

## EXECUTIVE SUMMARY OF THE FINAL WRITTEN STATEMENT FOR THE PHASE 2 PROPOSAL

---

Baffinland wishes to thank the Nunavut Impact Review Board (**NIRB**) for conducting an extensive and comprehensive reconsideration of the Phase 2 Project Proposal, particularly for their efforts during the active assessment phase that has been underway continuously since the global pandemic began in March 2020.

Baffinland would like to thank the Inuit residents and other Nunavummiut from the Qikiqtani Region who have participated in the Phase 2 Project Proposal assessment process. Baffinland recognizes the time devoted to reviewing the Project Proposal and participating in the assessment, and is especially grateful to the North Baffin communities. Baffinland wishes to thank Nunavut Tunngavik Inc., the Qikiqtani Inuit Association, representatives from Pond Inlet, Arctic Bay, Sanirajak, Clyde River, and Igloolik, government participants and non-governmental organizations for providing their expertise and experiences during the review of the Phase 2 Proposal.

As set out in the enclosed Disposition Table, through engagement, substantial commitments and adjustments to the Project, Baffinland has resolved the vast majority of technical concerns (175 of 196). These were identified to the Board through written information requests, technical comments and written submissions, or orally through the three technical meetings held in support of the reconsideration process (in April 2019, June 2019, and September 2020), and the public hearings and community roundtables (in November 2019, January-February 2021, April 2021 and November 2021). Where parties have been unable to confirm that their concerns have been resolved, Baffinland has in all cases presented a reasonable path forward that the Board can rely on to make a positive recommendation and to draft Project Certificate terms and conditions.

**Baffinland has made fundamental and comprehensive changes to the Project design and mitigations in direct response to Inuit participant feedback prior to and during the NIRB's extensive reconsideration process, resulting in a carefully considered and improved Phase 2 Project Proposal that addresses community concerns to the fullest extent possible.**

Baffinland agrees with the statement included in the Qikiqtani Inuit Association (**QIA**)’s Final Written Statement that “*the Mary River Project is no ordinary mine*”, particularly when one takes into consideration the Phase 2 proposal.<sup>1</sup> The Inuit-centered mitigations that have been developed through deep consultation with QIA, communities and any Inuit group that was willing to engage with Baffinland are legally binding and enforceable, detailed, specific, and unique to the North Baffin and the explicitly stated needs and preferences of Inuit residents. They reflect a profound commitment to direct Indigenous involvement in operational decision making that, to Baffinland’s knowledge, exceeds that of any major industrial project in Canada. This, taken together with the mitigations that have been developed based on the best available western science and Inuit Qaujimajatuqangit (**IQ**) means Inuit can count on robust protection against significant adverse effects from mining. Royalties to Inuit are expected to be \$2.4 billion, using conservative assumptions. Communities will experience direct investment in needed infrastructure that is normally funded by government, including improvements to roads in Pond Inlet and daycares in the most impacted communities. Our significant need for workforce means that Baffinland also has the opportunity to employ the largest Inuit workforce in Nunavut. The current<sup>2</sup> 325 Mary River employees will have the opportunity to continue and grow in their careers. Baffinland, Government of Nunavut (**GN**) and QIA have cooperative and targeted strategies that will help increase the total number of Inuit that are employed at Mary River and in the communities by Baffinland, and Baffinland can help support the well-being of today’s Qikiqtani families for generations to come. None of these aspects of the Mary River Project are in any way “ordinary”. However, approval of Phase 2 is essential if this outcome is to be realized.

Baffinland is committed to continuing to work closely with Inuit and all parties going forward to ensure that the full promise of Phase 2 is fulfilled, within the context of a robust Project Certificate and Commitment List as well as its legally binding agreements with the QIA. Throughout the NIRB process, Baffinland has undertaken extensive additional focused work to address the recommendations, issues and concerns identified by community members from Nunavut generally and from the most directly impacted communities of Arctic Bay, Pond Inlet, Sanirajak, Clyde River and Igloolik (the **Impacted Communities**), our employees, Community representatives, hunters, Parties and Intervenors.

---

<sup>11</sup> QIA Final Written Statement, January 10, 2022

<sup>2</sup> As at November 2021 public hearing

Baffinland understands its responsibility to work with, listen and respond to Inuit, particularly from the Impacted Communities. Over 250 formal engagements have been carried out and, in particular, since November 2021, Baffinland has had at least two visits to each community and used other means to communicate when travel was no longer an option due to restrictions from COVID-19. We have been diligently listening and have continued our work to present proposals to the Impacted Communities to address outstanding or unresolved issues. Many of these proposals have resulted in changes to the design of the Phase 2 Proposal as well as substantial commitments to the way the Project will be managed and operated, if approved. The adjustments made are summarized in this Executive Summary, and also in the attached Final Written Statement, Disposition Table and Commitment List.

The Phase 2 Proposal that is presented to NIRB for approval presents a clear and legally binding path forward (through the Project Certificate as well as legal agreements with the QIA) that will ensure that Inuit considerations will be at the core of the Project throughout its operations.

**The Project mitigations reflect an unprecedented amount of Inuit governance over operations, with direct Inuit involvement via the Inuit Stewardship Plan.**

Inuit-led monitoring in addition to Baffinland monitoring will ensure that Inuit perspectives are reflected and integrated in Project operations on a day-to-day basis. Robust financial support for these activities is ensured under the Inuit Certainty Agreement (ICA).

## WHAT WE HEARD

The Board had the opportunity to hear a wide range of Inuit perspectives throughout the reconsideration process:

- QIA participated as the Designated Inuit Organization for Qikiqtani Inuit and fee simple landowner under the Nunavut Agreement and is responsible for negotiating Inuit Impact and Benefit Agreement (IIBA)s per Article 26. Nunavut Tunngavik Incorporated (NTI) also participated in their capacity under the Nunavut Agreement.

- As a local government, hamlets have the responsibility to represent their entire communities, and to weigh a broad spectrum of interests, including environmental, community services, food security, economics and the health and wellness of their residents. The role of municipalities and deference that must be paid to them in respect of land use matters is enshrined in the Nunavut Agreement. For example, in developing a land use plan, the Nunavut Planning Commission (**NPC**) is required to solicit opinions from municipalities about planning objectives, goals and options of the region.<sup>3</sup> Part 7 of Article 11 says that NPC must give great weight to the views of municipalities: *“In the development of a regional land use plan, the NPC shall give great weight to the views and wishes of the municipalities in the areas for which planning is being conducted.”*<sup>4</sup>
- The hunters and trappers organizations (**HTO**) are recognized under the Nunavut Agreement as having the role of regulation of hunting practices amongst their members (see Article 5), and Baffinland respects that the HTOs have brought that experience to this process. Individual hunters also shared their opinions on Phase 2 during the NIRB process.
- Mary River Inuit employees and their families are the most directly impacted individuals should the Phase 2 Proposal not proceed. Mary River employees also have the benefit of having an intimate professional knowledge of the actual details and facts of the Mary River Mine operation and monitoring programs, as well as their own IQ gathered through their experiences and observations and from others as part of Inuit oral traditions.
- Community members, including Inuit Elders, women and youth, also contributed their experience and perspectives.

Many organizations claimed to speak on behalf of Inuit in this Phase 2 NIRB process. Some of the Intervenor’s submissions even claim to know the view of “Inuit”. Respectfully, to say that one knows the view of Inuit on the Phase 2 Proposal is to suggest Inuit speak with one voice. Inuit views, perspectives, knowledge and worldviews are far more complex and diverse than to be treated as one voice. This complexity is reflected in the written and oral evidence that has been presented to the Board. Some individuals spoke passionately to their support of the Project, some shared their concerns. Many issues were resolved to the satisfaction of Inuit groups; other groups identify issues they view as outstanding. All of these voices should be heard, respected and considered, and weighted together as appropriate with all of the evidence presented to NIRB during this assessment.

---

<sup>3</sup> See Section 11.4.4, Nunavut Agreement, “Role and Responsibility”: “Consistent with the Agreement, the NPC shall: (e) solicit opinions from municipalities, residents and others about planning objectives, goals and options of the region.

<sup>4</sup> See Section 11.7.3, Nunavut Agreement.

Treating Inuit as having a universally held view on the Phase 2 Proposal would not honour and respect the many individual Inuit and Inuit groups that have dedicated time and effort to participate in this NIRB process.

This would be an oversimplification and does not reflect the actual evidence on the record before NIRB that individuals and Inuit organizations presented a variety of views and advice to the NIRB on Phase 2.

However, one clear consensus among all participants was that Phase 2 must proceed in a manner that is protective of the environment and wildlife. Baffinland wholeheartedly agrees, and this submission provides a detailed summary of the mitigations it has developed working together with Inuit organizations, Impacted Communities and the HTOs as well as territorial and federal government subject matter experts through the NIRB process.

In brief, actions Baffinland has undertaken to resolve concerns have included the following:

- adjustments to the scope of activities and infrastructure contained in the Phase 2 Proposal;<sup>5</sup>
- removed winter shipping from the original proposal prior to Final Environmental Impact Statement (**FEIS**) Addendum submission;
- adjustments to the railway routing, taking into account feedback received from Inuit participants engaged in consultations and workshops related to railway mitigations, as well as participants in the reconsideration process;<sup>6</sup>
- a substantial commitment to increase financial benefits to Qikiqtani Inuit, which includes increased royalties, additional supports for harvesters, and the establishment by QIA of a direct community benefits governance structure to establish how benefits from the royalties and other programs will go directly to the Impacted Communities;<sup>7</sup>
- substantial commitments to increase Inuit-led monitoring, and to fund the establishment by QIA of an Inuit Stewardship Plan and Inuit Committees that will directly influence management and operations decisions;
- a commitment to an approach to adaptive management planning which will include the direct input of Inuit from the Impacted Communities and which provides for joint approval of the Adaptive Management Plan with the QIA;

---

<sup>5</sup> Updated project scope with clarification on operational flexibility (Attachment 1) NIRB Registry No. 327956-327957, see also BIM Community Engagement Update April - August 2021 NIRB Registry No. 336784

<sup>6</sup> Railway Alignment Summary Report, released Oct 2019, NIRB Registry No. 327139-327149

<sup>7</sup> Transcript, Vol. 17, 3175.

- increased socio-economic benefits such as childcare support for Inuit employees, substantial contributions towards the construction of community infrastructure including daycares and community garages (or equivalent service-oriented businesses) in Impacted Communities, and increased opportunities for Inuit employment and training and support for Inuit firms;
- robust penalties payable by Baffinland for not meeting specified key IIBA requirements that would go directly to the Impacted Communities; and
- increased revenue sharing from a substantially and exponentially enhanced royalty regime to QIA (on behalf of Qikiqtani Inuit) as compared to the current IIBA.

Further details regarding these measures are outlined throughout this Final Written Statement.

The majority of the Hamlets of the Impacted Communities (namely, Pond Inlet, Arctic Bay<sup>8</sup> and Sanirajak) as well as Grise Fjord<sup>9</sup> have now confirmed to NIRB that in their view, the Phase 2 Proposal should be approved. Baffinland is humbled by these expressions of support and trust.

We also reconfirm our commitment to all of the Impacted Communities, regardless of their views on Phase 2. Should the Phase 2 Proposal proceed, Baffinland will always prioritize its direct relationships with the Impacted Communities in order to ensure that the benefits of Phase 2 to Inuit are maximized and any burdens are minimized.

QIA has confirmed to NIRB that should Phase 2 be approved to proceed, it remains committed to the ICA and its implementation.<sup>10</sup> Baffinland confirms to NIRB that it also remains fully committed to the ICA. However, it should be emphasized that even without the ICA, Baffinland is committed to the successful implementation of the frameworks included in the ICA and therefore has proposed direct commitments and proposed terms and conditions to include in a modified Project Certificate 005 that would see the environmental management and Inuit stewardship components outlined in the ICA implemented and overseen by NIRB (see Appendix B and C).

---

<sup>8</sup> NIRB Registry No. 333133.

<sup>9</sup> NIRB Registry No. 337231.

<sup>10</sup> Transcript, Vol. 16, 3078-3080; Transcript, Vol. 17, 3301.

As reflected in the Nunavut Agreement and under the *Nunavut Planning and Project Assessment Act (NuPPAA)*, there is an extensive list of factors that NIRB must take into account in its review of the Phase 2 Proposal. All of the factors are important, but we would like to emphasize the following:

- Whether, and to what extent, the Project would protect and enhance the existing and future well-being of the residents and communities of the designated area, taking into account the interests of other Canadians;<sup>11</sup>
- The measures, including those proposed by the proponent, that should be taken to:
  - avoid and mitigate adverse ecosystemic and socio-economic impacts, including contingency plans, and
  - optimize the benefits of the project, with specific consideration given to expressed community and regional preferences in regard to benefits (taken from Section 103(h) of NuPPAA).<sup>12</sup>

Each of these factors will be addressed briefly in this Executive Summary and in more detail in the Final Written Statement.

We are confident that, with the Project modifications and commitments we have made, the Project will protect and enhance the well-being of Inuit residents in the Impacted Communities and other Nunavummiut. We are also confident that the measures we have proposed and the commitments we have made will: (1) avoid and mitigate adverse ecosystemic and socio-economic impacts, and (2) optimize the benefits of the Project to Inuit residents, other Nunavummiut and the Impacted Communities for generations.

## THE PHASE 2 DEVELOPMENT PROPOSAL

Since it first began consideration of the Project in 2014 and throughout the review process, Baffinland has updated and clarified the scope of the Phase 2 Project Proposal in response to feedback from Inuit participants and other participants in the reconsideration process.

For clarity, the Phase 2 Project Proposal that has been presented to the Board and the Minister for approval includes the following activities and works:

---

<sup>11</sup> Section 103(1)(b) of NuPPAA

<sup>12</sup> Section 103(h) of NuPPAA

1. Increased iron ore production (with operational flexibility), to be shipped through the existing Early Revenue Phase shipping route - the Northern Transportation Corridor. This would be in addition to the already approved Project permitted through the southern route, via the port at Steensby as part of the Approved Mary River Project.<sup>13</sup>
2. Construction and operation of a ~110 km railway within the Northern Transportation Corridor between the Mine Site and Milne Port, generally following the existing Tote Road route with a short deviation (also known as “Route 3”). Once the railway is in place, the Tote Road would remain operational, but its use would be limited to moving personnel, freight, fuel, water and equipment. No ore haulage will continue by road once the North Railway is fully commissioned.<sup>14</sup> With ore haul truck traffic eliminated on the Tote Road, hunters and land users will have improved access to the road under a program to be developed between land users and Baffinland.
3. Expansion and improvement of the Milne Port facilities: a second ore dock and ship loader would be added to accommodate cape-sized vessels; railway unloading and maintenance facilities, and additional support infrastructure would be developed, in addition to an enclosed crushing facility.<sup>15</sup>
4. Modification of the shipping season: the shipping season is proposed to occur in the period between the presence of landfast ice along the shipping route in the Spring and Fall. Baffinland has committed to reduce the proposed nominal shipping season dates such that Baffinland will not start shipping before July 15, and Baffinland will plan to close the shipping season at October 31 (only favourable ice conditions and consultation with Pond Inlet may extend this to no later than November 15).<sup>16</sup>
5. Modification to Mine Site infrastructure, including the addition of ore loading infrastructure for the North Railway, added fuel storage capacity, and a reduction in overall ore crushing via the relocation of secondary crushing to an indoor facility at Milne Port.<sup>17</sup>

---

<sup>13</sup> Updated project scope with clarification on operational flexibility (Attachment 1) NIRB Registry No. 327956-327957.

<sup>14</sup> Updated project scope with clarification on operational flexibility (Attachment 1) NIRB Registry No. 327956-327957.

<sup>15</sup> Updated project scope with clarification on operational flexibility (Attachment 1) NIRB Registry No. 327956-327957

<sup>16</sup> BIMC Ltr to NIRB Re Conditional Support by Hamlet NIRB Registry No. 332819, BIM Phase 2 Disposition Table and Commitment List, NIRB Registry No. 337148 Commitment 239.

<sup>17</sup> Updated project scope with clarification on operational flexibility (Attachment 1) NIRB Registry No. 327956-327957.

---



The proposed Phase 2 Project components are reviewed in detail in Baffinland's Phase 2 Proposal Updated Information Package, filed January 7, 2020<sup>18</sup> and (as communicated during the Public Hearing) some aspects were further refined during consultation with Impacted Communities since January 7, 2020, as reflected in the Phase 2 Disposition Table (Appendix A) and Commitment List (Appendix B and C).

**What is before the Board is a Project which has taken into account and been adjusted to reflect the views expressed to Baffinland through engagement and through the NIRB process to the greatest degree possible.**

The Phase 2 Proposal has changed as a direct result of what Baffinland heard from Inuit participants and groups from the Impacted Communities. The evidence before the Board is that these fundamental design changes, mitigations by design, were made reflecting a deep consideration of Inuit values and views. Mitigation by design is the most impactful form of mitigation because adverse effects are reduced or avoided as a result of the design.

Examples of such mitigation by design for the Phase 2 Project include the following:

- Reducing the number of ore carriers to be used to no more than 168 ore carriers per year (down from the originally proposed maximum of 176).<sup>19</sup>
- Commitment to gradually increase the number of ore carriers used over a period of four years starting the year after approval, if approved.<sup>20</sup>
- Removal of the requirement for winter shipping to avoid time periods of critical Inuit land use and harvesting activities and to avoid breaking of landfast ice – resulting in a reduction in the shipping season from the original proposed 10 months per year to approximately 4 months.<sup>21</sup>
- Establishment of restricted areas where vessels cannot travel along the shipping route (e.g., Koluktoo Bay).<sup>22</sup>
- Commitment to not commence shipping until landfast ice has broken along the entire shipping corridor and the floe edge near Pond Inlet has been closed for hunting due to safety concerns.<sup>23</sup>

---

<sup>18</sup> NIRB Registry No. 327956-327957.

<sup>19</sup> See Commitment 241 See QIA-02, BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

<sup>20</sup> See Commitment ID No. 242 in the BIM Phase 2 Commitment List, Appendix A-C.

<sup>21</sup> See WWF-FWS-04, BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

<sup>22</sup> See WWF-FWS-04, BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

<sup>23</sup> See Commitment ID No. 215 in the BIM Phase 2 Commitment List, Appendix A-C.

- Switch from outdoor secondary crushing at the Mine Site to indoor secondary crushing at Milne Port to reduce dust emissions from this key source.
- Switch from ore haulage by truck to rail, significantly reducing wildlife disturbance and dust generation along the transportation corridor, as well as greenhouse gas emissions due to fuel efficiencies in transport by rail.
- Movement of proposed rail alignment along the deviation area at the km 67 hill from Route 1 to Route 3 to avoid an identified traditional travel route between Igloodik and Pond Inlet.<sup>24</sup>
- Establishment of Special Protection Areas along the railway where additional wildlife crossings (1:3 slope embankments) may be installed; in these areas speeds may also be reduced generally or during certain times of the year, and additional wildlife surveillance monitoring may occur.
- Creation of three new wildlife monitoring stations will enhance surveillance further and will also create 24 new monitoring jobs for Inuit at the Mary River Project.
- General modifications to railway design to make embankments smoother using smaller fill material (Type 12 to Type 8) and gentler by decreasing the slopes over large areas to what was proposed for the South Railway for caribou crossings only (1:1.5 to 1:2).<sup>25</sup>

In addition to Project design mitigations, Baffinland has agreed and committed to a wide range of management practices relating to operations, monitoring, ongoing assessment of potential effects, and adaptive management to avoid and mitigate potential adverse environmental and socio-economic effects.<sup>26</sup> If Phase 2 is approved, the Commitment List will be attached as an Appendix to amended Project Certificate No. 005, and NIRB can recommend Terms and Conditions to the Minister based on these items as they see fit in accordance with the jurisdiction granted under NuPPAA.

Additionally (and as Baffinland and QIA both suggest should also be incorporated as Project Certificate Terms and Conditions if Phase 2 is approved to proceed), Baffinland has agreed to processes and frameworks with the QIA for the establishment of an Inuit Stewardship Plan that will be guided by two Inuit Committees that will conduct independent Inuit-led monitoring of the Project for the purpose of mitigating adverse impacts and enhancing beneficial outcomes. The

---

<sup>24</sup> See QIA-6, QIA-20, BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

<sup>25</sup> See QIA-02 and GN-03, BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

<sup>26</sup> See generally BIM Phase 2 Disposition Table and Commitment List, Appendix A-C.

Inuit Stewardship Plan will be funded by Baffinland and led by Inuit from the Impacted Communities, and will help directly shape the Adaptive Management Plan.<sup>27</sup>

Additional commitments made through the Phase 2 reconsideration process, specifically the commitment to develop Inuit objectives, indicators, thresholds and responses (**OITRs**) for the Phase 2 Project, will ensure that community and cultural values and priorities help drive the development and management of the Mary River Project. At the QIA's request, this work will be driven by QIA on behalf of Qikiqtani Inuit. The additional commitments made by Baffinland through the NIRB process and agreed between QIA and Baffinland will ensure Inuit knowledge will be at the forefront of Baffinland's approach to monitoring and mitigating Project effects.

Because of the importance of this commitment by Baffinland and QIA, Baffinland sets out the first seven paragraphs of the ICA schedule on the Inuit Stewardship Plan and Inuit Committees as follows, which provides context and further details on this approach, and which (together with a robust Project Certificate) will ensure that Baffinland continues to improve the incorporation of Inuit views and values during Phase 2 operations:<sup>28</sup>

#### 1.1 Inuit Stewardship Plan for the Mary River Project

1.1.1 Nothing is of higher importance to Inuit than the ability to conduct independent, proactive monitoring of the Project for the purpose of mitigating adverse impacts and enhancing beneficial outcomes in a manner that captures the direct experiences of Inuit in impacted communities. This monitoring would be in addition to monitoring mandated by regulatory bodies and instruments including, but not limited to, any monitoring plans they prescribe, adding an Inuit-led, IQ-enriched form of monitoring to the Project that is in keeping with the expectations and rights of Inuit.

1.1.2 The Inuit Stewardship Plan (ISP) is a Project management plan that will be authored by QIA, with input from the Inuit Committee and the Inuit Social Oversight Committee for the Mary River Project (the Project), impacted communities, and Baffinland and implemented by Inuit. The ISP will be presented to Baffinland for

---

<sup>27</sup> Transcript, Vol. 17, 3178.

<sup>28</sup> NIRB Registry No. 332869.

feedback prior to QIA’s finalization and approval. Baffinland will be responsible to fund the ISP for the life of the Mary River Project. Funding requirements to be laid out in Schedule 31.

1.1.3 Inuit and Inuit institutions will responsibly manage Inuit monitoring interests in the Project. The ISP will detail the ways Inuit will monitor the Project over the life of the mine. The ISP will describe how Inuit monitoring activities tie into the adaptive management system and other management, mitigation, and monitoring plans, and, how Inuit monitoring will relate to the protection and promotion of Inuit rights defined under the Nunavut Agreement and described under legal agreements with Baffinland related to management and stewardship of Inuit owned lands and resources. It is understood by the parties that the concept of community based monitoring will be intrinsically integrated into the development and operation of the ISP. The ISP will embrace the results from but not take over from Baffinland’s existing commitment to Inuit communities to fund specific community-defined community based monitoring activities, as per existing IIBA provision 17.8.2.

1.1.4 The ISP will be a primary mechanism through which Inuit actively manage and report on impacts related to the Mary River Project. Therefore, the ISP is a framework for Inuit-led monitoring of impacts and changes within communities and on the land, waters and ice as a result of the Project. As an Inuit-led Project management plan, the ISP will embed a “boots on the ground” approach to monitoring whereby Inuit will be hired and trained as professional monitors for monitoring under the ISP. Through the ISP, Inuit will govern the use of Inuit knowledge and observations regarding the Project.

1.1.5 The ISP will be constructed around two separate but linked streams

*(a) Culture, Resources and Land Use (CRLU) Stream – Issues and monitoring activities related to Inuit use of the land and harvesting, conducted through a Culture, Resources and Land Use Monitoring Program and overseen by the Inuit Committee; and*

*(b) Social Stream – Issues and monitoring activities related to changes in community life, conducted through a Community Action Research Team (CART) and overseen by the Inuit Social Oversight Committee (ISOC). A focal point but not the entirety of the social stream will be Inuit food sources, food security, and food sharing.*

1.1.6 Each stream requires unique oversight, monitoring and information management systems. This does not mean that “on the land” and “in the

communities” issues do not interact. For example, food security is intrinsically associated with harvesting ability and success, distribution systems, transmission of cultural knowledge, and local infrastructure to support food harvesting and processing. The two streams of the ISP will naturally converse with one another to inform Inuit research, monitoring, recommendations and decisions. As depicted in Figure 1, determination of appropriate research and sharing of results between streams is inter-linked, and, decisions and recommendations are only made once the two streams are combined.

1.1.7 Both the CRLU Stream and the Social Stream will have annual work plans to define activities and required resources, as determined by the Inuit parties for the life of the Project.

The importance of these structures and programs is that Baffinland has committed to ongoing monitoring and assessment of impacts that is led by and in collaboration with Inuit designated from the Impacted Communities. These structures will ensure that measures to avoid and mitigate significant adverse impacts and to enhance beneficial outcomes will be considered through an Inuit lens and are core to the adaptive management of the Project.

**The Hall Beach Hunters and Trappers Association of Sanirajak Final Written Statement of January 7, 2022 stated: “Using the IQ system, Inuit could address a wide range of issues related to Baffinland operations if we are enabled to do so.” With the Inuit Stewardship Plan and Inuit Committees, that is exactly what Baffinland commits to do.<sup>29</sup>**

Baffinland and QIA agreed in June 2020 that, should the Phase 2 Project be approved, the Inuit Committees, Inuit Stewardship Plan, Adaptive Management Plan and CRLU study would be complete and in place before Phase 2 proceeds into operation and that this approach would resolve many of QIA’s technical issues that they raised to NIRB. It is acknowledged this was subject to completion of these tasks before Phase 2 is fully operational, which was reflected in the joint work plan agreed to between the parties. It was not anticipated at the time of signing the agreement that these structures and frameworks would be required or necessary to be established before Phase 2 is approved, given that completion of these structures and tasks are all contingent on Phase 2 approval. Both QIA and Baffinland felt that the structures and frameworks outlined in the ICA would be adequate to manage the impacts of the project and

---

<sup>29</sup> See Commitment ID Nos. 131, and 134 in the Phase 2 Disposition Table and Commitment List, Appendix A-C.

optimize the benefits, which was reflected in QIA's status of technical comment resolution as of July 2020. QIA is primarily responsible for completing these tasks, and Baffinland is responsible for funding them.

Baffinland and QIA's agreed approach to the existing Culture, Resources and Land Use (CRLU) assessment is set out in detail in ID 6 of the ICA. Baffinland carried out a CRLU Assessment as part of the Final Environmental Impact Statement Addendum, and provided supplemental information on this topic to NIRB during the assessment. Baffinland continues to be of the view that the CRLU Assessment and Baffinland's evidence to the Board on this topic is robust and prepared at a standard that provides NIRB with the assessment information it needs in order to make a positive decision on the Phase 2 Proposal. In order to address QIA's concerns to ensure that there is an adequate base from which to monitor impacts on CRLU related to the Project, Baffinland has agreed in the Commitment List and in the ICA that an additional CRLU Assessment will be carried out if the Phase 2 Proposal is approved:

*“Inuit have therefore proposed, and Baffinland has accepted, that a Phase 2 CRLU Assessment will be conducted prior to Major Construction Activities (as defined in the ICA) and will form a basis from which Inuit and Baffinland will monitor and assess the adequacy of impact predictions and make decisions on adaptive management. Baffinland agrees the Phase 2 CRLU Assessment will contribute to the body of information that will be used to monitor and manage the Mary River Project.”*

*“Baffinland agrees to carry out a Phase 2 CRLU Assessment, conducted jointly with QIA, and after consultation between QIA with the impacted communities. The parties' roles, methods, and resources required for the Phase 2 CRLU Assessment will be defined through discussions between Baffinland, QIA and impacted communities.”*

Subsequent to the signing of the ICA, QIA indicated that they wished to take the lead on this initiative, and Baffinland agreed to support this approach.

Baffinland has agreed to contribute \$9 million per year for the first three years after approval, reduced to \$8 million per year thereafter to the QIA to implement the IIBA, which will include all of the ICA commitments, and manage the tasks they are responsible for under the agreement. Baffinland proceeded in the assessment since that time in reliance on the work plan and commitments given to them by QIA.

It is not unexpected that many tasks have been commenced but are not yet complete at this stage of the NIRB process, and will be completed post assessment prior to project commencement. This approach has been accepted by NIRB on multiple previous locations, and is not novel to the Phase 2 proposal.

That Board can make a positive recommendation based on the fact the Inuit Stewardship Plan, Inuit Committees, Adaptive Management Plan, and supplemental culture resource and land use summaries and monitoring will be completed before Phase 2 proceeds into operation. Baffinland remains committed to support QIA in its execution of this very important work.

Baffinland's commitments include a slow and gradual (following Phase 2 approval) ramp up of the number of ore carriers used over several years, instead of doubling the number of vessels required in a single year following approval.<sup>30</sup> The Inuit Committees and Baffinland monitoring is intended to tell us at every step whether the project is causing unanticipated effects, what project adjustments need to be made, and when it is appropriate to increase the number of ships.<sup>31</sup>

This addresses a major theme identified during the review, that some Inuit wish for more time before the Project expands to see important systems developed and applied to the existing Project they are already familiar with. Between post environmental assessment permitting, conditions in the ICA requiring development of key documents prior to construction, and commitments towards a gradual ramp up, Baffinland has offered that time and a means of pausing or modifying the trajectory of our growth if it is causing unacceptable negative impacts to Inuit and their environment.

Baffinland is required by the NIRB Guidelines to apply the Precautionary Principle to its assessment, that is, where there are threats of serious or irreversible damage to the environment, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. The Precautionary Principle does not provide that all uncertainties must be resolved before a project can be approved. Rather, it means the lack of complete scientific certainty is not to be used as a basis for avoiding measures to protect the environment. In its Public Hearing Report on the Early Revenue Phase Proposal in

---

<sup>30</sup> See Commitment ID No. 242 in the Updated Commitment List filed October 26, 2021, NIRB Registry No. 337148.

<sup>31</sup> See Commitment No. 242, BIM Phase 2 Disposition Table and Commitment List, NIRB Registry No. 337148.

March 2014, the Board addressed concerns about the precautionary principle and its ability to address uncertainty as follows:<sup>32</sup>

*As with the Board’s consideration of the original Mary River Project Proposal, in the assessment and reconsideration of the Early Revenue Phase Proposal, the NIRB heard from several participants that there were issues regarding inadequate baseline and associated effects predictions with respect to likely project effects on the current populations of terrestrial mammals (caribou) and marine mammals (bowhead and narwhal). Reflecting this uncertainty, several participants urged the NIRB to adopt a “precautionary approach” to address these gaps in data and effects predictions. Applying the precautionary approach to the Early Revenue Phase Proposal requires that the Board conclude that despite uncertainty, the potential for significant adverse project effects could be limited by BIMC taking appropriate precautions and by ensuring an ongoing, pro-active and robust approach to adaptive management. Further, as noted in our review of the original Mary River Project Proposal:*

*From a practical perspective, the precautionary approach also requires the NIRB, Baffinland Iron Mines Corporation and all parties with regulatory and monitoring responsibilities for the Project to commit to an ongoing role for the life of the Project in relation to monitoring, assessing the effectiveness of measures designed to maximize positive effects and prevent or limit adverse effects and ensuring that these measures are reviewed and adapted where necessary to reflect the actual project effects being observed. [Final Hearing Report for the Mary River Project, Baffinland Iron Mines Corporation, September 14, 2012, Executive Summary at pp. xi and xii].*

---

<sup>32</sup> NIRB Registry No. 291199.



Baffinland has proposed extensive and comprehensive mitigation measures despite uncertainties, which is the exact approach required by the Precautionary Principle. The provisions of the ICA (and incorporation of key ICA provisions as Project Certificate Terms and Conditions) and mitigations as summarized above and throughout this document are specifically addressed at taking the precautionary approach required by NIRB on an ongoing basis and will limit the potential for significant adverse effects to occur.

Consistent with the Board's direction from the Public Hearing Report, Baffinland has found it necessary to implement adaptive management from time to time through the Early Revenue Phase (**ERP**) and Production Increase Proposal phases. For example, adaptive management responses have shaped our shipping activities through Eclipse Sound and Milne Inlet, working directly with the community of Pond Inlet to establish practices like 'no-go' zones, drifting limits and limiting the number of vessels to be anchored in the vicinity of Ragged Island, all for the purpose of reducing or removing negative interactions with harvesters as they have been identified to us. Another practical exercise of adaptive management to the existing project includes the unexpected identification of acid rock drainage at the Waste Rock Facility (**WRF**) and subsequent resolution through the establishment of a new treatment system and modifications to the WRF design, showing a complete cycle of an effective adaptive management system.

Adaptive management actions include smaller adjustments as described above, but also include major and costly measures where necessary despite significant negative impacts to the operations. More recently, fluctuations in narwhal abundance observed by Pond Inlet community members as well as Baffinland's monitoring programs have been raised through the Phase 2 review process, and confirm Baffinland's commitment to respond to environmental effects even before they are confirmed to be project related, a central tenet of the newly proposed Adaptive Management Plan. Baffinland elected not to ship through ice during the Spring 2021 season even in the absence of clear evidence that shipping was a primary contributing factor among other factors, including the construction of a small craft harbor in Pond Inlet that involved blasting and pile driving during sensitive narwhal migration periods, killer whale predation, climate change, and harvesting.<sup>33</sup>

---

<sup>33</sup> BIM Tech Memo Re Preliminary Summary of 2020 Narwhal Monitoring Programs, April 8, 2021, NIRB Registry No. 3334437, 334440; Baffinland Response to Comments Re Preliminary Narwhal Monitoring, June 17, 2021, NIRB Registry No. 335788; BIMC Response to QIA, DFO and PC Submissions, August 31, 2021; BIM Preliminary 2020 Narwhal Monitoring Update, September 13, 2021, NIRB Registry No. 336783; Update to the Preliminary Summary of the 2020 Marine Mammal Monitoring and 2021 Adaptive Management (Update 2), October 27, 2021, NIRB Registry No. 337190

The new structures and systems established for Phase 2 demonstrate Baffinland's commitment to continual improvement and will ensure an ongoing, pro-active and robust approach to adaptive management that will protect the environment and Inuit cultural activities.

## **PURPOSE AND NEED FOR THE PROJECT**

### **PURPOSE**

The purpose of the Project as a whole is to develop and produce iron ore as a valuable natural resource of Nunavut on Inuit-Owned Lands, and to do so in an environmentally sustainable manner. The Project will provide Baffinland and its shareholders with a return on investment, and provide substantial and long-term socio-economic benefits to Nunavummiut, Inuit organizations and Impacted Communities through royalty revenues, rental payments on Inuit-Owned Lands, the QIA's new community benefits policy, employment, training, and business opportunities and contributions to other community facilities and programs. The Project will also continue to support the beneficial development of the Nunavut economy.

### **NEED FOR THE PHASE 2 PROPOSAL**

There is a clear need for the Project, from the business perspective of Baffinland, from the environmental perspective, and from the community perspective to provide employment opportunities that are desperately needed in the Qikiqtani Region. Baffinland provides further details on each of these points below.

#### *Phase 2 is Needed for Project Financial Stability*

Market prices for iron ore have been subject to significant fluctuation during the last 20 years. In order to be economically and financially sustainable, the Project must reduce the sustaining capital and operating costs per tonne of ore produced. The long-term vision for the development of the Mary River Project has always been to develop a rail operation.

The existing Project has high fixed costs. Trucking, which has a very high expense per tonne of ore, as part of the Early Revenue Phase was not intended to be the permanent solution. Transportation of ore by rail is less expensive than trucking, and would reduce the operating costs per tonne of ore. The increase in production under Phase 2 would substantially reduce the fixed costs for each tonne of ore. These reductions in the cost of production per tonne of ore plus increased volume of production will enable Baffinland to remain economically sustainable

through a lower range of iron ore market prices. This was stated in the Project Proposal revised in February 2017.<sup>34</sup>

Phase 2 is also a necessary step towards the development of the Southern Transportation Corridor through Steensby Inlet. The capital investment required to develop the South Railway, Steensby Port, and Polar Class Vessels is simply unattainable for Baffinland and the Mary River Project as it currently exists. Baffinland needs to develop a sustainable and profitable operation as the Phase 2 Proposal intends in order to generate our own internal cash flow and contributions towards the Southern Transportation Corridor as well as to incentivize outside investment in a larger and more stable project.

### *Phase 2 is Needed to Address Key Concerns Raised by Inuit in the Impacted Communities*

Additionally, the design of the Phase 2 Proposal will help significantly address some of the key concerns raised by Inuit in the Impacted Communities respecting the environmental and socioeconomic performance of the current project. Key improvements over the current project include:

- *Less dust.* Baffinland continues to work hard to collaborate with Impacted Community representatives on this issue and make improvements to the existing operation to the extent possible. However, there are limitations on the improvement that can be achieved without major changes to the current infrastructure. The railway will produce much less dust than hauling iron ore by truck along the Tote Road.<sup>35</sup> Currently all crushing of the ore is done at an outdoor facility at the Mine Site, which will shift under Phase 2, so that only limited primary crushing will occur at the mine (only 30% of ore coming from the Deposit requires primary crushing), with the remainder of the crushing process occurring in an indoor facility at the port site. All of this will help to reduce dust from this significant source of dust emissions. Inuit employees participating in the Phase 2 process provided commentary to NIRB on this topic:

*“And Phase 2 should really happen because the impacted communities are complaining about dust, the railway would really reduce the dusts going all around us. Way less trucks would be off the road.”<sup>36</sup>*

---

<sup>34</sup> See NIRB Registry No. 306109.

<sup>35</sup> Transcript, Vol. 17, 3167-3168

<sup>36</sup> Christopher Hayward, Our Inuit Voices Matter, Transcript

*“Moving from multiple trucks on the Tote Road to 1 train with multiple rail carts hauling bigger lump order no more dust kick up, indoor crushing minimizing dust blowing around, less fuel consumption to be able to move ore, more funds for environment initiatives.”<sup>37</sup>*

The additional revenue from Phase 2 will also support the investment in additional infrastructure, should it be required to further mitigate dust. This important work is already being carried out by a group of technical experts and community representatives through a comprehensive dust audit.<sup>38</sup> The recommendations coming from the audit will require the resources to implement them that Phase 2 will bring.

- *Less emissions and waste.* By switching from a trucking to a rail operation, Baffinland will reduce the amount of fuel needed and greenhouse gases emitted to move each individual tonne of ore.<sup>39</sup> In fact, Baffinland’s Scope 1 (directly produced) greenhouse gas emissions estimate for Phase 2 is no higher than for the Approved Project, despite an annual increase in the production and transportation of iron ore with Phase 2.<sup>40</sup> The discontinuation of ore haulage by road also eliminates a significant source of waste, which is created by used tires from the ore hauling trucks.<sup>41</sup> Phase 2 also provides the resources necessary for Baffinland to advance its commitment to self-imposed restrictions on the use of heavy fuel oil by contracted ore carriers along the Northern shipping route within the Nunavut Settlement Area, to reasonably reduce Baffinland’s contribution to black carbon emissions.<sup>42</sup>
- *Reduced activity in terrestrial transportation corridor.* Trains will run much less frequently along the railway than trucks currently run along the Tote Road. Instead of a truck passing every two to three minutes along the Tote Road, a train will pass by every two to three hours.<sup>43</sup> This reduction of activity on the Tote Road will greatly reduce any potential interactions with hunters and wildlife. Under Phase 2, we can also ensure that the road will be more accessible to hunters and visitors to the project site, as this will be much more feasible with the lower levels of mine service traffic on the Tote Road.<sup>44</sup>

---

<sup>37</sup> Devin Aviugana Support Letter, NIRB Registry No. 337354

<sup>38</sup> See commitment ID No. 230 in the Updated Commitment List filed October 26, 2021, NIRB Registry No. 337148.

<sup>39</sup> NIRB Registry No. 320560.

<sup>40</sup> NIRB Registry No. 320560.

<sup>41</sup> NIRB Registry No. 320608.

<sup>42</sup> NIRB Registry No. 326510, 331635.

<sup>43</sup> Transcript, Vol. 17, 3168.

<sup>44</sup> Transcript, Vol. 17, 3168.

- *Continued industry leading best practices in marine shipping.* Early community engagement led Baffinland to develop the Phase 2 Proposal in a manner that did not include winter shipping and that would continue to avoid shipping through “landfast ice”. While there will be more ships overall during the Phase 2 Proposal, no more ships will move through the area during the Spring shoulder seasons than do currently as the same ice concentration-based transit restrictions will apply. Baffinland is committed to strict controls on the start and end of season (i.e. no landfast ice, nominal start and end dates), a low speed limit of 9 knots for vessels within Nunavut waters, a reduced number of ships (as compared to the original Phase 2 Proposal) and a gradual ramp up in shipping activity, should Phase 2 be approved. Baffinland is also committed to industry leading ballast water testing and treatment mitigations that go far beyond legal requirements.
- *Investment in enhanced Inuit monitoring and Project controls.* Baffinland has heard from residents in the Impacted Communities that there's a desire to be directly involved in our monitoring programs and the decision-making processes related to the management of potential effects of the project. The ICA and the mechanisms we've agreed to (and included in our Commitment Table to NIRB) ensure that if Phase 2 moves forward, Inuit residents in the Impacted Communities have a direct role in the management of our project when it stands to impact the components of the environment that are important to them. Phase 2 will provide additional revenue that will provide the funding to establish new Inuit Committees that will directly collaborate on the final Adaptive Management Plan. Pond Inlet, Sanirajak, Arctic Bay and Grise Fiord based their recommendation to the NIRB and the Minister to approve the Phase 2 Proposal based in part on these commitments:

*“Baffinland has committed to the establishment of an adaptive management process where Inuit are the ones that will have decision making control rather than the company. One would expect that such an adaptive management system in the control of Inuit would help ensure that adverse environmental effects will be mitigated to the extent possible.”<sup>45</sup>*

---

<sup>45</sup> Hamlet of Sanirajak, Final Written Statement, January 10, 2022.

*“The commitment made by Baffinland Iron Mines in the establishment of an Adaptive Management Plan – controlled by Inuit, is very important and critical. Inuit, not BIM will have decision making control and BIM’s commitment to this management system will ensure maximum input from Inuit into mitigation solutions of any potential adverse environmental effects.”<sup>46</sup>*

*“Whereas the Hamlet of Arctic Bay has spent more than three years engaged in discussions, workshops, hearings and deliberations concerning Baffinland Iron Mines Phase 2 expansion proposal for the Mary River Project... the Hamlet of Arctic Bay supports the Phase 2 expansion that has been presented by Baffinland Iron Mine at the NIRB hearings in Iqaluit and Pond Inlet with the condition that environmental monitoring be fully enforced, and further ... supports the Inuit Certainty Agreement as developed by Baffinland Iron Mines and the Qikiqtani Inuit Association and further... agrees that the Adaptive Management Plan envisioned in the Inuit Certainty Agreement will greatly improve the ability of North Baffin Inuit to monitor the impact of the mine on local wildlife and adjust mining activities at the Mary River Project as required to protect and sustain that wildlife.”<sup>47</sup>*

*“The Hamlet of Grise Fiord supports the Phase 2 expansion that has been presented by Baffinland Iron Mines at NIRB hearings in Iqaluit and Pond Inlet with the condition that all environmental monitoring be fully enforced and further that any agreed outcomes from hearings in November 2021 be fully accepted by Baffinland Iron Mines, and ... supports the Inuit Certainty Agreement...”<sup>48</sup>*

---

<sup>46</sup> Hamlet of Pond Inlet, Final Written Statement, January 10, 2022.

<sup>47</sup> Hamlet of Arctic Bay, Council Meeting Motion 21 Motion 21-2021-152, September 24, 2021

<sup>48</sup> Hamlet of Grise Fiord, Letter of Support, October 21, 2021

- *Investment in Nunavut and Direct Benefits to Communities.* The Impacted Communities have emphasized to Baffinland and QIA repeatedly that there is a need for more visible investment in Nunavut infrastructure and direct benefits to communities. While QIA has already received significant royalties and payments on behalf of Qikiqtani Inuit from the operating mine to date (over \$42 million in advance royalty payments, over \$24 million in royalty payments and millions in rent payments), there is a perception among some participants that these benefits are not being distributed to the communities.

In response to these critiques, QIA agreed under the ICA to develop a ‘management structure that delivers direct benefits to impacted communities.’ Baffinland has no involvement in the development of that management structure, as this is an issue between QIA and its constituents. In addition to this precedential step, Baffinland has worked with the Impacted Communities to identify and commit to support various community initiatives that have been identified by the communities themselves as priority items, including support towards Hamlet of Pond Inlet road improvement and a new firehall.<sup>49</sup>

Baffinland also agreed under the ICA to significantly and exponentially increase the royalty to QIA should Phase 2 proceed. The Royalty Percentage will increase from 1.19% to 3% with Phase 2. In years when the price of iron is high (above \$90/t), the royalty will increase to 3.75%. Combined with an increase in production, Inuit could see up to a 700% increase in annual royalty payments under Phase 2.

|                              | Under Production Increase Proposal | Under Phase 2 Proposal        | Improvement |
|------------------------------|------------------------------------|-------------------------------|-------------|
| Iron Ore Price (62%, USD/t)  | \$150                              | <b>\$150</b>                  | <b>N/A</b>  |
| IIBA Royalty (%)             | 1.19%                              | <b>3.00%</b><br><b>+0.75%</b> | <b>315%</b> |
| Annual Royalty Payment (CAD) | \$12.6 million                     | <b>\$88.2 million</b>         | <b>700%</b> |

<sup>49</sup> See Commitment List

## *Phase 2 Addresses the Urgent Need for More Employment Opportunities in the Qikiqtani Region.*

- The Mary River Project and Phase 2 can also help address the urgent need that Nunavut has identified for more employment opportunities for Nunavut's current and growing population. During the public hearing, Government of Nunavut stated:

*The challenge Nunavut faces is pretty stark when it comes to the economy. We have the highest rates of unemployment. We have some of the highest rates of food insecurity, meaning people don't have in many cases enough to eat, and we also have a challenge that's facing us over the next - over the coming two decades, and that's something that the Government of Nunavut is very concerned about.*

*In addition to the people who are currently unemployed and who are currently unable to provide the necessities of life for their family, we're facing 10,000 young people across Nunavut becoming adults. That's a very high number, and in the five affected communities for the Baffinland project, there will be 1,800 -- ... young people becoming adults over the next 10 years.*

*In our minds, we are hopeful and we've remained hopeful that we could find a way for this project to proceed with everybody finding agreement and finding - yeah, finding a way to proceed together. The opportunities that this project represents are - are huge when it comes to employment. They're - in many ways, there's not much that can replace in terms of employment the opportunities that are presented recognizing at the same time that those who have expressed concerns about the project and who are opposed to the project understand this and have weighed that in their own minds, for sure. So I guess the short answer is, yes, we are hopeful, as the Government of Nunavut, that we can find major opportunities because as we looked at the different sectors, mining*



*represents one of the largest opportunities for employment within Nunavut.*<sup>50</sup>

The Government of Nunavut went on to confirm that it has not identified any viable opportunities for the level of employment Mary River provides and can provide if Phase 2 does not proceed:

*If this project is approved and proceeds, then those of us in this room and those of us around the table have a lot of work to do to sit down and figure out how to milk as many jobs and opportunities out of this project as possible.*

*If it doesn't proceed, then we have a real hard question about if not this, then what? What are the other opportunities that will replace this for the 1,800 new entrants? Never mind the people who are currently there. You know, we're doing a lot of hard work on fisheries. We're doing a lot of hard work around traditional economy, and we want to see the ability for people to make living -- a living being hunters, being seamstresses. But when you look at the totality of those jobs, it doesn't really come close to the opportunity that's presented here. So either way, we have a very big decision. We recognize the NIRB has an extremely hard decision in front of them, and then we have collectively in this room a lot of work to do to figure out what's the plan for these 1,800 people.*<sup>51</sup>

The need for jobs in the community was confirmed by the Hamlet of Pond Inlet:

*There have been as many as 75 people from Pond Inlet working at one time at the Mary River site. If an economic base is to be established that will ensure future training and employment opportunities, improved quality of life for all families, retention of the young people as residents of our community, and the economic growth from the spin off effects of newfound wealth, this mine must stay open. Pond Inlet will not be able to replace the lost jobs to the residents of Pond Inlet, nor will it replace*

---

<sup>50</sup> See Transcript, Vol. 15, 2914-2915

<sup>51</sup> See Transcript, Vol. 15, 2917-2018

*the economic benefits should this mine close. There are no other prospective employers on the horizon that could fill the void that would be created. Approval of Phase 2 and the ongoing successful operation of the Mary River project ensures positive generational impacts to the Hamlet, some of which we have already realized since the early days of operations.*<sup>52</sup>

This was echoed by the Hamlet of Sanirajak:

*There has been as many as 80 people from Sanirajak working at the Baffinland Iron Ore Mines' Mary River mine. This makes Baffinland Iron Ore Mines continued operations critical for the livelihood of a large portion of Sanirajak's population. For a relatively small community like Sanirajak, were the loss of those jobs to occur, it would have a devastating impact on the community. Should Baffinland's Phase 2 proposal not be approved and the mine closes, there are no potential employers that would be able to replace the jobs for these Sanirajak residents.*<sup>53</sup>

Inuit employed at the Project also provided their perspective on the need for the Project to support employment in the region and shared their own personal experiences with the Board:

*"If Phase 2 didn't happen, many of us would be unemployed at some point. And the impacts to all of us losing employment would cause some hardship at some point financially. Unless, you know, because the limited market up here in Nunavut, job market prohibits, you know, or limits our ability to work with the limited amount of jobs. Well, that would be a lot like, you know, a lot of the settlements. There's only so much employment, right? There's only limited amounts of job spaces available for, for their skill sets, right? There's not that many. They don't need that many vehicle operators or building maintainers. They're all filled basically... Well, prior to joining Baffinland I had been unemployed for*

---

<sup>52</sup> Final Written Statement, Hamlet of Pond Inlet, January 10, 2022

<sup>53</sup> Final Written Statement, Hamlet of Sanirajak, January 10, 2022

*three years. And I was very grateful that I was given the opportunity to join and learn much more different broad trades.”<sup>54</sup>*

*“I was jumping jobs and it was really difficult, money-wise, and I couldn’t even get a house to rent or anything with the amount of money I was making. But now with Baffinland my money more than doubled. So I got much better after that.”<sup>55</sup>*

*“I support Phase 2, because there’s not much jobs available in my hometown here in Clyde River. And more Inuit would have a chance to work at Baffinland, if the Phase 2 is approved.”<sup>56</sup>*

*“I have four grandkids and five kids, and I support Phase 2. I want it. I want more jobs to come, thank you.”<sup>57</sup>*

## **CONSULTATION AND INCORPORATION OF INUIT QAUJIMAJATUQANGIT (IQ) AND COMMUNITY FEEDBACK**

Since submitting the Phase 2 proposal in 2016, Baffinland has held more than 250 meetings and engagements focusing on the Impacted Communities and with Inuit organizations.<sup>58</sup> This does not account for the many phone calls, emails, site visits, and informal conversations Baffinland enjoys on a daily basis between many of our staff and various community members and organizations.

Baffinland has incorporated and given careful consideration to the feedback received through all of our own engagements, and as provided to us by Inuit residents in the Impacted Communities, the QIA, and Inuit organizations during the review of Phase 2, and earlier during the reviews of the initial Mary River Project, the ERP, the Production Increase Proposal and the Production Increase Proposal Extension.

Consultation, engagement, and incorporation of IQ and community perspectives have been fundamental in our on-going operations as well as for the planning and assessment of the Phase 2

---

<sup>54</sup> Carson Soucie (Iqaluit) Our Inuit Voices Matter, Transcript

<sup>55</sup> Christopher Hayward (Cape Dorset) Our Inuit Voices Matter, Transcript

<sup>56</sup> Peter Aipellee (Clyde River) Our Inuit Voices Matter, Transcript

<sup>57</sup> Josah Atagootak (Pond Inlet) Our Inuit Voices Matter, Transcript

<sup>58</sup> Transcript, Vol. 17, 3265, see also BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147

proposal. The feedback we have received has been considered in Baffinland's commitments and recommended terms and conditions to cement mitigation and monitoring measures for the Phase 2 Project, if it moves forward.

Baffinland's approach to consultation and engagement has the following general components:

1. Providing information in a culturally appropriate way, with simultaneous interpretation and/or translations where necessary, respecting plans and proposals, and the measures proposed to avoid or mitigate impacts;
2. Ensuring opportunities (including both verbal and written) to consider the information presented by participants, giving answers to questions, and for participants to prepare and bring forward concerns and recommendations; and
3. Giving full, fair and reasonable consideration and responses to the concerns and recommendations brought forward.

Baffinland has followed these processes in its own direct consultations with Inuit in the Impacted Communities through public engagements and with Hamlet Councils or other community bodies, as well as through the QIA, the HTOs, and other Inuit organizations. The NIRB review process also provides a framework for consultation and engagement opportunities.

Public engagements, meetings, and the NIRB process all provided a plethora of Inuit knowledge which we have used to make changes to the Phase 2 Proposal. Inuit knowledge, whether acquired or labeled as 'IQ', informs and informed decisions around our current operation and the Phase 2 Proposal. The specific and substantial changes that are most visible include:

- In 2017, winter shipping (shipping through landfast ice) and shipping outside the period from July 1 – Nov. 15 was removed during the NPC process;
- In 2017, winter shipping was removed from the Phase 2 Proposal and the number of ships was restricted at anchor to reduce disturbance to marine wildlife and marine harvesters;
- In 2019, the number of vessel transits were reduced through ice break up after Pond Inlet residents notified Baffinland that narwhal had not come into Eclipse Sound and Milne Inlet in 2018;
- In 2019, a portion of the rail route was changed to preserve a trail between Pond Inlet and Igloolik based on feedback from Inuit who directly use this route;
- In 2020, a spray that acts like a cover on the stockpiles at Milne Port to prevent dust from spreading began to be used;

- In 2021, shipping through ice in the Spring was suspended as a response to reduced narwhal numbers observed in 2020 and uncertainty regarding the presence of new sound exposures (impulsive vs. continuous) coming from the small craft harbour construction in Pond Inlet; and
- As part of Phase 2 and referenced above, the maximum number of ore carriers proposed for Phase 2 has been reduced from 176 to 168; Baffinland has also committed to increase shipping gradually, and we are actively continuing to address the current dust and designed Phase 2 in a way that has put dust reduction front and centre.

It is objectively clear and incontrovertible from the evidentiary record that a very large volume of IQ was shared with Baffinland, and that IQ was given substantial weight and consideration by Baffinland in its development of the Phase 2 Proposal that is presented to the Board for approval. Baffinland and its third party experts incorporated IQ along with the best available western science in the FEIS Addendum as well as in Baffinland's subsequent submissions to NIRB, in the current and proposed monitoring programs and in the development of Phase 2 mitigations and design. Phil Rouget, Golder Associates, marine mammal expert, gave specific and detailed examples during the public hearings as to how IQ was incorporated in his assessment of marine mammals.<sup>59</sup> Melanie Austin, Jasco, noise modelling expert, also gave details about how she integrated IQ and scientific knowledge in her assessment of underwater noise, after an Elder generously shared his own IQ with NIRB and hearing participants in November 2021.<sup>60</sup> Michael Settingington, EDI Dynamics, wildlife expert, gave detailed and repeated examples during the public hearing of his respect for the IQ shared with him and how this information was incorporated throughout his assessment of terrestrial wildlife, including caribou, and the development of culturally sensitive mitigations.<sup>61</sup>

IQ has changed how we operate today and Baffinland has described to the NIRB how we plan to ensure it is reflected in project planning and mitigations moving forward.

---

<sup>59</sup> Transcript, Vol. 13, 2411-2415

<sup>60</sup> Transcript, Vol. 17, 3206-3207

<sup>61</sup> Transcript, Vol. 3, 508-509; Vol. 6, 644-645, 647-648, 692-693, 711-712, 718-720, 729-732; Vol. 5, 837-838; Vol. 13, 2527-2528; Vol. 19, 3580-3581, 3603-3604, 3615.

In the Phase 2 Proposal presented to the Board for approval, we believe that we have responded to all concerns and recommendations in a full, fair and reasonable manner as reflected in Project planning, mitigation measures, and commitments to optimize benefits.

Many of these commitments are reflected in binding legal agreements between Baffinland and the QIA in the IIBA and the ICA under Article 26 of the Nunavut Agreement.<sup>62</sup> Additional commitments on environmental and socio-economic concerns, and on benefits, are reflected in our Commitment List. These commitments will also lead to important amendments to Project Certificate 005, should Phase 2 be approved. These are all addressed more fully in the Final Written Statement.

Further commitments to incorporate IQ in project monitoring, assessment and adaptive management are included in the IIBA and, as suggested by Baffinland and QIA, can also be incorporated in the Project Certificate for Phase 2.<sup>63</sup> In addition to the Inuit Committees and direct independent Inuit-led monitoring agreed under the ICA, Baffinland will appoint an Inuit Qaujimagatuqangit advisor in each Impacted Community so that we can hear and respond to concerns that may be raised related to the project on a more local and on-going basis. These advisors will be another direct link between communities and Baffinland to ensure IQ is properly understood and verified, and that Baffinland's incorporation of it in the Project is done correctly. There will be a dedicated space in our new offices that will readily share in an accessible way to community members what Inuit knowledge has been learned and gathered. These spaces will also have an Elders room, to support learning and cultural continuity.<sup>64</sup>

Baffinland has also made an important commitment to finalize the IQ Management Framework (currently in draft) with the help of Impacted Communities.<sup>65</sup> This Plan will outline the overall relationship between IQ and Baffinland's overall Environmental Management System, including our guiding principles, available IQ sources and bodies, relationship to the QIA's Inuit Stewardship Plan, the schedule and timing of IQ collection and reporting, and IQ's role in adaptive management.

---

<sup>62</sup> Inuit Certainty Agreement, which confirms at Section 8.2 that, "This Agreement is a supplemental addendum to the IIBA, and all of the rights and benefits accruing to QIA pursuant to this Agreement, including Schedules A, B and C, in respect of all matters set out herein or therein are deemed to be benefits to be enjoyed by Inuit in accordance with Article 26 of the Nunavut Agreement."

<sup>63</sup> See Updated Engagement Summary, Commitment List and Revised Draft PC 005, NIRB Registry No. 334460

<sup>64</sup> Transcript, Vol. 17, 3176

<sup>65</sup> See Commitment 229, Commitment List Appendix C, and Transcript, Vol 17 3221-3222, IQ Management Framework, filed September 18, 2019, NIRB Registry No. 326802

All of its current and new Phase 2 commitments will ensure that Baffinland will continue to undertake an active and ongoing approach to consultation and engagement on the Mary River and Phase 2 Project with the QIA and with communities and stakeholders to incorporate their IQ and other feedback in the Project.

## **ENHANCING THE EXISTING AND FUTURE WELL-BEING OF INUIT AND COMMUNITIES**

Baffinland and the communities of North Baffin can grow together in a way that protects the environment and Inuit way of life, while also providing significant opportunities for community well-being and success. Baffinland is confident that the Phase 2 Project will enhance the future well-being of Inuit residents and more specifically the Impacted Communities, specifically through benefits and oversight provided through legally binding agreements with the QIA, direct commitments to the communities and the commitments to NIRB set out in the Commitment List (Appendix B and C).

### **BINDING AGREEMENTS BETWEEN BAFFINLAND AND THE QIA**

- The Mary River IIBA provides for ongoing engagement and constructive communications between Baffinland, the QIA and Inuit communities and organizations; training; employment; business opportunities; and financing payments through royalties in iron ore production, commercial rents on Inuit-owned lands, water rights compensation, and administrative funding.<sup>66</sup>
- The Inuit Certainty Agreement:
  - Includes a framework for integration of views from Inuit in the Impacted Communities into on-going and future Project development and plans;
  - Includes a framework that ensures Inuit-led monitoring of the Project in the physical and social environment leads to the implementation of actions and responses;
  - Includes a framework for integration of Inuit values and perspectives in all aspects of the Project for the life of the Project;

---

<sup>66</sup> NIRB Registry No. 291142.

- Support for the demands of growing communities by funding infrastructure needs such as daycares;
  - Positions Baffinland as a favourable employer through additional training and employment incentives including, childcare support for Baffinland employees;
  - Provides increased opportunities for Inuit to participate in Baffinland’s workforce;
  - Provides binding commitments to support and contract with Inuit firms; and
  - Increased royalties and revenue sharing as well as penalties for failure to meet IIBA obligations as described above.
- The Commercial Lease provides for rental payments on Inuit-Owned Lands and payments for resources such as quarry materials.
  - The Water Compensation Agreement provides compensation for impacts to water resources.

## DIRECT COMMITMENTS TO COMMUNITIES

- Baffinland has also committed to new or enhanced community benefits (including a number of supports targeted specifically to support hunters).<sup>67</sup> In particular:
  - A one-time payment of \$1.3 million to the MHTO for changes in hunting experience that Inuit from Pond Inlet have described and to address difficulties in accessing the Wildlife Compensation Fund.<sup>68</sup>
  - Funding for the purchase of a dedicated hunting vessel for Pond Inlet, up to \$500k.<sup>69</sup>
  - An annual payment for the Regional Harvesters’ Enabling Program of \$750,000. This fund would be administered by QIA with funds potentially going towards initiatives that increase the effectiveness of harvesting or offset the cost of harvesting, such as equipment, supplies that support harvesters, or new technologies that support harvester success. This is in addition to the continuation of the existing \$750,000 Wildlife Compensation Fund.<sup>70</sup>
  - The existing Harvesters’ Enabling Program for Pond Inlet will be expanded to include the communities of Igloolik, Sanirajak, Kimmirut and Kinngait, which would each receive the

---

<sup>67</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147

<sup>68</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147

<sup>69</sup> Commitment List, Commitment No. 258

<sup>70</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147



provision of 300 L of gas, to a total value of \$400,000 annually (in 2018 dollars), indexed to inflation, when Steensby is developed.<sup>71</sup>

- An annual payment of up to \$3.68 million per year to the Pond Inlet Tasiuqtiit Working Group to help support community wellness initiatives as decided by the Hamlet and the MHTO. Specifically, this includes:
  - An annual payment to the Pond Inlet Tasiuqtiit Working Group for each ore carrier that travels by their community, which could amount to \$1,680,000 per year at full Phase 2 operations (168 vessels @ \$10,000/vessel). This working group has already received \$590,000 to date with an additional \$190,000 coming for the 2021 season.<sup>72</sup>
  - An annual payment to the Tasiuqtiit Working Group, or similar body for each individual loaded ore car delivered to Milne Port, valued at up to \$2 million per year (120,000 loaded ore cars @ \$16.67/car). This is in addition to the funds provided for ore carriers transporting ore through the Northern Shipping Corridor referenced in the previous bullet.<sup>73</sup>
- Continue various direct supports at site – as described by one of our Inuit employees that participated in the NIRB process: “They give them a cabin. They give them food, gas, whatever they need. And if they need to fix up their snowmobiles or anything, they lend them tools.”<sup>74</sup> Child daycare subsidy of at least \$19/day per child for Inuit employees of Baffinland with children who are resident in Nunavut.<sup>75</sup>
- \$15,000,000 contribution by Baffinland for the construction of daycare facilities in each of Pond Inlet, Igloolik, Clyde River, Arctic Bay and Sanirajak (\$3 million per community). Kinngait and Kimmirut would be added to this list should Steensby move forward.<sup>76</sup>
- An office and training centre in each of Pond Inlet, Igloolik, Clyde River, Arctic Bay and Sanirajak incorporating an Elders’ room to ensure that we continue to learn from their knowledge and experiences.<sup>77</sup> Office spaces for meeting rooms, a training centre, a community counsellor, and a doctor's office for occasional use.<sup>78</sup>

---

<sup>71</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147

<sup>72</sup> Transcript, Vol. 17, 3173

<sup>73</sup> Commitment List, Commitment 253

<sup>74</sup> From union video

<sup>75</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147, Commitment List, Commitment 154

<sup>76</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147, Commitment List, Commitment 153

<sup>77</sup> Commitment List, Commitment 243

<sup>78</sup> Transcript, Vol. 17, 3176

- Seven (7) new community-based positions in each of the Impacted Communities with 2 additional positions in Pond Inlet.<sup>79</sup>
- Infrastructure investment. Starting in Sanirajak, Baffinland will build and operate a community garage, which will service light vehicles and small engines. The garage will provide training for Inuit apprentices and high school co-op placements. We will work with other communities to determine similar types of projects that would serve their community best.<sup>80</sup>
- 40 community-based trainee positions in each Impacted Community will be created per year for the first 3 years of Phase 2.<sup>81</sup>

## EMPLOYMENT AND TRAINING POTENTIAL

During the November 2021 public hearing Baffinland provided a summary of then-current employment levels of 325 Inuit employees, and gave further context as follows:

*“We had over 400 Inuit working at Mary River before COVID-19 pandemic since which time we have seen a decline in our entire work force. Since July, when the travel restrictions were lifted, we have hired 71 additional Inuit employees. We will continue to grow this number. For example, right now, we are working with 170 potential candidates. We have committed to 35 new community-based positions. Each community will have at least seven in-community full-time positions, with additional positions available in Pond Inlet.*

*As we develop and bring Phase 2 into operation, Baffinland will create 20 full-time community trainees every six months in each of the five impacted communities, which will mean 40 new positions per community per year for three years. We will provide trainees with a structured and comprehensive training program and develop detailed career paths for*

---

<sup>79</sup> Commitment List, Commitment 245

<sup>80</sup> Transcript, Vol. 17, 3177; Commitment List, Commitment 244.

<sup>81</sup> BIM Community Engagement Update August - October 2021 NIRB Registry No. 337147, Commitment List, Commitment 245

*each trainee. Baffinland has committed \$1.5 million per year for Inuit training for the life of the mine.”<sup>82</sup>*

Baffinland has prepared summary sheets which summarize the significant employment opportunities and financial benefits received by each of the Impacted Communities to date, and how these would be enhanced by Phase 2, which have been shared with Impacted Communities as well as filed on the NIRB registry as part of Baffinland’s frequent community engagement updates.<sup>83</sup>

With the commitments made during the Phase 2 review process, not only will new employment and training opportunities be created under Phase 2, but the stability it brings to Baffinland will also support a strong and stable workforce. One that is capable of building career paths that will help guide Inuit who enter the workforce and wish to build their career into more senior or diverse positions.

Conservative assumptions are used in labour force estimates for the purpose of environmental assessments. For Phase 2, these estimates show that the overall workforce will remain at a similar capacity to the Approved project. This does not account for opportunities to bring Inuit into the workforce through training and other programs to fill roles that have been typically or previously held by Southern employees.<sup>84</sup> It can also be assumed that new and diverse positions, such as the commitment to create additional in-community employment, will increase as Baffinland’s needs and relationships with the Impacted Communities grow.

Additionally, Baffinland will create priority access for local Inuit firms through the development of a Preferred Inuit Firms list, consisting of wholly-owned Inuit Firms located in the Qikiqtani Region. As required by the ICA, Baffinland and QIA will set minimum Preferred Inuit Firm contracting goals which Baffinland is then required to meet or exceed.

Inuit Content Requirements will be required with all contractors which will further increase Inuit employment, training, and subcontracting opportunities through Baffinland’s contracts with Inuit and non-Inuit Firms. Inuit Firm assistance and capacity development will be provided including ‘tailoring’ of large contracts to promote Preferred Inuit Firm participation in contracts through subcontracting to major contractors. Inuit employees and communities participating in the Phase 2 process have shared their views on the topic of existing and future well-being with the Board:

---

<sup>82</sup> Transcript, Vol. 17, 3175-3176. For clarity, the 40 new community jobs per year referred to in this paragraph will be located in the Impacted Communities and not at the Mine site.

<sup>83</sup> BIM Community Engagement Update August – October 2021 NIRB Registry No. 337147.

<sup>84</sup> NIRB Registry No. 320585.

*“When I was with the, the geotech team, they actually wanted to send me to university to study geology. Education wise, well, I have heavy machinery now. You know, it’s a ticket, you know, some companies will train you. And then your ticket is only valid with that company. Whereas Baffinland has just openly sent me. Well when I was there, I think we were a class of six. You know, they, they sent us down south, trained us, gave us the training to be a heavy machinery operator, and then we can do whatever we want with that ticket, you know, whether it was, of course, they want us to work for Baffinland. But it’s valid anywhere, you know, training. Education.”<sup>85</sup>*

*“I believe that if Phase 2 is approved, it will mean that I will get to keep my job at the mine as a millwright apprentice, there will be more jobs available for Inuit, and more training opportunities will open up. This will all help in bringing more pride and joy to our work. I believe the Phase 2 railway will be better for the environment and ecosystem. I made these comments in the videos.”<sup>86</sup>*

With a continued productive partnership with QIA, a new Inuit Career Mobility Strategy will be implemented that sees a continued focus on Advanced Skills Training and Management Training. This will see an increased opportunity for Inuit to pursue more senior roles at the mine as well as to develop into the future leaders of the Mary River project. Encouragement and support to undertake training through either short term or long term post-secondary education will be provided in addition to financial support and assistance. Opportunities to job shadow to explore new career opportunities will be provided and a Baffinland Mentorship program will be put in place to provide a long term supportive environment which encourages Inuit to grow and develop.

We are confident that the Mary River Project, with the addition of the Phase 2 Proposal, will continue to enhance the existing and future well-being of Inuit and the communities, and we remain committed to achieving that objective. Phase 2 will provide quality employment opportunities for hundreds of Inuit in the region, will provide the necessary training for successful

---

<sup>85</sup> Bernard Choquette (Iqaluit) Our Inuit Voices Matter, Transcript

<sup>86</sup> Timosie Arnaqjuaq Comment, NIRB Registry No. 337379

careers, will provide economic stability for those Inuit and their families in addition to positive spinoff effects for Inuit and their families that do not work at the mine, will positively influence Baffinland's environmental impact on the land, and will bring important benefits to the most impacted communities through investments in key infrastructure and wellness programming. The structures committed to under the Phase 2 Proposal will provide Inuit in the Impacted Communities a direct and meaningful role in the monitoring of the Projects impacts and the actions and solutions to resolve unanticipated negative effects.

## MEASURES TO AVOID OR MITIGATE ADVERSE ENVIRONMENTAL EFFECTS

There is an inherent level of risk in all activities, but risks do not equal impacts—particularly in the case of the Phase 2 Proposal where significant and precedent setting mitigation measures have been agreed to and will be implemented.

Baffinland fully recognizes that enhancing the existing and future well-being of Inuit is only achievable by ensuring that potential significant adverse environmental impacts are avoided or mitigated. Some of the most important lessons from IQ and Inuit perspectives are the lessons about the fundamental importance of protecting and conserving the land and wildlife, culture, resources and land use.

We have given careful consideration to the IQ and Inuit perspectives shared throughout the planning, assessment, review and development of mitigation measures for the Project, and we have tried to respond proactively and constructively to the recommendations and concerns brought forward. The extensive measures and commitments we have agreed to in order to avoid or mitigate potential adverse effects are summarized in the BIM Phase 2 Disposition Table at Appendix A and Commitment Lists at Appendix B and C of this Final Written Statement.

Our assessment of the potential effects of the Project concluded that, taking into account the measures we have committed to and adopted, to avoid or mitigate adverse environmental effects, the Project effects on the environment will not be significant according to the criteria set out in the Nunavut Agreement and NuPPAA.<sup>87</sup> The methods used for the Phase 2 Addendum are the same as those used for the original FEIS (Baffinland 2012),<sup>88</sup> and are provided as Appendix I

---

<sup>87</sup> Summary of Significance Considerations Phase 2 Proposal – Mary River Project, December 18, 2020, NIRB Registry No. 332183

<sup>88</sup> Mary River Project Final Environmental Impact Statement. 2012., NIRB Registry No. 285303

to the Phase 2 Addendum (Baffinland 2018).<sup>89</sup> This is also considered standard practice in environmental assessment in most, if not all, jurisdictions it is practiced.

As has been stated throughout the NIRB process, Baffinland recognizes that the term “significance” may be used by parties differently. The way in which Baffinland has applied this term throughout the FEIS Addendum and Reconsideration proceedings has a very specific meaning in the governing legislation for the assessment and the EIS Guidelines and is applied only to residual effects (i.e., the environmental effects that are predicted to remain after avoidance, mitigation, and compensation are considered). Monitoring is recommended when additional certainty about the predicted effects is required. Monitoring is conducted throughout the life of the Project to determine if the mitigations are working and our predictions are correct. If effects are greater than predicted, or if unforeseen adverse effects are identified through Project monitoring, then adaptive management measures are applied to address these.

Baffinland appreciates that the mitigations must take into account that the Project is operating in a sensitive and changing Arctic environment. To support the objective of protecting the changing environment, we have agreed under the ICA and in commitments to NIRB to support and provide funding to ongoing and independent Inuit monitoring of Project effects and agreed to collaborative processes for adaptive management – meaning that we are prepared to modify Project activities and operations, or adopt new measures, where monitoring, assessment, and adaptive management processes indicate that modifications or new measures are necessary. Baffinland is in agreement with the Igloodik HTO with respect to the statement in their Final Written Statement that, “*IQ must be used in these studies, and Inuit must lead IQ-based studies...*”<sup>90</sup> as well as the Sanirajak HTO which says, “*Using the IQ system, Inuit could address a wide range of issues related to the Baffinland operations, if we were enabled to do so.*”<sup>91</sup>

Further, a proactive and precautionary approach to adaptive management has been co-developed with the QIA and will receive direct input from two Inuit Committees with final agreement resting between Baffinland and the QIA. This approach should provide confidence to the Board that the Project will be operated responsibly and sustainably under measures that will avoid or mitigate significant adverse effects with continuous review and consideration under the Adaptive Management Plan.

Finally, Baffinland does respect that the environment is changing, creating changes within community dynamics and cultures. The structures that have been set up will allow for

---

<sup>89</sup> Addendum to the Final Environmental Impact Statement Mary River Project – Phase 2 Proposal, NIRB Registry No. 320619

<sup>90</sup> Igloodik HTO, Final Written Statement, January 7, 2022

<sup>91</sup> Sanirajak HTO, Final Written Statement, January 10, 2022

adjustments to operational practices to minimize direct environmental impacts from the Project while ensuring Inuit residents within the Impacted Communities and other communities in the region have options to sustain their livelihood through employment and training opportunities as well as continued funding that will go directly into the Impacted Communities to support their well-being. Per the Hamlet of Sanirajak:

*“There have been environmental concerns raised as arguments for why the Phase 2 proposal should not be approved. In particular, the residents of Pond Inlet have indicated that they are concerned about the environmental effects observed, particularly those on Narwhal. It is clear that global warming is having an impact on the Narwhal population. With much more open water, there has been increased predation from killer whales. With the year after year depletion of ice cover that Narwhal need to be safe from killer whales, it is not clear whether in the long term there would be any Narwhal in the area even if the mine were to close. Should Baffinland’s Phase 2 proposal not approved and the mine closes followed by all the Narwhal leaving the area because of killer whale predation, the closure of the mine would have been for nothing.”<sup>91</sup>*

The Project’s potential effects on marine mammals, and in particular narwhal, has been a particular focus and concern in the Project review.

Baffinland took a precautionary approach that involved input from communities, primary IQ collection on contemporary land use, numerous modeling exercises specific to Phase 2, and the results of ongoing monitoring programs for the current Project, inclusive of considerations for proven mitigation measures. Based on the assessment conclusions regarding the pathways of effects for marine mammals, Baffinland has focused its mitigation measures around the reduction of noise from shipping and minimizing negative interactions with hunters.

Our detailed studies and assessment of potential effects concluded that effects on narwhal from shipping will be temporary and localized, and that taking into account the measures we have adopted and committed to, the effects will not be significant. In addition, our commitment to the Adaptive Management Plan will provide confidence that, based on ongoing monitoring and assessment, additional measures will be taken to avoid or mitigate effects where necessary.

Phase 2 is a very unique project in that it is scalable, meaning project component activities can be adjusted and resized in response to Inuit and Baffinland monitoring results.<sup>92</sup>

For example, should Baffinland be permitted under the Project Certificate to use 168 ore carriers, that does not mean that volume of shipping would necessarily happen. Baffinland will be guided by the Inuit Stewardship and Adaptive Management Plan continuously to assess the operations. If shipping is causing an unanticipated effect, Baffinland can modify its vessel mix, use vessels, avoid shipping in specific periods, or suspend shipping all together, should it be warranted. Similarly, if the rail operation is causing an unanticipated effect, Baffinland could modify the railway embankments, train schedule, number and length of trains used or suspend operations during sensitive periods, should it be warranted. As confirmed by Baffinland during the public hearing in response to questions from the Clyde River Hunters and Trappers Association, adaptive management includes actions up to and including mine shut down should the circumstances require.<sup>93</sup> The potential actions that would be taken will all be clearly set out in an Adaptive Management Plan agreed between QIA and Baffinland. The Project is very adjustable and will be adjusted as needed based on monitoring and Inuit feedback.<sup>94</sup>

## MEASURES TO AVOID AND MITIGATE ADVERSE SOCIO-ECONOMIC IMPACTS

Through the IIBA, the ICA, agreements with communities and other commitments, Baffinland has agreed to extensive measures to avoid and mitigate potential adverse socio-economic impacts. In addition to the measures described above, a summary of these measures includes:<sup>95</sup>

- Dedicated Inuit Social Oversight Monitoring Committee and Social Monitoring Program;
- Ongoing participation in the GN led Qikiqtaaluk Socio-Economic Monitoring Committee (QSEMC);
- Priority Inuit hiring;
- Inuit Human Resources Strategy;
- Work Ready Program, Apprenticeship Program, Heavy Equipment Operator Training Program, etc.;

---

<sup>92</sup> Government monitoring, such as regional caribou monitoring carried out by the Government of Nunavut and monitoring carried out by DFO, will also occur in parallel with Baffinland and Inuit led programs.

<sup>93</sup> Transcript, Vol. 13, 2440-2442

<sup>94</sup> Transcript, Vol. 17, 3178

<sup>95</sup> Baffinland Socio-Economic Presentation, NIRB Registry No. 332554



- \$1.5 million/year for Inuit training for life of mine;
- Inuit Employee Mobility Strategy;
- Arnait Action Plan;
- Scholarships, donations, other support;
- Baffinland Inuit Employee childcare allowance;
- Employee safety initiatives, including no drugs/alcohol on site, on site medic, Employee and Family Assistance Program, on-site Cultural Advisors, Community Counsellors Program;
- Health and well being programs, such as cross cultural orientation, cultural celebrations, use of Inuktitut in the workplace, Ilagiiktunut Fund (\$1.1 million/year);
- Measures aimed at enhancing food security, including a school lunch program (\$300,000/year), community food bank donations, Seasonal Country Food Exchange Program, Country food kitchens; and
- Fly in/fly out and return Nunavut employees directly to their home communities.

Mary River is located in an area that has traditionally been and is currently used by Inuit hunters and for other cultural practices.

NIRB heard evidence during this review that wildlife continues to be observed in the Project terrestrial and marine areas, and harvesters continue to carry out successful hunts. A few examples:

*“Hunting-wise, I don’t really see an issue with the mine. Especially with shipping season because I always hear of communities catching whales or selling whale meat, maktaaq.”<sup>96</sup>*

*“Yeah, I see caribou right across the mine’s camp.”<sup>97</sup>*

Baffinland and the NIRB have also heard that while there are still wildlife in the project area, there are less than previously observed. Baffinland continues to highlight that the Arctic is changing and we must be careful to differentiate project effects from those that are occurring naturally, or are being driven from outside of the Arctic. The caribou population for instance saw a significant decline prior to the development of the Mary River Project, and thanks to IQ we understand this is part of a natural cycle and other natural phenomenon affecting their

---

<sup>96</sup> Christopher Hayward (Cape Dorset) Our Inuit Voices Matter, Transcript

<sup>97</sup> Christopher Hayward (Cape Dorset) Our Inuit Voices Matter, Transcript

foraging.<sup>98</sup> Similarly, marine mammals we see in Eclipse Sound and Milne Inlet are affected by climate change, decreases in the food they rely on, increases in the predators that prey on them, changing sea ice, commercial fishing, and more.<sup>99</sup> Continued monitoring whether it be Baffinland or Inuit led, and through collaborative partnerships such as the agreement with the Government of Nunavut to monitor caribou at a regional level will contribute to the ever growing body of information about wildlife in the area and the responses the Project will take to protect them.

As mentioned during the November 2021 Community Roundtable by Baffinland,

*“I want to start by, you know, acknowledging there's -- our stories aren't dissimilar. We've been running aerial surveys to try to understand narwhal abundance in Eclipse Sound for several years now. We had done this in some years before that, but since there was a reported low number of narwhal in Eclipse Sound by the community of Pond Inlet in 2018, every year since then we've run aerial surveys to try to add more information into the understanding of what's happening.*

*I spoke about this a few nights ago, and Joe did as well yesterday, that there's our project, and our project is certainly going to have an effect in the area -- and that's what we've spent a lot of this process looking at -- but there's other -- there's other trends that have been observed, and Inuit· Qaujimajatuqangit and the stories of hunters are informing that.*

*When the quota was set for narwhal in Eclipse Sound in 2016, there was a public hearing. And looking through the notes of that hearing, the transcripts, it's evident that there's -- there's concerns about shipping, but there's also an acknowledgement that there's a lot of natural variation when it comes to narwhal in Eclipse Sound. Some of the themes that come up in those transcripts are that narwhal don't always go to the same channels, sounds, or inlets, that they travel between Arctic Bay and Eclipse Sound, that in years where there's more narwhal in Admiralty Inlet, there's less in Eclipse Sound.*

---

<sup>98</sup> NIRB Registry No. 320562

<sup>99</sup> Government of Nunavut Final Written Statement, January 10, 2022

*It also says that when ice breaks up early in Lancaster Sound, more narwhal are usually reported in the Kitikmeot. So that's what we're trying to do at this point in time. We're trying to understand not just what effects our project is having, but what's actually been quite common over the last several decades in Eclipse Sound.*

*Some of the things we struggle with is that in the year when we had the most shipping occurring with ore carriers and freight and fuel, over 90 vessels came to Milne Port that year. That was also the year our abundance surveys told us the population of narwhal was stable with what had been found in previous aerial surveys and that there was a high level of confidence in that estimate because we had not just used visual observations and had local Inuit on those -- those flights helping us make those observations, but we also had cameras on those planes that helped us verify when large numbers of narwhal were observed to count exactly how many were there.”<sup>100</sup>*

Some participants suggested to the Board during the public hearings that there were “no narwhal” in recent years. The Board has also been presented with clear factual evidence from participating government agencies that successful narwhal hunts have continued to occur (if not increase) during the years in which there has been Project related shipping, including in years where monitoring indicates lower numbers of narwhal in Eclipse Sound.<sup>101</sup> At the Public Hearing in January 2021 Baffinland presented a graph in its marine environment presentation (slide 55) showing Pond Inlet narwhal harvests between 1994 and 2019.<sup>102</sup> The intent was to demonstrate how many narwhal, in absolute terms, have come into the community on an annual basis. This graph showed that annual average harvesting of narwhal has been higher in the years since commercial shipping began in 2015, than in the period before where no shipping occurred. Between 2001 and 2014 the average annual harvest was 82, and between 2015 and 2019 it was 143, a roughly 75% increase.

---

<sup>100</sup> Vol. 21, Transcript, 3906-3908

<sup>101</sup> GN Final Written Statement, January 2022

<sup>102</sup> BIMC Additional Slides re Narwhal Harvests, NIRB Registry No. 332818, BIMC Additional Slides re Landed Catch Narwhal 1994-2019, NIRB Registry No. 332817

This situation has continued with the reporting of tags issued in 2020 and 2021. Through written questions from Baffinland to Interveners, the Mittimatalik Hunters and Trappers Organization (MHTO) confirmed that in 2020 139 narwhal were harvested, consistent with the average narwhal harvest since 2015. Similarly, in 2021, the GN confirmed during the Community Roundtable and in their Final Written Statement that despite a delay to the beginning of the harvesting season in 2022, reports from the wildlife office indicate 152 tags have been issued to date.<sup>103</sup>

This represents an above average harvest for 2021, and given the reported delay in the start of harvesting this year, these narwhal were almost entirely harvested while Baffinland's contracted vessels were transiting through Eclipse Sound and Milne Inlet.

While not all Inuit are hunters,<sup>104</sup> particular care has been taken to engage with harvesters and to listen to their concerns and address and support them through project design and other mitigations to the extent possible.

Baffinland understands that recorded harvest numbers don't tell us about the effort that went into being successful and that they could be travelling farther and going out more often. Baffinland also knows that employment can positively influence harvesting by providing the means to buy supplies and equipment at an individual level, while fly in/fly out work provides extended periods of time off to go harvesting. Each year Baffinland conducts an employee survey and we ask our employees how working at Baffinland affects their ability to harvest or go out on the land. In 2020, 44% of respondents noted their ability to participate in harvesting and land-based activities was improved or very improved, while 47% provided a 'neutral' response, and only 9% reporting a negative effect.<sup>105</sup>

Given the larger changes occurring in the Arctic, Phase 2 can provide support to communities and governing organizations when they need it most. We want to be a force of stability that people can depend on and the benefit programs and environmental management systems we've committed to in the NIRB Commitment List can achieve this.

Throughout the ongoing operation of the Project with Phase 2, Baffinland will remain open to give careful and thoughtful consideration to any additional measures to avoid and mitigate

---

<sup>103</sup> Vol. 21, Transcript, 3893

<sup>104</sup> Hamlet of Sanirajak, Final Written Statement, January 10, 2022

<sup>105</sup> Transcript, Vol. 21, 3909-3910.

potential adverse socio-economic impacts that may be identified through engagement with the QIA, the communities and other Inuit organizations.

## CONTINUING TO BUILD ON ICA COMMITMENTS SINCE JANUARY 2021

At the beginning of the recommencement of the public hearings in January 2021, the QIA President directly addressed Baffinland:

*“Baffinland, I ask you to be adaptive. I ask you to challenge the depth in the form of your commitments to Inuit. Don’t simply say you have done enough and now it is up to the Nunavut Impact Review Board to decide between your position and that of Inuit.*

*Heed the advice you have been given about the environment you are seeking to operate and mine within.*

*Acknowledge your place as settlers within the Inuit homeland. Your project grows out of Inuit lands and resources. Work with us to make sure that in a thousand years, that Inuit still have an adequate, meaningful relationship with these lands and these very waters. Inuit are prepared to work with you provided you are committed to further – to defining a shared risk approach to this project. During these hearings, Inuit are seeking additional commitments from you.”<sup>106</sup>*

Baffinland heard every word of this advice, has been adaptive, and since January 2021 has continued to engage with the Impacted Communities and done its best to engage with all Inuit groups participating in the NIRB process. Of the 259 commitments that are currently included on the Commitment List (see Appendix B and C), a total of 49 have been made since January 2021 and many of these are directly to QIA and the communities. These new commitments that cover key topic areas such:

- Additional monitoring and a commitment to implement necessary measures to mitigate dust (See Commitment 230-234);
- Reduced and modified shipping activities (See Commitment 239-242);

---

<sup>106</sup> Transcript, Vol. 1 87-88

- Additional caribou monitoring and protection (See Commitment 222, 223, 236-238);
- Marine mammal and acoustic monitoring (See Commitment 224-228, 249);
- Additional Arctic Char monitoring (See Commitment 247, 252);
- Community approval of the IQ Management Framework (See Commitment 229);
- Funding for harvester support and equipment (See Commitment 246, 253, 258);
- Additional in-community training opportunities (See Commitment 245); and
- Funding for infrastructure that supports the communities' growth goals (See Commitments 243, 244, 254-257, 259).

Even since the November 2021 hearing has completed, Baffinland has continued to listen and in response has added an additional seven commitments directed to the Hamlet of Pond Inlet (see Commitments 253-59, Commitment List). We continue to be prepared to work with QIA and all of the Impacted Communities and are committed to continue to challenge ourselves every day to ensure that the full promise of Phase 2 is fulfilled.

## **OPTIMIZING THE BENEFITS OF THE PROJECT**

Under the heading of “Enhancing the Existing and Future Well-being of Inuit and Communities” above, we have summarized benefits including training, employment, business opportunities and financial benefits through royalties, rental payments and compensation.

In total, Baffinland has predicted up to \$2.4 billion to go to two Inuit organizations over the next 17 years of operation, should Phase 2 be approved.<sup>107</sup> The IIBA and the ICA provide for royalty payments to the QIA, expected to exceed \$1 billion over the life of the Project (2021 to 2038).<sup>108</sup> These royalties are in addition to the royalties that the NTI will receive (via Crown royalties under the federal acts and regulations). Using conservative assumptions, the NTI royalties are expected to exceed \$1.4 billion over the life of the Project.<sup>109</sup> Through its distribution formula, notable portions of this money will be further distributed by NTI to the QIA and to other regional Inuit associations for the benefit of all Nunavut resident Inuit.<sup>110</sup>

In addition to these direct benefits, Inuit and the communities will also benefit from the contribution of the Mary River Project and Phase 2 to the general development of the Nunavut and Canadian economy. Tax payments to the GN and the federal government are substantial.

---

<sup>107</sup> Transcript, Vol. 17, 3175

<sup>108</sup> Transcript, Vol. 1, 76

<sup>109</sup> Transcript, Vol. 1, 76

<sup>110</sup> Transcript, Vol. 1, 103

Baffinland expects that \$680 million in revenues will be generated for the Government of Nunavut with an annual average increase in government revenues by 26.1 percent, all while doubling Nunavut's value of exports from 2015.<sup>111</sup> For the Government of Canada, life of mine revenues are anticipated to total \$1.7 billion. The total gross domestic product generated in the Canadian economy over the project's life span is anticipated to be over \$30 billion.<sup>112</sup> This is a significant amount of revenue to the federal government that can support services that all Canadians, including Nunavummiut, rely on each and every day.

## TIMING

Baffinland respects that the Phase 2 Proposal review has been complex and lengthy and includes a significant volume of information for NIRB to consider in making its decision. The Board and its staff have been dedicated and diligent in carrying out their obligations under the Nunavut Agreement during this Phase 2 process.

As Baffinland has consistently stated throughout the Phase 2 reconsideration and review, a timely decision on Phase 2 is essential to the ongoing operations of the Mary River Project. It is a reality that if the Mary River Mine is to continue to operate into the future, Phase 2 is urgently needed and cannot be further delayed. Due to the lead times for logistical planning and short Arctic construction season, the delay in closing the public record in December 2021 as originally scheduled has already caused significant harm to Baffinland, and will continue to have very serious consequences for the Project from an investment and planning perspective well into 2022 and 2023.

Baffinland encourages the Board to issue its recommendation report to the Minister by March 10, 2022 (assuming the record closes on January 24, 2022) in accordance with NuPPAA timelines. In the event of a positive recommendation and Ministerial decision, this timing could enable Baffinland to mitigate some of the impacts caused by the unexpected further delay in closing the record following the November 2021 hearing and would help put Inuit in the earliest possible position of receiving the considerable benefits that Phase 2 has to offer, if it is to proceed.

---

<sup>111</sup> Transcript, Vol 1, 102

<sup>112</sup> Transcript, Vol. 1, 102

## REQUEST FOR A POSITIVE RECOMMENDATION

Baffinland has put forward its very best Project to the Board in the Phase 2 Proposal.

Phase 2 of the Mary River Project will provide tremendous benefits to Inuit, the Impacted Communities, Nunavummiut, Nunavut and Canada generally. But Baffinland understands that Phase 2 must be done in a way that is inclusive and respectful. Expansion of the Mary River Project cannot come at the expense of the environment, and Inuit must be active participants in all aspects of the Project. Baffinland believes it has put forward a project proposal for Phase 2 that ensures this balance is met.

We are grateful for all of the knowledge that has been shared with us both inside and outside the NIRB process. We are very proud of the work our team has done, in particular since the public hearing began in November 2019, to improve the project, expand the benefits, and to support and enhance the framework for project planning, monitoring, and adaptive management to achieve environmental and social sustainability as well.

The Board can move forward with the confidence that Baffinland's assessment was subject to a rigorous technical review with the involvement of subject matter experts from territorial and governmental agencies on key topics such as caribou, marine mammals, climate change, water resources, and the terrestrial and marine environment.

Baffinland is pleased that the Government of Nunavut has confirmed in its Final Written Statement that all technical issues have been resolved.

Baffinland is also pleased to have worked diligently with the Government of Canada to find an agreeable path forward for each of the 133 final written submissions and additional comments submitted through the review process, except in one singular instance (namely, the request for a term and condition to require Baffinland to use lighter distillate for shipping along the Northern shipping route within the Arctic areas of the Canadian Exclusive Economic Zone). On this issue, Baffinland has given the NIRB detailed and comprehensive evidence and rationale as to why this is not a reasonable or feasible request, and proposed a reasonable compromise path forward in our commitment to use lighter distillate fuel for shipping along the Northern Shipping Route for areas within the Nunavut Settlement Area, should Phase 2 be approved.

Baffinland appreciates the many expressions of support and positive feedback we have heard from our employees and contractors, individual Inuit, groups and communities throughout the



region. We are proud of the opportunity we have to learn from and support our Inuit employees and Inuit employees of our contractors in building the careers that they wish to pursue. There is no success at Mary River without the success of our Inuit colleagues and their families. We are also looking forward to working with the next generation of Inuit youth currently in the education system and to continue to support the development of the Qikiqtani Region and Nunavut.

Baffinland has listened to all Inuit participating in this process and impacted by the Project, and has made important Project changes and commitments in response.

We are excited by the prospect of moving forward together with Inuit to implement the precedent setting commitments and structures that have been developed during the NIRB process. However, implementation of the Phase 2 commitments and structures will require a significant financial investment. Implementation of the majority of these will require a level of financial support that is only available to Baffinland if Phase 2 is allowed to proceed.

The Early Revenue Phase was envisioned as a “starter” mine, and it should be understood that the operation is now well past the end of its intended mine life. The Steensby portion of the approved Mary River Project is simply not available to Baffinland at this time and on the basis of the Early Revenue Phase only. Phase 2 is the key to unlocking the benefits that were promised to Inuit when the 18mtpa Mary River Project was first approved by NIRB ten years ago, and simply not achievable with the 4.2 mtpa Early Revenue Phase that was actually constructed. Phase 2 would see the benefits promised by the original project expand even further through the financial agreements under the ICA, the commitments described in the Commitment List, and the development of a new QIA community benefits management structure. We have been transparent with the Board with respect to the serious consequences for the future operations if it is ultimately determined that Phase 2 will not proceed. The Phase 2 Proposal is Mary River’s future.

Baffinland appreciates the responsibility and privilege it has to operate on Inuit owned lands, and strives to implement Inuit values in its operations every day. The Mary River Project has the long-term ability to change Nunavut lives for the better. We believe there is overwhelming evidence before the NIRB that Phase 2 will create economic prosperity while protecting the environment and building stronger communities.

In closing, we respectfully ask the NIRB to give great weight to the words of the Inuit employees of Baffinland that participated in this process.

*“I would tell NIRB to keep working, and keep going at it, because they’re very important. They’re a very important aspect to mining, right? It’s*

*keeping mining at a higher standard. What I would tell them is to keep us employees, Inuit employees, people from across the country, to keep us in mind, because this is helping a lot of people in more than one ways. Keep the people in mind. Keep the environmental aspect of it in mind, of course, absolutely. But at the end of the day, I'll say it again, it's food on the table. It's, it's your rent money at the end of the month, you know? It's a lifestyle. It's having a healthy, comfortable life.”<sup>113</sup>*

*“Like, when we talk about over 300 Inuit working at the mine, let's just picture that for one second because sometimes it's hard to picture it. You look at this room. Madam Chair said that this room can only hold up to a hundred people. There's a lot of people in this room. You times the number of people in this room by three. So three of these rooms plus a quarter of another, that's how many beautiful Inuit work at the mine. We need to celebrate that and understand that.*

*Like, that's -- so when we keep saying that it's harvesting or mining, a lot of those 325 Inuit are harvesters and hunters as well, and they don't believe it's one or the other. If they did, they wouldn't work there. I wouldn't work there. I wouldn't work here.*

*So to the question, how would I feel? I know that I would have a lot of questions. I would want to be part of the discussions. I would want to know what benefits there are. And I'm not talking about dollar figures as well. I'm talking about all the other benefits associated with mining, but I won't go there right now. But I also would want to be a part of the solutions. ...*

*I think that there's a lot of fear and a lot of doubt that this could happen perhaps and -- because it's never happened elsewhere. It's never -- we can't point to anywhere this has worked or this is happening. I can*

---

<sup>113</sup> Bernard Choquette (Iqaluit) Our Inuit Voices Matter, Transcript

*understand that. Inuit have never been given this much control. All I could ask is that if you understand completely how, you know, and the reason why we want to do this, then maybe, you know, there's a place where we can come to an understanding that the reason why we're doing this is because we fully believe that it's possible.*

*We might not get it right away. It might take a little bit of tweaking here and there with the Inuit committees, but it's going to be -- if it's put in our project certificate. If it's a term or condition. If it's something negotiated with the Qikiqtani Inuit Association, then we will be legally obliged. We will have to implement it. ....*

*And the last point about trust. Again, it's hard. I get it. If all else fails, if you don't believe what we say, then it's going to be all in what we do. We'll have to show you. What the difference is with the Phase 2 is we're going to have to show you together. This is something that we do together.”<sup>114</sup>*

Baffinland is confident that:

- The Project will enhance the current and future well-being of Inuit;
- Baffinland’s commitments will avoid or mitigate environmental or socio-economic effects;
- Baffinland’s commitments optimize the benefits of the Project to Inuit and the communities.

Baffinland seeks a recommendation to the Minister(s) to allow the Phase 2 Proposal to proceed, subject to reasonable terms and conditions.

---

<sup>114</sup> Transcript, Vol. 21, 3421-3425