on October 17.

The approvals followed months of extensive community engagement, as Baffinland leaders traveled across Nunavut, meeting with Hamlet councils, community members, and HTOs, to discuss the SOP. In late summer, the Nunavut Impact Review Board held two Public Community Roundtables in Iqaluit and Pond Inlet, allowing us to answer questions and address concerns. At every stop on the SOP tour, we were pleased to receive widespread, positive and public support.

As a direct result of our Inuit engagement, we also made numerous Project modifications. The use of Inuit Qaujimajatuqangit (IQ) continues to guide the Project and has a central role in our decision-making. We believe that Inuit knowledge, community concerns and perspectives are vital to ensuring we proceed responsibly and successfully together.

Annual Project Review Forum





One of our most meaningful and rewarding community engagements is our Annual Project Review Forum (APRF), which was held in May this year in Pond Inlet. The three-day meeting was hosted by Baffinland and the Qikiqtani Inuit Association (QIA), with Elder and Youth delegates from the five communities also in attendance.

The annual forum is an important opportunity to collaborate directly with our Inuit partners and community stakeholders. As Udlu Hanson, our Vice President of Community and Strategic Development, said at the time, "Everyone in the room is working for the betterment of all Inuit."

Working for the betterment of all Inuit is something we do at Baffinland every day. We look forward to next year's APRF in Igloolik.

Re-engaging with Kinngait and Kimmirut

This summer, senior Baffinland leaders visited two additional communities to discuss the planning stages of the Steensby Component of the Mary River Project.

Our Head of Northern Affairs, Joe Tigullaraq, and Special Advisor, Paul Quassa, met with the Kimmirut Hamlet Council, HTO and residents, to re-introduce the company to the community. They went on the local radio to give an overview of the Steensby plans, and to answer questions.

The two also visited the hamlet of Kinngait, where they met with the hamlet council and HTO, to tell the community more about Baffinland, and to discuss our upcoming Steensby plans.

Baffinland is committed to ensuring the social and economic benefits of the Project flow to nearby communities.







Baffinland teams have been busy crisscrossing North Baffin, delivering targeted training and work-life skills to community members who are interested in working at Baffinland. With increasing global demand for Nunavut's high-grade iron ore in the transition to a green economy, there's never been a better time to take the first step towards a successful career in mining.

Our five-day Work Ready Program (WRP) visited the five communities and Iqaluit in May and September. The program includes courses on Introduction to Mining, Money Management and the challenges of working at a fly-in, fly-out operation. Many WRP graduates go on to complete the QIA's Heavy Equipment Operators training, or take our on-site training, leading to long-lasting employment at the mine.

Our new, targeted Employment and Training Information Session (ETIS) began its tour in October, specifically for candidates who had already expressed an interest in working at Baffinland. They attended a resume-building workshop, and had one-on-one pre-interviews with our Recruitment team to determine their interests and qualifications.

TO LEARN MORE, PLEASE REACH OUT TO YOUR BCLO, AND FOLLOW OUR EMPLOYMENT AND TRAINING FACEBOOK PAGE







6 Come Work With Us



The ice in Eclipse Sound had its latest melt in 26 years this spring, delaying Baffinland's 2023 Shipping Season opening by 12 days. In spite of the late start, we are pleased to report that Baffinland set a new shipping record this year, loading fewer ships with more iron ore than ever before.

The final loaded ore carrier, two tugboats and two icebreakers left Milne Port on October 30th, bringing the total amount of ore loaded to approximately 6.1 million tonnes, using only 75 ships. While still short of our approved 6.9 million tonnes, this is the most Nunavut high-grade iron ore ever shipped in Baffinland history. The previous record was 5.9 million tonnes, set in 2019, over a longer shipping season.

Once again, we only commenced shipping once a continuous path of 3/10ths ice concentration along the Northern Shipping route was confirmed, and we did not use icebreakers to start the shipping season. To protect marine mammals, especially narwhal, our ships, when feasible, traveled in convoys to reduce underwater sound exposure. They were also restricted to a maximum speed of nine knots – a new industry standard – and stayed in a narrow shipping corridor.

The First Capesize Ship Arrives

A big milestone was reached in Milne Inlet in late August, with the arrival of a new class of ore freighter. The Capesize ship, owned by Germany's Oldendorff Carriers, is the biggest bulk carrier to ever call at Milne Port. The Capesize ships are more than twice the size of our other carriers - allowing us to move more cargo with fewer ships, fewer transits and lower CO2 emissions.

Ship loader Gavin Kunuk, from Pond Inlet, had the honour of loading the first bucket of ore. He says it was "very exciting," and that after his shift, he couldn't stop smiling. Gavin, a former Shipping Monitor, joined the Baffinland site team as part of our Northern Development Program.





‡Baffinland 2023 Shipping Season **7**

Marine Environment Monitoring

Every shipping season, Baffinland conducts Marine Environment Monitoring, including many programs launched before the season starts. In July, we did the first of three aerial surveys, to monitor the abundance and distribution of narwhal in Eclipse Sound and Admiralty Inlet. Our survey teams also captured ice conditions, which helped determine when the season starts.

In addition to aerial surveys, we had a team based at Bruce Head to monitor narwhal response to shipping activities throughout the season, using shore-based observations and drone imagery, as well as monitors on board vessels at the end of the season, observing vessel activity and marine wildlife.

Our Inuit Shipping Monitors, based in Pond Inlet, continually monitor and update the community on vessel activity during the shipping season. Regular updates are posted on our Baffinland Shipping Facebook page: https://www.facebook.com/baffinland.shipping/

We monitored underwater noise by deploying two acoustic monitoring stations near the Northern Shipping Route. The sounds we captured were then measured and compared to previously modelled levels.

This season, one of our contracted ore freighters, the Nordic Nuluujaak, became the world's first bulk carrier to be designated a 'Silent Ship.' This designation recognizes a demonstrated ability to reduce environmental noise emissions, consistent with a focus on protecting sensitive marine ecosystems. The ship, owned by the Pangaea Shipping Group, reduced its noise emissions through 'operational adjustments', including speed. We thank Pangaea for supporting and following Baffinland's recommended marine mitigation measures.









Fender Installation

Preparations for the shipping season included a remarkable display of teamwork at Milne Port. With a later-than-usual ice break-up and facing a narrow window ahead of the first ore carrier's arrival, the Operations team safely installed new dock fenders in an impressive 6.25 hours – nearly 1/6th of the time initially scheduled.

The key to this successful operation came down to rigorous pre-planning. Our thanks to QIL, which was instrumental in getting the chains for the fenders to us in advance, saving 10 hours. Support from the new port in Iqaluit was also critical, as workers there were able to open the port to us on short notice. It was collaboration at its finest.





Baffinland employs extensive marine mitigation measures to minimize our impact on marine mammals, based on ongoing engagement with Inuit community members and organizations, and the Marine Environment Working Group. That special relationship was recognized this summer by the VP of the Inuit Circumpolar Council of Canada, Herb Nakimayak, who said: "There's a good example around Baffinland Mine. Community members provide Indigenous knowledge about the behaviour, location, health and abundance of marine mammals... historical perspectives and migration patterns... and that's how sometimes Indigenous knowledge can contribute to decision making when it comes to big issues like this that affect communities."



INTERESTED IN LEARNING MORE? CHECK OUT OUR BAFFINLAND FACEBOOK PAGE

‡Baffinland 2023 Shipping Season 9



Inuit Leadership Development Program

Recently, Baffinland kicked off its new Inuit Leadership
Development Program at Mary River, with a Qulliq-lighting
ceremony. The program offers advanced career paths for our
Inuit employees, and integrates Inuit Qaujimajatuqangit (IQ), the
Inuit seasonal calendar and the use of Inuktitut.

This unique program was created in partnership with Flip Learning, with input from employees, including our Senior Advisor, Paul Quassa, as well as community members, the Mining Association of Canada and the Mining Industry Human Resources Council of Canada.

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. We are committed to offering expanding opportunities to our lnuit employees, to help them advance to meaningful leadership roles.



Aircraft Underwater Egress Training

Having proper training is critical to survival in sudden emergencies. Baffinland provides the life-saving Aircraft Underwater Egress program, specifically to employees who take part in our annual Marine Mammal aerial surveys. Research shows occupants with egress training have a 250% better chance of surviving a ditched aircraft, than untrained passengers and crew.

The training, by Arctic Response, was done at the Iqaluit Aquatic Centre, guided by instructors using a multi-seat airframe simulator, called the Dunker. Trainees were buckled in, and the Dunker was rolled upside down, to create realistic emergency scenarios, conducted in a safe and controlled environment.

Confined Space Training

Our Heavy Equipment and Emergency Response Team (ERT) Trainers upgraded their skills at a Confined Spaces training course in Montreal. Confined spaces include any space that may be difficult to enter, such as tanks, maintenance rooms, equipment closets, or drop ceilings, that may contain a dangerous atmosphere such as oxygen deficiency, or harmful gases, and where escape or rescue could be dangerous.

The course included hands-on simulations of real-life conditions, review of the risks and hazards of entering a confined space, step-by-step procedures for entry and exit, and rescue procedures in case of emergency. 'Safety First, Always' remains at the core of everything we do.

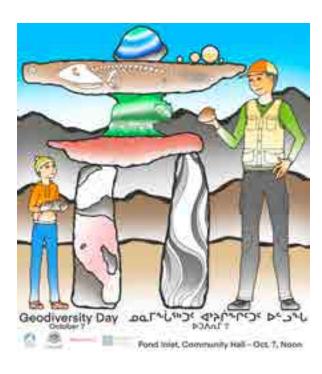


Geodiversity Day

More than 250 members of the public attended our first-ever Geodiversity Day in Pond Inlet on October 7th, as part of a week of activities celebrating Nunavut Mining Week.

Our Manager of Exploration, Massoud Robatian, displayed an impressive collection of Nunavut rocks and minerals, joining Community Relations Manager Manasee Ulayuk, and Elijah Nashook, our Inuit knowledge Holder in Pond Inlet, in a session called "Rock Talk". Participants learned more about all the riches lying just beneath the surface of Nunavut's spectacular landscape, and got hands-on lessons on what to look for.

We would like to thank Parks Canada, the Government of Nunavut and the Canada-Nunavut Geoscience Office (CNGO) for such an enjoyable and successful partnership.





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Commissary Inuit Art

Beautiful Inuit art is now on display, and on sale, in the Commissary at the Sailivik camp. The Inuit Arts & Crafts Store sells carvings, paintings, prints, hand-crafted clothing and more. And it's been a huge success. Since opening in May, approximately \$12,000 worth of art has been sold, and the display has been replenished three times.

The IIBA Contracting Committee worked with QIL and our Site Services team to set up the store and the displays. The art was sourced from Carving Nunavut, Malikkaat, the Iqaluit Museum and several individual artists.

We are proud to support Inuit Arts & Crafts, and the talented artists who create them.

Building Innisats

An Inuit tradition was passed on at Mary River, when employees learned how to build Innisats, or oil lamp drying racks. They were a critical tool for hunters out on the land, who used them inside their Igloos to dry their clothes and newly harvested hides, using a small Qulliq (traditional oil lamp), placed under the rack. The miniature Innisats created by our staff were proudly displayed at site.

Cultural Advisor, Hannah Oolayou, programs monthly activities and events for site employees, to share her traditional knowledge with new generations, and to help preserve Inuit practises. Participants say it's also a lot of fun!







This year, Inuit graphic designer and Communications team member, Jamesie Itulu from Pond Inlet, created a number of meaningful illustrations for our social media, reflecting Inuit cultural traditions and Baffinland's core values.















Preferred Inuit Firm Status:

Any Inuit firm with 100% Inuit ownership can be designated as a Preferred Inuit Firm (PIF) with Baffinland and gain early access to certain contracting opportunities at the Mary River Project.

An Inuit Firm must satisfy the following criteria to be designated as a PIF:

- a) Be registered with Nunavut Tunngavik Incorporated (NTI).
- b) Located and operating within the Qikiqtani Region of Nunavut
- c) 100% owned and operated by Inuit (not a joint venture with a larger organization)
- d) Have community presence (beyond a Post Office Box) and ability to demonstrate such presence.

Those interested in developing new contracting opportunities with Baffinland are encouraged to contact the Kakivak Association (http://www.kakivak.ca/en/contact) or email procurement@baffinland.com. You can also ask questions, and fill out and submit a pre-qualification questionnaire. A detailed report of Baffinland's contracting activities is available from the Kakivak Association, the QIA or your local BCLO. You can find all the links, forms, and more information, on Baffinland's website, here: https://baffinland.com/operation/contracting/



INTERESTED IN LEARNING MORE? CHECK OUT OUR BAFFINLAND WEBSITE

Business Capacity and Start-Up Fund

The Business Capacity and Start-up Fund (BCSF) is designed to support Inuit business start-ups and capacity development. The BCSF allots funds to Inuit who wish to improve their business or start up a new business. The fund is administered by QIA's subsidiary, Kakiyak Association.

The primary objectives of the fund are to assist designated Baffin Inuit Firms in the following areas:

- Locating start-up capital and financing
- Management development
- On-going business management
- Financial management
- Contracts and procurement
- Human Resources mangement

For more information, please see the application guide located on QIA's website: https://www.qia.ca//wp-content/uploads/2017/05/Business-Capacity-Start-up-Fund-Program-Guidelines.pdf

To apply, contact your local BCLO or go to the Kakivak Association's website: https://www.kakivak.ca/en/applications

Inuit Firm Registry with Nunavut Tunngavik Inc.

Are you an Inuit firm, registered with NTI? For all contracting opportunities, Baffinland utilizes the NTI registry to contact Inuit Firms for upcoming contracting opportunities. Please register with NTI and provide upto-date contact information to ensure you are receiving our communications regarding these opportunities. Register here: https://inuitfirm.tunngavik.com/

Open Opportunities

Baffinland is looking for Inuit firms to provide the Mary River site with Country Food (Arctic char & caribou). Baffinland must follow the Canadian Food Inspection Agency's Food Safety requirements. To apply for a Safe Food Handling licence, please see https://inspection.canada.ca/food-licences/obtain-a-licence/eng/1543359915240/1543360663242.

Food-handling safety training is also available online, here: https://trainfoodsafety.ca/

For more information about this contracting opportunity, contact procurement@baffinland.com

Contracting Information Session Workshop:

Baffinland is offering Contracting Information Sessions (CIS), to inform Inuit-owned businesses, aspiring entrepreneurs, and the public about the contracting provisions of the Mary River Project under the IIBA, as well as contracting policies, processes, and business opportunities with Baffinland. Attendees will learn how to prequalify to become a Preferred Inuit Firm (PIF) for early access to contract opportunities.

Procurement and Contracting representatives from Baffinland and Kakivak Association will be there. An interpreter will be present for all sessions, and refreshments will be provided. No signup is required. For more information, including schedules, times and locations, contact procurement@baffinland.com or your local BCLO Office.



Baffinland leaders regularly attend mining conferences and trade shows, to keep up-to-date on the latest technology and industry news, to make new connections, and to share our company vision and expertise.

This year's events included: the 25th Annual Nunavut Mining Symposium in Iqaluit in April, which we were proud to participate in and sponsor; the Canadian Marine Advisory Council (CMAC) meeting in Quebec City; the Fastmarkets International Iron Ore Conference in Sweden, which is the biggest global industry conference in the world; and the Nunavut Trade Show (NTS) in Iqaluit. We are especially grateful to Nunavut Premier P.J. Akeeagok, for his public support for Baffinland during his keynote speech at the NTS, and for joining our senior staff and regional partners, for an impromptu conversation about development in the territory.

Baffinland is proud to participate in these important events, both at home and abroad. They provide a prominent platform for us to spread the word about Baffinland's benefits, and the boundless potential of Nunavut's low-carbon, high-grade iron ore.















QUESTIONS? HERE IS HOW YOU CAN REACH US

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