



SHIPPING AND MARINE MONITORING FACT SHEET

2021 Shipping Season

BAFFINLAND SHIPPING

Contents

- 1** Baffinland Shipping Activities
 - 2** Addressing Concerns
 - 3** Shipping Route
 - 4** Potential Effects on the Environment
 - 5** Marine Monitoring Programs
 - 6** Communications
-





BAFFINLAND SHIPPING ACTIVITIES

In 2021, Baffinland Iron Mines Corporation ("Baffinland or the 'Company'") will begin its shipping activities once certain requirements have been met including no presence of landfast ice along the entire Northern Shipping Route, confirmation that the Pond Inlet floe edge has been closed, and that icebreaking will not be required for vessels transiting towards Milne Port.

Baffinland has elected to strengthen the mitigation measures for the 2021 shipping season in direct response to Inuit input and the recognition of an important community-based project occurring (i.e., construction of the small craft harbour) which overlaps with the planned start of the Baffinland shipping season. In an effort to reduce potential cumulative impacts of the Project to narwhal during this sensitive time period, Baffinland aims to further reduce potential impacts by electing to delay the start of the shipping season until icebreaking is no longer required for vessels transiting towards Milne Port.

With this decision, the trigger to commence the beginning of the 2021 shipping season will be the presence of a continuous path of 3/10ths or less ice concentrations between the entrance of Eclipse Sound and Milne Port. The final shipping schedule will depend on prevailing ice conditions and once initiated will continue until approximately mid-to-late October. Within this timeframe, we expect there to be approximately 72-76 ore carriers, four (4) re-supply voyages and up to four (4) fuel tanker voyages. As the season progresses, we will keep you updated on any new changes.

What you've shared with us

Through valuable conversations with local community members, Baffinland has heard a number of primary concerns related to shipping through the Northern Shipping Route.

The potential for shipping to interfere with local hunting

The potential for vessels to affect marine mammals

The potential for shipping activity to harm the health of the marine ecosystem

ADDRESSING CONCERNS



How has Baffinland addressed these concerns?

Baffinland is committed to continuing to monitor any potential effects of shipping activities. Here are some of the measures we will be implementing to manage and mitigate potential issues:

1. Baffinland vessels will not break through landfast ice and will wait for confirmation that the floe edge has been closed before entering Eclipse Sound. In 2021, the shipping season will only start once it is confirmed that there is a continuous path of 3/10ths or less ice concentrations between the entrance of Eclipse Sound and Milne Port.
2. Vessels are to travel as closely as possible to the approved Northern Shipping Route, but may deviate at the beginning of the season for the purposes of avoiding ice. We have a notification system that alerts Baffinland staff if any Baffinland vessels are travelling above the speed limit (maximum of 9 knots) or outside of the approved Northern Shipping Route. An Automatic Identification System (AIS) station is available at the Baffinland office in Pond Inlet.
3. We have provided additional instructions to ship operators indicating that a maximum of three vessels can be anchored or drifting at Ragged Island at any one time.
4. Ensure that all Baffinland vessels follow the Standing Instructions to Masters which provides information to vessel captains on speed limits, the shipping route, and anchorage locations.
5. No grey water, sewage or ballast water will be discharged in Eclipse Sound by ore carriers. Ballast water is only discharged by ore carriers at Milne Port after compliance testing.
6. Baffinland will continue to work with community members, Hunters and Trappers Organizations and Hamlets to ensure that all concerns related to shipping activities are considered. Full-time Shipping Monitors will be available in the Baffinland Pond Inlet office to support daily tracking and viewing of vessels passing through Eclipse Sound all the way to Milne Port.

To date, no significant changes have occurred to the marine environment at Milne Port as determined through marine environmental effects monitoring programs implemented since start of operations.

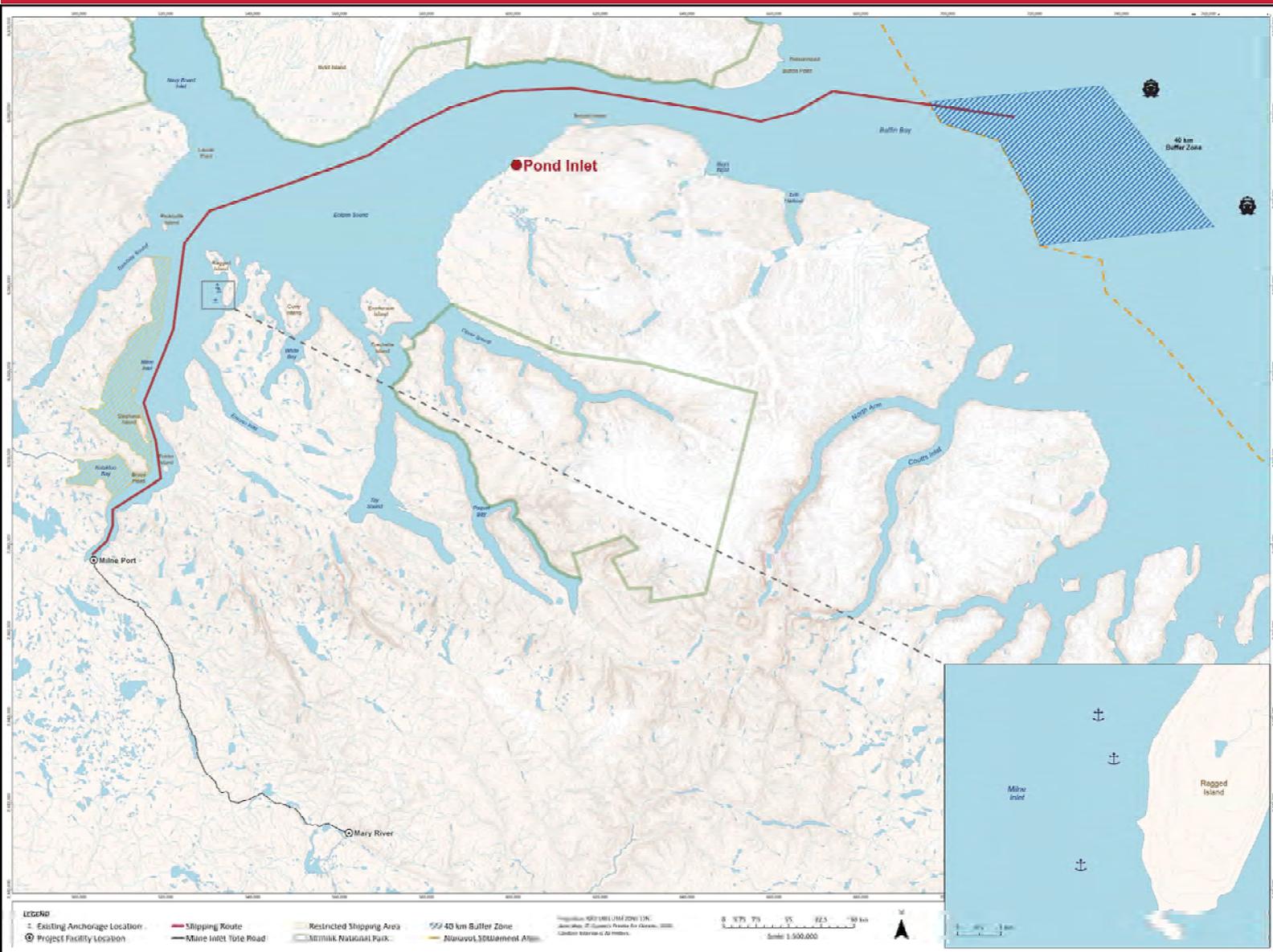
However, a reduction in narwhal numbers in 2020 relative to historical estimates (pre-2020) based on analysis of 2020 aerial survey data has been reported, consistent with concerns raised by the community.

In response, a precautionary approach is being taken where new adaptive management mitigation measures have been developed specific to 2021 shipping operations: the avoidance of icebreaking at the start of the shipping season.



It is important to remember that the health and safety of people is always Baffinland's top priority. In some situations, the vessel captains may need to deviate away from standard operating procedures to ensure safe passage.

SHIPPING ROUTE



HAVE QUESTIONS OR CONCERNS?

If you are on the water and have an immediate concern, **contact our shipping monitor via VHF radio channel 26.**

Visit the Baffinland office and speak with our shipping monitor or **view vessel tracks** in the Mittimatalik Hunters and Trappers Organization (MHTO) building, 2nd floor.

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Email us at :
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Call us at:
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For shipping updates visit:
www.baffinland.com
> Operation
> Shipping & Monitoring



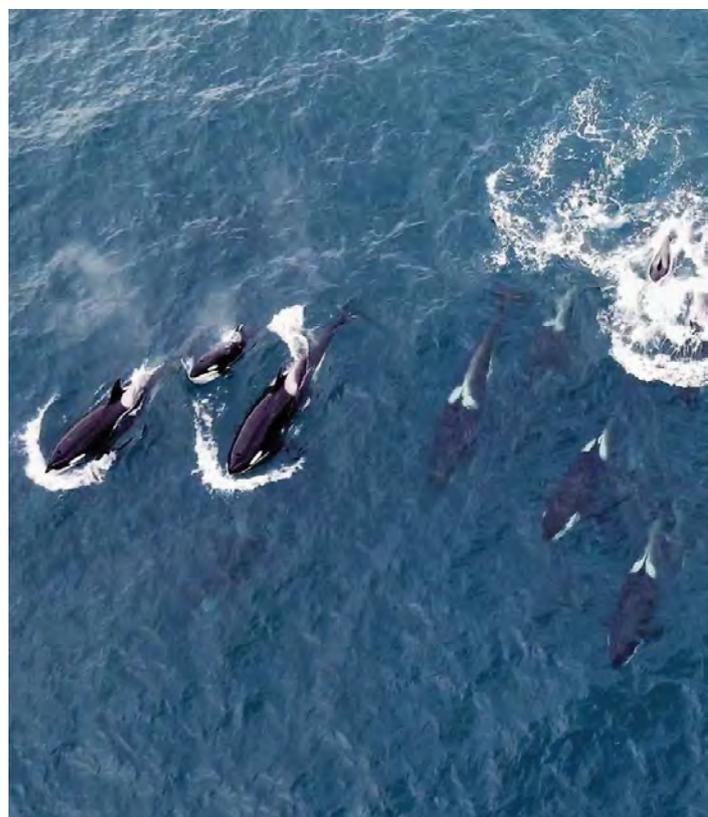
POTENTIAL EFFECTS ON THE ENVIRONMENT

Shipping may affect marine mammals:

- Distribution and abundance
- Behaviour
- Habitat

Shipping could potentially affect the local marine environment by:

- Introducing aquatic invasive species
- Altering the quality or quantity of fish habitat
- Altering water quality near Milne Port



Killer Whales Observed in Milne Inlet (August 2020)

MARINE MONITORING PROGRAMS

What are we doing to monitor the marine environment?

To monitor potential effects from shipping on the marine environment, Baffinland will be running a number of different monitoring programs throughout the shipping season.

The marine monitoring programs will:

- Measure the effects that the shipping is having on the marine environment
- Assess the accuracy of predictions of effects
- Determine if adaptive mitigation measures need to be developed.

Ship-based Observer Program is not possible in 2021 due to the COVID-19 Pandemic. However, as an alternative, an incidental marine wildlife sighting program is being implemented in collaboration with the Marine Mammal Observation Network (MMON) with a subset of participating vessels.



Marine Mammal Aerial Surveys

Monitors ringed seal density and distribution during spring, and narwhal abundance and distribution and other marine mammal species in Project area throughout the summer.



Bruce Head Shore-based Monitoring

Investigates narwhal response to shipping along the Northern Shipping Route by observing them from the top of Bruce Head.



Marine Environmental Effects and Aquatic Invasive Species and Habitat Offset

Monitors water and sediment quality including metals, benthic infauna, epifauna and epiflora, fish abundance and health (focus on Arctic char) including contaminant analysis, and ballast water compliance testing.

Implementing Year 2 of 10 year Freight Dock post-construction habitat offset monitoring program to assess functionality.



Passive Acoustic Monitoring

Monitoring of underwater noise at three (3) locations in early August at Bruce Head, Ragged Island anchorage, and Pond Inlet (Small Craft Harbour Construction) until September. Re-deployment of two (2) recorders at the floe edge to record during 2021 fall shoulder season and 2022 floe edge conditions.



COMMUNICATIONS

In order to provide better communications about Baffinland vessel activities, full-time Shipping Monitors will be available over the entire shipping season working from the Baffinland Pond Inlet office located in the Mittimatalik Hunters and Trappers Organization (MHTO) office building (2nd Floor). If you have questions, comments or concerns about Baffinland vessels, please contact Baffinland by visiting one of our Shipping Monitors, or provide your concern to a representative from the MHTO who can then relay the message to Baffinland.

In addition to interacting directly with Shipping Monitors, vessel traffic in 2021 may be monitored through a variety of methods including:

1. Accessing the Baffinland website (www.baffinland.com) and following the path to “Operation>Shipping & Monitoring”, access also available in the Baffinland Pond Inlet office;
2. Visiting the Pond Inlet Baffinland office to observe live tracking of vessels through the Automatic Identification System (AIS) monitoring station, and learning more about the type of vessels that Baffinland requires for its operations;
3. Announcements about upcoming vessel activity will be made on the local Pond Inlet radio at regular intervals;
4. Listening to periodic announcements of daily and upcoming vessel activity on marine VHF radio channel 26;
5. Accessing Facebook pages for Baffinland Iron Mines, Pond Inlet News and Pond Inlet Hunters Information Page for periodic postings about past and future shipping activities.

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QUESTIONS? HERE IS HOW YOU CAN REACH US

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If you have questions, comments or concerns about Baffinland vessels, please contact us by visiting one of our Shipping Monitors at the Baffinland Pond Inlet office (in Mittimatalik Hunters and Trappers Organization (MHTO) building, 2nd floor), contact us via marine VHF radio channel 26, or provide your concern directly to the MHTO. For specific vessel operation concerns, please indicate if possible, the name of the vessel and the date of the event, and details about your concern.

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