



Ryan Barry  
Executive Director  
Nunavut Impact Review Board  
*Sent via email: info@nirb.ca*

October 1, 2019

**Re: Term and Condition 179c**

Please find attached the Commitments Audit Protocol Report (the Report) produced by the third party auditor, BDO Canada LLP for the period ending June 30, 2019. This report is in respect of Project Certificate 005, Term and Condition 179c. This report assesses Baffinland's performance against commitments relating to the environmental management of the Milne Inlet Tote Road and the Northern Shipping Corridor found in Project Certificate 005 and the Mary River Inuit Impact and Benefit Agreement (IIBA). Both of these sources have their own sections in the Report.

The Report template was developed by the third party auditor, BDO Canada LLP and was designed to assess Baffinland's ability to produce documented evidence for each audit question. The Report is not a subjective audit of the quality of Baffinland's documents. As such, Baffinland supplied documented evidence and, where necessary, performed in-person interviews with BDO Canada LLP to measure our performance against each audit question. The attached report outlines Baffinland's performance for each audit section as well as the documented evidence worksheet which indicates the type of document that was supplied to fulfill the audit questions.

For each section of the audit, Baffinland received a percentage of completion which measured the documented evidence provided against the audit question. For the IIBA section of the audit report, Baffinland had an 86% completion rate. For the PC005 Terms and Conditions section, Baffinland had a 92% completion rate, which is consistent with the 92% compliance rate that Baffinland identified in the 2018 Annual Report to the Nunavut Impact Review Board.

While the scores fall short of 100% completion, it should be recognized that in many cases Baffinland has fulfilled the intent of the audit items to the greatest extent possible and that other factors may have influenced the inability to complete the commitment as written (e.g. finding appropriate meeting dates that work for all parties in attendance by a certain time period). It should also be noted that the timing of this audit report included work done only up to the end of June 2019 and other activities have been on-going since that time frame which will be reflected in the end December audit report.

As part of the Phase 2 review process Baffinland has submitted a proposed revised Project Certificate 005 for consideration by the Nunavut Impact Review Board and Intervening Parties. The recommendation with respect to Term and Condition 179c is to remove it based on the following rationale, which Baffinland continues to maintain:

*"Should the Phase 2 Project be approved, any commitments related to the environmental management of the marine and terrestrial components of the Northern Transportation Corridor should be recorded and appended to the Public Hearing Report, and subsequently tracked through existing annual compliance monitoring."*

*Baffinland has completed the first draft of the Performance Audit Reports required under PC Condition No. 179c. In completing this exercise it is apparent that it is duplicative in nature to compliance tracking and reporting already occurring via the Annual Report to the NIRB, the Annual Operations Report to the NWB/QIA, audit inspections and follow up conducted with other regulatory agencies and ongoing engagement and compliance tracking against the IIBA with the QIA.”*

Regardless of Project Certificate Term and Condition 179c, Baffinland is dedicated to achieving a level of environmental management that far exceeds national standards. Baffinland is confident that this Report will demonstrate the integrity of the commitments we have made through previous review processes and provide the certainty required by Intervening Parties in the Phase 2 review process that Baffinland will successfully implement the environmental management plans it commits to.

Sincerely,

A handwritten signature in black ink that reads "Megan Lord-Hoyle". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Megan Lord-Hoyle  
Vice President, Sustainable Development

## **Baffinland Iron Mines Corporation**

**Specified Auditing Procedures on the  
Commitments Audit Protocol report to the  
Nunavut Impact Review Board**

**For the period ending June 30, 2019**



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## Accountant's Report on Applying Specified Auditing Procedures in Respect of the Commitments Audit Protocol Report

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To: Baffinland Iron Mines Corporation

As specifically agreed, we have performed the auditing procedures described in Appendix A, to assist the Nunavut Impact Review Board in assessing Baffinland Iron Mines Corporation's performance with respect to the Commitments Audit Protocol report for the period ending June 30, 2019. This engagement to apply agreed upon auditing procedures was performed in accordance with the standards established by CPA Canada. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A either for the purposes for which this report has been requested or for any other purpose.

The results of our procedures are documented in Appendix A. These procedures do not constitute an audit on the books, records and accounts provided to us by Baffinland Iron Mines Corporation and, therefore, we express no opinion on the work done on the books, records and accounts provided to us by Baffinland Iron Mines Corporation as at June 30, 2019. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is for use solely in connection with Baffinland Iron Mines Corporation's requirement to report to the Nunavut Impact Review Board in assessing Baffinland Iron Mines Corporation's performance with respect to the Commitments Audit Protocol report for the period ending June 30, 2019 and is not intended to be and should not be used by any other party for any other purpose.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
September 5, 2019

## **Appendix A - Specified Procedures and Results**

<b>Specified Auditing Procedures on the Commitments Audit Protocol report to the Nunavut Impact Review Board</b>	<b>Result of Specified Auditing Procedures on the Commitments Audit Protocol report to the Nunavut Impact Review Board</b>
1. Obtain the Commitments Audit Protocol report from Baffinland Iron Mines Corporation.	We obtained the the Commitments Audit Protocol report from Baffinland Iron Mines Corporation.
2. Read the Instructions and Introduction tabs on the Commitments Audit Protocol report.	We read the Instructions and Introduction tabs on the Commitments Audit Protocol report.
3. Record the auditor's name and report date of the specified auditing procedures at the top of the Project Certificate (PC) Conditions section and Inuit Impact and Benefit Agreement (IIBA) Commitments section on the Commitments Audit Protocol report (Appendix C).	We recorded our name and the report date of the specified auditing procedures at the top of the Project Certificate (PC) Conditions section and Inuit Impact and Benefit Agreement (IIBA) Commitments section on the Commitments Audit Protocol report (Appendix C).
4. For each Audit Question on the PC Conditions section and IIBA Commitments section in the Commitments Audit Protocol report, obtain documented evidence and/or interview personnel from Baffinland.	We read each Audit Question in the PC Conditions section and IIBA Commitments section in the Commitments Audit Protocol report, and when applicable, obtain documented evidence and/or interviewed personnel from Baffinland as deemed appropriate.
5. For documented evidence referred to in procedure 4 above, record a file name and/or url that links to the source of documented evidence, including page number if reasonable.	For documented evidence referred to in procedure 4 above, we provided a file name and/or url that links to the source of documented evidence, including page number if reasonable. Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.
6. For interviewing personnel referred to in procedure 4 above, record the position of the interviewee and document what was discussed.	For interviewing personnel referred to in procedure 4 above, we recorded the position of the interviewee and documented what was discussed. Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.

<p>7. For each Audit Question referred to in procedure 4 above, record whether there was evidence provided, in the form of documented evidence and/or interview notes, that supported the completion of the audit question. This is to be answered either Yes, No or Non-applicable.</p>	<p>For Audit Questions referred to in procedure 4 above, we recorded whether evidence was provided that supported the completion of the audit question.</p> <p>For Audit Questions deemed to be non-applicable (for example, relating to future phases of the project), we have documented the interviewee and noted what was discussed. We also removed the question from the 'Completion Rate' calculation at the top of the relevant section.</p> <p>We have provided Appendix B - Summary of Results to detail how many Audit Questions have had evidence provided supporting the completion of the audit question or were non-applicable for each section.</p> <p>Please see Appendix C, the Commitments Audit Protocol report, for detailed results pertaining to each Audit Question per section.</p>
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## Appendix B - Summary of Results

Audit Section	Completion Rate	Details of Completion Rate
Project Certificate (PC) Commitments	92%	<div>87 total Audit Questions</div> <div>-13 Audit Questions non-applicable</div> <div>74 Audit Questions applicable</div> <div>68 Audit Questions where evidence was provided</div> <div>92% Completion Rate</div>
Inuit Impact and Benefit Agreement (IIBA) Commitments	86%	<div>57 total Audit Questions</div> <div>0 Audit Questions non-applicable</div> <div>57 Audit Questions applicable</div> <div>49 Audit Questions where evidence was Provided</div> <div>86% Completion Rate</div>

## **Appendix C - Commitments Audit Protocol report**



**Project Certificate (PC) Conditions**

Project Certificate (PC) Conditions

Name of Auditor:		BDO Canada LLP	Completion Rate:				
Date of Audit:		07/23/2019	Total # of audit questions with evidence provided supporting completion of the audit question 68				
			Percentage of applicable audit questions with evidence provided supporting completion of the audit question 92%				

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
1	10	The Proponent shall update its Dust Management and Monitoring Plan to address and/or include the following additional items:	Has Baffinland updated its Dust Management and Monitoring Plan to address and/or include the following additional items:			x	N/A	Interviewed Environmental and Regulatory Compliance Manager - Not applicable since rail not yet planned/constructed. Therefore, there is no specific plans for monitoring dust along the rail corridor leaving the Mary River Mine site.
		1.a. Outline the specific plans for monitoring dust along the first few kilometers of the rail corridor leaving the Mary River mine site.	1.a. Does the Plan outline the specific plans for monitoring dust along the first few kilometers of the rail corridor leaving the Mary River Mine site?					
		1.b. Identify the specific adaptive management measures to be considered should monitoring indicate that dust deposition from trains transporting along the rail route is greater than initially predicted.	1.b. Does the Plan identify the specific adaptive management measures to be considered should monitoring indicate that dust deposition from trains transporting along the rail route is greater than initially predicted?			x	N/A	Interviewed Environmental and Regulatory Compliance Manager - Not applicable since rail not yet planned/constructed.
		1.c. Outline specific plans for monitoring dustfall at intervals along and in the vicinity of the Milne Inlet Tote Road to determine the amount and extent of dustfall.	1.c. Does the Plan outline specific plans for monitoring dustfall at intervals along and in the vicinity of the Milne Inlet Tote Road to determine the amount and extent of dustfall?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, "Vegetation and Monitoring: Dust fall" section 4-3, appendix B (page 104)	
		1.d. Identify the specific adaptive management measures to be considered if monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted.	1.d. Does the Plan identify the specific adaptive management measures to be considered if monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted?	x			"2018 Mary River Project Terrestrial Environment Annual Monitoring Report" document	Interviewed Sustainability Specialist - This whole report describes the adaptive management measures if/when monitoring indicates that dust deposition from traffic on the Milne Inlet Tote Road is greater than initially predicted
2	21	Measures for dustfall monitoring designed as follows:	Measures for dustfall monitoring designed as follows:	x			"2018 Mary River Project Terrestrial Environment Annual Monitoring Report" document, 'Dust Fall Monitoring Program' section 2 (Page 22-51) & "Air Quality Baseline Study Baffinland Iron Mines Corporation Mary River Project" document (Page 19-21)	
		2.a. To establish a pre-trucking baseline and collect data during Project operation for comparison	2.a. Has the AEMP established a pre-trucking baseline and collected data during Project operation for comparison?					
		2.b. To assess the seasonal deposition (rates, quantities) and chemical composition of dust entering aquatic systems along representative distance transects at right angles to the Tote Road and radiating outward from Milne Port and the Mine Site.	2.b. Has the AEMP assessed the seasonal deposition (rates, quantities) and chemical composition of dust entering aquatic systems along representative distance transects at right angles to the Tote Road and radiating outward from Milne Port and the Mine Site?	x			"Aquatic Effects Monitoring Plan" document, (Page 9, 18-21) & "2018 Lake Sedimentation Monitoring Report" document, "Conclusions and recommendations" section (Page 22) & "Aquatic Effects Monitoring Reports" document, 'Executive Summary ' section (Page 5-6), (Page 18)	
3	45	3. The Proponent shall adhere to the No-Net-Loss principle at all phases of the project to prevent or mitigate direct or indirect fish and fish habitat losses.	3. Has Baffinland developed policies and implemented procedures to ensure it adheres to the 'No-Net-Loss' principle?	x			"Aquatic Effects Monitoring Plan" document, "Tote Road Upgrade" section (Page 42)	
4	47	4. The Proponent shall ensure that all Project infrastructure in watercourses are designed and constructed in such a manner that they do not unduly prevent and limit the movement of water in fish bearing streams and rivers.	4. Has all project infrastructure in watercourses been designed and constructed to not unduly prevent the movement of water in fish bearing streams and rivers?	x			"Fish Habitat Monitoring 2018 Annual Report" document, 'Aquatic Monitoring' section (Page 9-11)	Interviewed Environmental and Regulatory Compliance Manager - Issues noted in this 2018 report are being addressed on a priority basis.
5	48(a)	5.a. The Proponent shall develop plans to conduct additional surveys for the presence of arctic char in freshwater bodies in relation to the Tote Road...	5.a. Have plans been developed to conduct additional surveys for the presence of Arctic Char in Freshwater bodies in relation to the Tote Road?	x			"Aquatic Effects Monitoring Plan" document, 'Established SNP Monitoring Stations Associated with ERP' section (Page 36)	Interviewed Environmental and Regulatory Compliance Manager - Fish surveys undertaken by Baffinland are in general for Artic Char
		5.b. and ongoing monitoring of arctic char health where applicable, within watersheds proximal to the Tote Road.	5.b. Has a plan been implemented to monitor Arctic Char health, within watersheds proximal to the Tote Road?		x		N/A - not started	
		5.c. The Proponent shall consult with the MHTO regarding the design, timing, and location of proposed surveys and ongoing monitoring.	5.c. Has Baffinland consulted the MHTO regarding the design, timing and location of proposed surveys and ongoing monitoring?	x			"Surface Water and Aquatic Ecosystem Management Plan" document, 'Sustainable Development' section (Page 30)	Interviewed Environmental and Regulatory Compliance Manager - Consultation is ongoing with the MHTO through working groups
6	53	The Proponent shall demonstrate consideration for the following (6a-6f):	Has Baffinland demonstrated consideration for the following (6a-6f):	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Mortality Mitigation' section 3.3.4 (Page 53-55)	
		6.a. Steps taken to prevent caribou mortality and injury as a result of train and vehicular traffic, including operational measures meant to maximize the potential for safe traffic relative to operations on the Milne Inlet Tote Road and associated access roads.	6.a. Have measures been taken to prevent caribou mortality and injury from vehicle traffic, particularly the Tote Road and associated access roads?					
		6.b. Specific measures intended to address the reduced effectiveness of visual protocols for the Milne Inlet Tote Road and access roads/trails during times of darkness and low visibility must be included.	6.b. Have measures been taken to address the effectiveness of visual protocols for the Tote Road and access roads during times of darkness?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Mortality Mitigation' section 3.3.4 (Page 53-55)	
		6.c. Monitoring and mitigation measures at points where the Tote Road passes through caribou calving areas, particularly during caribou calving times. The details of these monitoring and mitigation measures shall be developed in conjunction with the Terrestrial Environment Working Group.	6.c. Have monitoring and mitigation measures, at points where the Tote Road passes through caribou calving areas, been developed in conjunction with the Terrestrial Environment Working Group?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'October 2012' section (Page 3)	
		6.d. Evaluation of the effectiveness of proposed caribou crossings over the Milne Inlet Tote Road and access roads as well as the appropriate number.	6.d. Have the proposed caribous crossings over the Tote Road and access been evaluated for effectiveness?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52) & 'Caribou Monitoring: Movement' appendix B4-9 section (Page 125)	
		6.e. Protocols for documentation and reporting of all caribou collisions and mortalities...	6.e. Have protocols for documentation and reporting of all caribou collisions and mortalities been established?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Mortality Mitigation' section (page 53)	Interviewed Sustainability Specialist - This section includes monitoring for sightings and reporting requirements concerning for mortality
		6.f. as well as mechanisms for adaptive management responses designed to prevent further such interactions.	6.f. Has a mechanism for adaptive management response, which is designed to prevent further caribou interactions, been developed?			x	N/A	Interviewed Sustainability Specialist - No mortalities or caribou interactions have occurred
7	76	7. The Proponent shall develop a comprehensive Environmental Effects Monitoring Program to address concerns and identify potential impacts of the Project on the marine environment.	7. Has Baffinland developed a comprehensive Environmental Effects Monitoring Program to address concerns and identify potential impacts of the project on the MARINE environment?	x			"Marine Environmental Effects Monitoring Plan" document, 'EEM Approach' section 2 (Page 11)	
8	83a	8.a. The Proponent shall conduct hydrodynamic modelling in the Milne Inlet Port area to determine the potential impacts arising from disturbance to sediments including re-suspension and subsequent transport and deposition of sediment.	8.a. Has Baffinland conducted hydrodynamic modelling in the Milne Inlet Port area to determine the potential impacts arising for the disturbance to sediments, including re-suspension and subsequent transport and deposition of sediment?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 239-242)	
		8.b. The modelling results shall be used to update the marine water and sediment quality monitoring and mitigation program to include activities associated with the construction and operation of the Milne Inlet Port.	8.b. Have the modelling results been used to update the marine water and sediment quality monitoring and mitigation program to include activities associated with the construction and operation of the Milne Inlet Port?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 239-242)	
		8.c. The monitoring program shall include an ongoing assessment of the potential introduction of metals that bio-accumulate in the marine food chain.	8.c. Does the monitoring program include an ongoing assessment of the potential introduction of metals that bio-accumulate in the marine food?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 239-242)	

Project Certificate (PC) Conditions

Name of Auditor:		BDO Canada LLP	Completion Rate:			
			Total # of audit questions with evidence provided supporting completion of the audit question	68		
Date of Audit:		07/23/2019	Percentage of applicable audit questions with evidence provided supporting completion of the audit question			92%

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
9	84	9.a. The Proponent shall update its sediment redistribution modeling once ship design has been completed and...	9.a. Has Baffinland updated its sediment redistribution modeling since ship design was completed?			x	N/A	Interviewed Sustainability Specialist - Built for purpose ships were not commissioned for this phase of the Project, therefore question is not applicable
		9.b. sampling should be undertaken to validate the model and to inform sampling sites and the monitoring plan.	9.b. Has sampling been undertaken by Baffinland to validate the model and to inform sampling sites and the monitoring plan?			x	N/A	Interviewed Sustainability Specialist - Built for purpose ships were not commissioned for this phase of the Project, therefore question is not applicable
10	85	10.a. The Proponent shall develop a monitoring plan to verify its impact predictions associated with sediment redistribution resulting from propeller wash in shallow water locations along the shipping route. If monitoring detects negative impacts from sediment redistribution, additional mitigation measures will need to be developed and implemented.	10.a. Has Baffinland developed a monitoring plan to verify its impact predictions associated with sediment redistribution resulting from propeller wash in shallow water locations along the shipping route?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project
		10.b. If monitoring detects negative impacts from sediment redistribution, additional mitigation measures will need to be developed and implemented.	10.b.1. Has the monitoring program detected any negative impacts from sediment redistribution?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project
			10.b.2. If negative impacts from sediment redistribution have been identified, have additional mitigation measures been developed and implemented?			x	N/A	Interviewed Sustainability Specialist - PC Condition #85 was designed to address potential ship propeller wash effects in shallow water areas for the Southern Shipping Route, which is not applicable to the current phase of the Project
11	87	11.a. The Proponent shall develop a detailed monitoring program at a number of sites over the long term to evaluate changes to marine habitat and organisms...	11.a. Has Baffinland developed a detailed monitoring program at a number of sites to evaluate changes to marine habitat and organisms?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 248-250)	
		11.b. and to monitor for non-native introductions resulting from Project-related shipping.	11.b. Does Baffinland monitor for non-native introductions resulting from Project-related shipping?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 248-250)	
		11.c. This program needs to be able to detect changes that may have biological consequences and should be initiated several years prior to any ballast water discharge into Steensby Inlet and Milne Inlet to collect sufficient baseline data and should continue over the life of the Project.	11.c. Does the program detect changes that may have biological consequences, including sufficient baseline data?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 248-250)	
12	89	12.a. The Proponent shall develop and implement an effective ballast water management program...	12.a. Has Baffinland developed and implemented a ballast water management program?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 253-257) & "Terrestrial Environment Mitigation and Monitoring Plan" (Page 5)	
		12.b. that may include the treatment and monitoring of ballast water discharges in a manner consistent with applicable regulations and/or exceed those regulations if they are determined to be ineffective for providing the desired and predicted results.	12.b. Does the water management program ensure that the treatment and monitoring of ballast water discharges are conducted in a manner consistent with applicable regulations?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 253-257) & "Terrestrial Environment Mitigation and Monitoring Plan"; 'Relationship to Other Management Plans' section 1.5 (page 34)	
		12.c. The ballast water management program shall include, without limitation, a provision that requires ship owners to test their ballast water to confirm that it meets the salinity requirements of the applicable regulations prior to discharge at the Milne Port...	12.c. Does the ballast water management program include a provision that requires ship owners to test their ballast water to confirm that it meets the salinity requirements of the applicable regulations prior to discharge at Milne Port?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 253-257) & "Ballast Water Management Plan" document, 'Monitoring and Controls' section 3 (Page 12)	
		12.d. and a requirement noting that the Proponent, in choosing shipping contractors will, whenever feasible, give preference to contractors that use ballast water treatment in addition to ballast water exchange.	12.d. Does Baffinland choose shipping contractors, whenever feasible, that use ballast water treatment in addition to ballast water exchange?		x		No documentation as this will not be completed	Interviewed Sustainability Specialist - This is will not be completed, as all vessels are required to follow regulatory requirements for ballast water exchange, treatment and management.
13	91	13.a. The Proponent shall develop a detailed monitoring plan for Steensby Inlet and Milne Inlet for fouling that complies with all applicable regulatory requirements and guidelines as issued by Transport Canada...	13.a. Has Baffinland developed a detailed monitoring plan for Steensby Port and Milne Inlet for fouling that complies with all applicable regulatory requirements and guidelines as issued by Transport Canada?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 259-261)	
		13.b. and includes sampling areas on ships where antifouling treatment is not applied such as the areas where non-native species are most likely to occur.	13.b. Does this include sampling areas on ships where antifouling treatment is not applied, such as the areas where non-native species are most likely to occur?		x		"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 259-261)	Interviewed Sustainability Specialist - Baffinland did not perform any sampling.
14	104	Subject to safety considerations and the potential for conditions as determined by the crew of transiting vessels, to result in route deviations:	Subject to safety considerations and the potential for conditions as determined by the crew of transiting vessels, to result in route deviations:					
		14.a. The Proponent shall require, for shipping to/from Steensby Port, project vessels to maintain a route to the south of Mill Island to prevent disturbance to walrus and walrus habitat on the northern shore of Mill Island.	14.a. Does Baffinland ensure project vessels shipping to/from Steensby Port maintain a route to the south of Mill Island to prevent disturbance to walrus and walrus habitat on the northern shore of Mill Island?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable
		14.b. Where project vessels are required to transit to the north of Mill Island owing to environmental or other conditions, an incident report is to be provided to the Marine Environment Working Group and the NIRB within 30 days...	14.b. If project vessels are required to transit to the north of Mill Island due to environmental or other conditions, does Baffinland provide an incident an incident report to the Marine Environment Working Group and the NIRB within 30 days?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable
		14.c. noting all wildlife sightings and interactions as recorded by shipboard monitors.	14.c. Does the incident report note all wildlife sightings and interactions as recorded by shipboard monitors?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-294)	
		14.d. The Proponent shall summarize all incidences of significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port as presented in the FEIS and FEIS Addendum to the NIRB annually...	14.d. Does Baffinland give instructions to vessel captains to avoid significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port, subject to safety considerations as determined by the crew, and summarize all incidences of significant deviations from the nominal shipping routes for traffic to/from Milne Port and Steensby Port, as presented in the FEIS and FEIS Addendum to the NIRB annually?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 286)	
		14.e. with corresponding discussion regarding justification for deviations and any observed environmental impacts.	14.e. Has a corresponding discussion occurred regarding justification for deviations and any observed environmental impacts?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 286)	

Project Certificate (PC) Conditions

Completion Rate:							
Total # of audit questions with evidence provided supporting completion of the audit question				68			
Percentage of applicable audit questions with evidence provided supporting completion of the audit question				92%			
Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence
				Yes	No	Non-applicable	Interview notes
15	105	15.a. The Proponent shall ensure that measures to reduce the potential for interaction with marine mammals, particularly in Hudson Strait and Milne Inlet, are identified and implemented prior to commencement of shipping operations. These measures could include, but are not limited to...	15.a. Has Baffinland reduced the potential for interaction with marine mammals, particularly in Hudson Strait and Milne Inlet?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 288-291)
		15.c. Reduced shipping speeds where ship-marine mammal interactions are most likely	15.c. Has Baffinland reduced shipping speeds where ship-marine mammal interactions are most likely?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 288-291)
16	106	16.a. The Proponent shall ensure that shipboard observers are employed during seasons where shipping occurs	16.a. Has Baffinland ensured that shipboard observers are employed during seasons where shipping occurs?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-300)
		16.b. and provided with the means to effectively carry out assigned duties.	16.b. Has Baffinland provided shipboard observers with the means to carry out assigned duties?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 292-300)
17	109	17.a. The Proponent shall conduct a monitoring program to confirm the predictions in the FEIS with respect to disturbance effects from ships noise on the distribution and occurrence of marine mammals.	17.a. Has a monitoring program been implemented that confirms the predictions in the FEIS with respect to disturbance effects from ships noise on the distribution and occurrence of marine mammals?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.b. The survey shall be designed to address effects during the shipping seasons, and include locations in Hudson Strait,	17.b. Has the survey been designed to address affects during the shipping seasons, and include locations in Hudson Strait?			x	N/A
		17.c. Foxe Basin,	17.c. Foxe Basin?			x	N/A
		17.d. Milne Inlet,	17.d. Milne Inlet?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.e. Eclipse Sound,	17.e. Eclipse Sound?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.f. and Pond Inlet.	17.f. and Pond Inlet?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.g. The survey shall continue over a sufficiently lengthy period to determine the extent to which habituation occurs for narwhal... <i>(Auditor to record # years of monitoring in Evidence cell.)</i>	17.g. Has monitoring been conducted to determine the extent to which habituation occurs for narwhal? <i>(Auditor to record # years of monitoring in Evidence cell.)</i>	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.h. Beluga...	17.h. Beluga?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.i. Bowhead...	17.i. Bowhead?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		17.j. and Walrus?	17.j. and Walrus?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
18	110	18.a. The Proponent shall immediately develop a monitoring protocol that includes, but is not limited to, acoustical monitoring...	18.a. Has Baffinland developed a monitoring protocol that includes, but is not limited to, acoustical monitoring?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		18.b. to facilitate assessment of the potential short term, long term, and cumulative effects of vessel noise on marine mammals and marine mammal populations.	18.b. Does the protocol facilitate assessment of the potential short term, long term, and cumulative effects of vessel noise on marine mammals and marine mammal populations?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 301-310)
		18.c. The Proponent is expected to work with the Marine Environment Working Group to determine appropriate early warning indicator(s) that will ensure rapid identification of negative impacts along the southern and northern shipping routes.	18.c. is Baffinland working with the Marine Environment Working Group to determine appropriate early warning indicators that will ensure rapid identification of negative impacts along the northern shipping routes?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)
19	111	19.a. The Proponent shall develop clear thresholds for determining if negative impacts as a result of vessel noise are occurring.	19.a. Has Baffinland developed clear thresholds for determining if negative impacts as a result of vessel noise are occurring?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)
		19.b. Mitigation and adaptive management practices shall be developed to restrict negative impacts as a result of vessel noise. This shall include, but not be limited to...	19.b. Have mitigation and adaptive management practices been developed to restrict negative impacts as a result of vessel noise?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)
		19.c. Identifications of zones where cumulative noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)	19.c. Have zones been identified where cumulative noise could be mitigated due to biophysical features (e.g., water depth, distraction from migration routes, distance from overwintering areas etc.)?		x		"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)
		19.d. Vessel transit planning, for all seasons, to determine the degree to which cumulative sound impacts can be mitigated through the seasonal use of different zones	19.d. Has vessel transit planning, for all seasons, determined the degree to which cumulative sound impacts can be mitigated through the seasonal use of different zones?		x		"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)

Project Certificate (PC) Conditions

<div>Name of Auditor: BDO Canada LLP</div> <div>Date of Audit: 07/23/2019</div>			<div>Completion Rate:</div> <div>Total # of audit questions with evidence provided supporting completion of the audit question68</div> <div>Percentage of applicable audit questions with evidence provided supporting completion of the audit question92%</div>					
Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
20	112	20.a. Prior to commercial shipping of iron ore, the Proponent, in conjunction with the Marine Environment Working Group, shall develop a monitoring protocol that includes, but is not limited to, acoustical monitoring that provides an assessment of the negative effects (short and long term cumulative) of vessel noise on marine mammals.	20.a. Has Baffinland, in conjunction with the Marine Environment Working Group, developed a monitoring protocol that includes acoustical monitoring that provides an assessment of the negative effects (short, long term and cumulative) of vessel noise on marine mammals?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	
		20.b. Monitoring protocols will need to carefully consider the early warning indicator(s) that will be best examined to ensure rapid identification of negative impacts.	20.b. Do monitoring protocols carefully consider the early warning indicators to ensure rapid identification of negative impacts?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	
		20.c. Thresholds shall be developed to determine if negative impacts as a result of vessel noise are occurring.	20.c. Has a threshold for negative impacts caused by vessel noise been developed?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	
		20.d. Mitigation and adaptive management practices shall be developed to restrict negative impacts as a result of vessel noise. This shall include, but not be limited to...	20.d Have mitigation and adaptive management practices been developed to restrict negative impacts as a result of vessel noise?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	
		20.e. Identification of zones where noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)	20.e. Have zones been identified where noise could be mitigated due to biophysical features (e.g., water depth, distance from migration routes, distance from overwintering areas etc.)?		x		"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	Interviewed Sustainability Specialist - Baffinland has not completed this exercise. They have not defined bathymetry or seafloor geoaoustics along the entire shipping route, though some assumptions are made in modelling where information is available.
		20.f. A monitoring and mitigation plan is to be developed, and approved by Fisheries and Oceans Canada prior to the commencement of blasting in marine areas	20.f. Has a monitoring and mitigation plan been developed, and approved by Fisheries and Oceans Canada, prior to the commencement of blasting in marine areas?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 311-312)	
21	113	21.a. The Proponent shall conduct monitoring of marine fish and fish habitat, which includes but is not limited to, monitoring for Arctic Char	21.a. Does Baffinland conduct monitoring of marine fish and fish habitat, which includes but is not limited to, monitoring for Arctic Char?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 313-316)	
		21.b. stock size and health condition in Steensby Inlet , as recommended by the Marine Environment Working Group	21.b. Does the monitoring measure stock size and health condition in Steensby Inlet, as recommended by the Marine Environment Working Group?			x	N/A	Interviewed Sustainability Specialist - This phase of the Project is not currently active therefore question is not applicable
		21.c. stock size and health condition in Milne Inlet , as recommended by the Marine Environment Working Group	21.c. Does the monitoring measure stock size and health condition in Milne Inlet as recommended by the Marine Environment Working Group?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 313-316)	
22	120	22.a. The Proponent shall ensure that, subject to vessel and human safety considerations, all project shipping adhere to the following mitigation procedures while in the vicinity of marine mammals...	22.a. Has Baffinland ensured that, subject to vessel and human safety considerations, all project shipping adheres to mitigation procedures while they are in the vicinity of marine mammals?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 323-324)	
		22.b. Wildlife will be given right of way	22.b. Has Baffinland ensured that wildlife will be given the right of way?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 323-324)	
		22.c. Ships will when possible, maintain a straight course and constant speed, avoiding erratic behavior	22.c. Has Baffinland ensured that ships will, when possible, maintain a straight course and constant speed, avoiding erratic behavior?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 323-324)	
		22.d. When marine mammals appear to be trapped or disturbed by vessel movements, the vessel will implement appropriate measures to mitigate disturbance, including stoppage of movement until wildlife have moved away from the immediate area.	22.d. Has Baffinland ensured that when marine mammals appear to be trapped or disturbed by vessel movements, the vessel will implement appropriate measures to mitigate disturbance, including stoppage of movement until wildlife have moved away from immediate area?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 323-324)	
23	121	23a. The Proponent shall immediately report any accidental contact by project vessels with marine mammals or seabird colonies to Fisheries and Oceans Canada and Environment Canada...	23.a. Has Baffinland ensured Fisheries and Oceans Canada and Environment Canada are contacted immediately should any accidental contact by project vessels with marine mammals or seabird colonies occur?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 325-326)	
		23.b. (And), by notifying the appropriate regional office of the: • Date, time and location of the incident; • Date, time and location of the incident; • Species of marine mammal or seabird involved; • Circumstances of the incident; • Weather and sea conditions at the time; • Observed state of the marine mammal or sea bird colony after the incident; and, • Direction of travel of the marine mammal after the incident, to the extent that it can be determined.	23.b. Does Baffinland also notify the appropriate regional office of the following: • Date, time and location of the incident; • Species of marine mammal or seabird involved; • Circumstances of the incident; • Weather and sea conditions at the time; • Observed state of the marine mammal or sea bird colony after the incident; and, • Direction of travel of the marine mammal after the incident, to the extent that it can be determined.	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 325-326)	
24	123	24.a. The Proponent shall provide sufficient marine mammal observer coverage on project vessels to ensure that collisions with marine mammals and seabird colonies are observed and reported through the life of the Project.	24.a. Does Baffinland provide sufficient marine mammal observer coverage on project vessels to ensure that collisions with marine mammals and seabird colonies are observed and reported through the life of the project?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
		24.b. The marine wildlife observer protocol shall include, but not be limited to, protocols for marine mammals...	24.b. Does the protocol for the marine wildlife observer include protocols for marine mammals?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
		24.c. seabirds...	24.c. Does the protocol for the marine wildlife observer include protocols for seabirds?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
		24.d. and environmental conditions	24.d. Does the protocol for the marine wildlife observer include protocols for environmental conditions?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
		24.e. and immediate reporting of significant observations to the ship masters of other vessels along the shipping route...	24.e. Does the protocol for the marine wildlife observer include protocols for immediate reporting of significant observations to the ship masters of other vessels along the shipping route?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
		24.f. as part of the adaptive management program to address any items that require immediate action.	24.f. Is the protocol part of the adaptive management program that addresses any items that require immediate action?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 328-329)	
25	171	25.a. The Proponent shall include within its updated Terrestrial Wildlife Management and Monitoring Plan...	25.a. Has Baffinland updated its Terrestrial Wildlife Management and Monitoring plan?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52)	Interviewed Sustainability Specialist - The plan is up to date as it includes all requirements, such as caribou deterrents.
		25.b. ...a commitment to establish deterrents along the Tote Road embankments at any areas where it is determined that caribou are utilizing the embankments or transportation corridors to facilitate movement and where such movement presents a likelihood of caribou mortality to occur.	25.b. Does the Terrestrial Wildlife Management and Monitoring plan include a commitment to establish deterrents along the Tote Road embankments at any areas where it is determined that caribou are utilizing the embankments or transportation corridors to facilitate movement and where such movement presents a likelihood of caribou mortality to occur?	x			"Terrestrial Environment Mitigation and Monitoring Plan" document, 'Movement Mitigation' section 3.3.3 (Page 52)	

Project Certificate (PC) Conditions

Name of Auditor:		BDO Canada LLP	
Date of Audit:		07/23/2019	

Completion Rate:			
Total # of audit questions with evidence provided supporting completion of the audit question		68	
Percentage of applicable audit questions with evidence provided supporting completion of the audit question		92%	

Concern #	PC Condition #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
26	173	26. The Proponent shall employ best practices and meet all regulatory requirements during all ship-to-shore and other marine-based fuel transfer events.	26. Does Baffinland ensure that it employs best practices and meets all regulatory requirements during all ship-to-shore and other marine-based fuel transfer events?	x			"Oil Pollution Emergency Plan-Milne Inlet" document, "Fuel Storage Facilities and Infrastructure" section 3.2 (Page 22) & "Tank Farm" section 8.3 (Page 55)	
27	174	27.a. The Proponent and the Canadian Coast Guard are required to provide spill response equipment and...	27.a. Does Baffinland and the Canadian Coast Guard provide spill response equipment?	x			"Spill at Sea Response Plan" document, "Spill Response Resources" section 10 (Page 36)	Interviewed IIBA Reporting Specialist - Baffinland has a Spill at Sea Response Plan (SSRP) and this plan details what assets at site are available for responding to spills. Any reliance on the Canadian Coast Guard would be outlined in that plan, however Baffinland has a contract with a company called OSRL (Oil Spill Response Limited) that will provide response assistance if we ever need it. The CCG as part of its own programming may have a cache of equipment in Pond Inlet, however if it's not mentioned in the SSRP it wouldn't be relevant.
		27.b. annual training to Nunavut communities along the shipping route to potentially improve response times in the event of a spill.	27.b. Does Baffinland and the Canadian Coast Guard provide annual training to Nunavut communities along the shipping route?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 429)	
Total				68	6	13		

**Inuit Impact and Benefit Agreement (IIBA) Commitments**

Inuit Impact and Benefit Agreement (IIBA) Commitments

Name of Auditor:		BDO Canada LLP	Completion Rate: Total # of audit questions with evidence provided supporting completion of the audit question 49 Percentage of applicable audit questions with evidence provided supporting completion of the audit question 86%				
Date of Audit:		07/23/2019					

Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
1	4.12 Annual IIBA Implementation Report	1.a. The Company will prepare the Annual IIBA Implementation Report required pursuant to Section 20.3 herein in order to summarize all reports generated in relation to the Project...	1.a. Has Baffinland prepared the Annual IIBA Implementation Report required (pursuant to Section 20.3 herein) in order to summarize all reports generated in relation to the Project?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document	
		1.b. Including reports by the Employment Committee and the Contracting Committee...	1.b. Does this include reports by the Employment Committee and the Contracting Committee?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document, 'IIBA Joint Committee Structure' section 1.2 (Page 7)	
		1.c. On environmental issues...	1.c. Does this include a report on environmental issues?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Page 50)	Interviewed IIBA Reporting Specialist - This report is on the environmental issues as it effects the Inuit.
		1.d. Social and cultural objectives...	1.d. Does this include a report on social and cultural objectives?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document	
		1.e. Financial provisions and participation...	1.e. Does this include a report on financial provisions and participation?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document	
		1.f. Inuit training and employment...	1.f. Does this include a report on Inuit training and employment?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document, 'Inuit Participation Report' section 2 (Page 11-42)	
		1.g. Contracts and economic benefits.	1.g. Does this include a report on contracts and economic benefits?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document (Page 40-43)	Interviewed IIBA Reporting Specialist - Throughout the document it describes economic benefits and contract benefits provided to the Inuit.
2	9.2.2 Shipping-related Relations Between QIA and the Company	2. The Company will appoint a senior manager responsible for maritime shipping.	2. Has Baffinland appointed a senior manager responsible for maritime shipping?	x			"2019 IIBA Annual Project Review Forum" document and noted on email "Message from Brian Penney, CEO - Jared Gardner joins us as our new Head of Shipping and Logistics" dated March 28, 2017	
3	9.2.4	3. The Company and QIA will establish a communications protocol to keep QIA and Inuit in the North Baffin communities and any other communities affected by Project-related maritime shipping, continuously informed about maritime shipping activities related to the Mary River Project.	3. Has Baffinland and QIA established a communications protocol to keep QIA and Inuit in the North Baffin communities and any other communities affected by Project-related maritime shipping, continuously informed about maritime shipping activities related to the Mary River Project?	x			"Learn more about Baffinland's shipping and marine monitoring programs" document, 'Communications' section (Page 5)	
4	9.2.5	4. The Company shall provide QIA and Inuit in the North Baffin communities and in other communities affected by Project-related maritime shipping, ship tracking information to ensure Inuit have knowledge of ship positions and paths and ship traffic in general in Foxe Basin and Hudson Strait.	4. Has Baffinland provided QIA and Inuit in the North Baffin communities and in other communities affected by Project-related maritime shipping, ship tracking information to ensure Inuit have knowledge of ship positions and paths and ship traffic in general in Foxe Basin and Hudson Strait?	x			"Learn more about Baffinland's shipping and marine monitoring programs" document, 'Communications' section (Page 5)	
5	9.3 Communication of Shipping Requirements for the Project	5.a. The Company shall keep QIA informed of the following information regarding shipping during all phases of the Project:  For Vessels and Vessel Traffic:	5.a. Has Baffinland kept QIA informed of the following information regarding shipping during all phases of the Project?  The following conditions are specific to vessels and vessel traffic:	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2018' section 3.1 (Page 39) & (Page 287-291)	
		5.b. Type of Vessel(s);	5.b. Type of Vessel(s)?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2018' section 3.1 (Page 39) & (Page 287-291)	
		5.c. Nature of cargo(s);	5.c. Nature of cargo(s)?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation, 'Site Activities Completed in 2018' section 3.1 (Page 39) & (Page 287-291)	
		5.d. Development of the MTMP, procedure for review, updates and amendment; <b>Unknown</b>	5.d. Development of the MTMP, procedure for review, updates and amendment?		x		N/A - not started	
		5.e. Standards for on-board communications and navigation equipment and procedures including ability to communicate with the Mine/Port Site;	5.e. Standards for on-board communications and navigation equipment and procedures including ability to communicate with the Mine/Port Site?	x			"Standing Instructions and General Information for Masters of Vessels Sailing to Milne Inlet Port (Sealift Edition)" document, "Milne Inlet Port" Section 3 (page 11)	
		5.f. Procedures to address Vessel traffic safety, including safety of small boat traffic along the shipping route;	5.f. Procedures to address Vessel traffic safety, including safety of small boat traffic along the shipping route?		x		N/A - not started	
		5.g. Hydrographic charting and placement of navigational aids along the shipping route;	5.g. Hydrographic charting and placement of navigational aids along the shipping route?	x			"Standing Instructions and General Information for Masters of Vessels Sailing to Milne Inlet Port (Sealift Edition)" document, 'Navigation Information' appendix 4 (Page 98-103)	
		5.h. Application of the Arctic Ice Regime Shipping System (AIRSS) to Vessels transiting;	5.h. Application of the Arctic Ice Regime Shipping System (AIRSS) to Vessels transiting?	x			"Ice and Marine Shipping Assessment Mary River Iron Ore Project North Baffin Island Nunavut Revision 2" document, 'Zone E- Steensby Inlet' section (Page 38-46)	
		5.i. Ballast water management procedures to be used by Vessels transiting along the shipping route;	5.i. Ballast water management procedures to be used by Vessels transiting along the shipping route?	x			"Ballast Water Management Plan" document, 'Regulatory Framework' section 1.5 (Page 6) & 'Ballast Water Management' section 2 (Page 9)	
		5.j. Ice classification for Vessels;	5.j. Ice classification for Vessels?	x			"Ice and Marine Shipping Assessment Mary River Iron Ore Project North Baffin Island Nunavut Revision 2" document (Page 37-44)	
		5.k. Identification of shipping route and process for changes to the route;	5.k. Identification of shipping route and process for changes to the route?	x			"Early Revenue Phase, Addendum to Final Environmental Impact Statement" document	
		5.l. Process and procedures for public consultation and for public notification with respect to Vessel transits;	5.l. Process and procedures for public consultation and for public notification with respect to Vessel transits?	x			"Learn more about Baffinland's shipping and marine monitoring programs" document, 'Communications' section (Page 5)	
		5.m. Vessel requirements for pollution control, including bilge discharges, sewage and garbage;	5.m. Vessel requirements for pollution control, including bilge discharges, sewage and garbage?	x			"Shipping and Wildlife Management Plan" document, 'Onboard Waste Management' section 5.4 (Page 39)	
		5.n. Requirements with respect to Oil Pollution Emergency Plans (OPEPS) under the Canada Shipping Act;	5.n. Requirements with respect to Oil Pollution Emergency Plans (OPEPS) under the Canada Shipping Act?	x			"Oil Pollution Emergency Plan-Milne Inlet (OPEP)" document, 'Oil Handling Facility Declaration' section (Page 9)	
		5.o. Identification of locations for emergency anchorages;	5.o. Identification of locations for emergency anchorages?		x		N/A - not started	
		5.p. Procedures for dealing with anticipated unusual Vessel traffic, including towing arrays; and	5.p. Procedures for dealing with anticipated unusual Vessel traffic, including towing arrays?		x		N/A - not started	



Inuit Impact and Benefit Agreement (IIBA) Commitments

<div><div><div>Name of Auditor:</div><div>BDO Canada LLP</div></div><div><div>Date of Audit:</div><div>07/23/2019</div></div></div>			<div><div>Completion Rate:</div><div><div>Total # of audit questions with evidence provided supporting completion of the audit question</div><div>49</div></div><div><div>Percentage of applicable audit questions with evidence provided supporting completion of the audit question</div><div>86%</div></div></div>					
Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
5 (cont'd)	9.3 Communication of Shipping Requirements for the Project (Cont'd)	5.q. Procedures for shipping requirements for any construction after commencement of Commercial Production;	5.q. Procedures for shipping requirements for any construction after commencement of Commercial Production?	x			"2018 Inbound Manifest-Milne Point" spreadsheet	Interviewed Sustainability Specialist - There are no separate requirements for Construction material shipping outside of the defined 'construction period'. These vessels still have to follow all operational requirements (for example, speed limit of 9 knots etc.).
6	9.4 Shipping Monitoring	6.a. The Company in consultation with QIA will facilitate and pay for training for Inuit ship monitors...	6.a. Has Baffinland, in consultation with QIA, facilitated and paid for training for Inuit ship monitors	x			"2018 Ship-Based Observer Program" document, 'MWO Training and Crew' section 1.3 (Page 4)	
		6.b. and to the extent such individuals are available for employment will hire trained Inuit to act as monitors.	6.b. If such individuals are available for employment does Baffinland hire trained Inuit to act as monitors?	x			"2018 Ship-Based Observer Program" document, 'MWO Training and Crew' section 1.3 (Page 4)	
		6.b. Inuit monitors on behalf of the Company and QIA will act as monitors on project related voyages that pose a significant environmental risk as agreed to by the Parties.	6.b. Have Inuit monitors, on behalf of Baffinland and QIA, acted as monitors on project related voyages that pose a significant environmental risk as agreed to by the Parties?	x			"2018 Ship-Based Observer Program" document, 'MWO Training and Crew' section 1.3 (Page 4)	Interviewed Sustainability Specialist - The individuals are located on vessels such as ice breakers which would pose a higher environmental risk. Also, the individuals are monitoring at the beginning and the end of the shipping season, which represent ice periods which are environmentally riskier and this timing was agreed to by QIA.
		6.c. In the event Inuit monitors are unavailable and if required as a continuing condition of the NIRB "Project Certificate", the Company will still ensure that ship monitors are present on voyages that pose a significant environmental risk.	6.c. In the event Inuit monitors are unavailable and if required as a continuing condition of the NIRB "Project Certificate", has Baffinland ensured that ship monitors are present on voyages that pose a significant environmental risk?	x			"2018 Ship-Based Observer Program" document, 'MWO Training and Crew' section 1.3 (Page 4)	
		6.d. The intent of establishing monitoring stations under Subsection 13.3.2 will be to complement or potentially substitute for the need for ship monitors. The Joint Executive Committee will periodically assess the effectiveness of ship monitoring and other monitoring methods as the Project evolves.	6.d. Has the Joint Executive Committee periodically assessed the effectiveness of ship monitoring and other monitoring methods as the Project evolves?		x		N/A - not started	
7	9.4.4	7.a. Shipping monitors shall prepare a written report of their activities after each voyage and summarizing the Year's activity.	7.a. Did shipping monitors prepare a written report of their activities after each voyage and summarize the year's activity?	x			"2018 Ship-Based Observer Program" document, 'Executive Summary' (Page 6)	
		7.b. The reports shall be delivered to the Joint Executive Committee and included in the Annual IIBA Implementation Report.	7.b. Were the reports delivered to the Joint Executive Committee and included in the Annual IIBA Implementation Report?		x		N/A - not delivered	Interviewed IIBA Reporting Specialist - This report was not delivered
8	9.6.4	8. The Company will ensure that all safety, spill response and operational plans and mitigation measures acknowledge, respect and protect the relationship of Inuit to the sea, sea ice and marine resources, including the rights of Inuit pursuant to Subsection 5.7.16 and subject to limitations on such rights set out in the NLCA, including Section 5.7.17, 5.7.18 and 5.7.25 when considering the operational needs of the Project	8. Has Baffinland ensured that all safety, spill response and operational plans and mitigation measures acknowledge, respect and protect the relationship of Inuit to the sea, sea ice and marine resources, including the rights of Inuit pursuant to Subsection 5.7.16 and subject to limitations on such rights set out in the NLCA, including Section 5.7.17, 5.7.18 and 5.7.25 when considering the operational needs of the Project?	x			"Shipping and Marine Wildlife Management Plan" document, 'Culture, Resources, and Land Use' section 6.1 (Page 47) & "Spill at Sea Response Plan" document, 'Environmental Information' Appendix 4 (Page 136)	
9	14.3 Annual Project Review Forum	9. The Parties agree to hold an Annual Project Review Forum (referred to in this Article 14 as the "Forum") at which QIA and the Company shall discuss Project related issues directly with members from impacted communities.	9. Did the Parties hold an Annual Project Review Forum (referred to in this Article 14 as the "Forum") at which QIA and Baffinland discussed Project related issues directly with members from impacted communities?	x			"2018 Annual Project Review Forum Report" document, 'Shipping' section ([Page 11-13)	
10	15.2 Mitigation and Monitoring	10.a. The Company will implement all mitigation measures or monitoring provisions, including those identified in the Final EIS and required by NIRB under the NIRB Project Certificate(s)...	10.a. Has Baffinland implemented all mitigation measures or monitoring provisions, including those identified in the Final EIS and required by NIRB under the NIRB Project Certificate(s)?		x		"Status of PC Conditions in 2018" document & "Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation , 'Summary of 2018 Compliance with Conditions' section 4.3 (Page 47)	Interviewed IIBA Reporting Specialist - Baffinland is only partially compliant as not all mitigation measures have been implemented, therefore evidence provided does not support the completion of the Audit Question.
		10.b. and other mitigation measures and monitoring provisions developed by the Company from time to time through the Environmental, Health and Safety Management System ("EHS System").	10.b. Have other mitigation measures and monitoring provisions developed by Baffinland from time to time through the Environmental, Health and Safety Management System ("EHS System")?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
			10.c.1. Does the project monitoring programme evaluate the accuracy of the project impact predictions?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		10.c. Project monitoring programs will evaluate the accuracy of the project impact predictions and significance determinations including assessments of the efficacy of all mitigation measures.	10.c.2. Does the project monitoring programme evaluate the significance determinations, including assessment of the efficacy of all mitigation measures?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	

Inuit Impact and Benefit Agreement (IIBA) Commitments

<div>Name of Auditor: BDO Canada LLP</div> <div>Date of Audit: 07/23/2019</div>			Completion Rate:					
			Total # of audit questions with evidence provided supporting completion of the audit question49		Percentage of applicable audit questions with evidence provided supporting completion of the audit question86%			
Concern #	Amended IIBA Article Reference #	Commitment Statement	Audit Question	Evidence Provided			Documented evidence	Interview notes
				Yes	No	Non-applicable		
11	15.3.4 EHS System	As part of the EHS System the Company agrees to undertake a series of monitoring programs on a continuous basis for the following purposes:	As part of the Baffinland EHS System, is there a series of monitoring programs on a continuous basis for the following purposes:	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		11.a. To supplement the baseline data;	11.a. To supplement the baseline data?					
		11.b. To comply with environmental, regulatory and contractual requirements;	11.b. To comply with environmental, regulatory and contractual requirements?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		11.c. To validate the predictions relating to the potential effects;	11.c. To validate the predictions relating to the potential effects?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		11.d. To improve management plans;	11.d. To improve management plans;	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		11.e. To support and refine adaptive management processes and procedures; and	11.e. To support and refine adaptive management processes and procedures?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		11.f. To address new or additional issues identified and agreed to by the Parties from time to time.	11.f. To address new or additional issues identified and agreed to by the Parties from time to time?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
12	15.6. 2 Final EIS Impact Projections – Different or Greater Significance of Foreseen Impacts	12.a. If the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrates that the significance of residual adverse impacts foreseen by the Final EIS Impact Projections are determined to be significant and materially greater than described in the Final EIS...	12.a. Has the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrated that the significance of residual adverse impacts foreseen by the Final EIS Impact Projections are determined to be significant and materially greater than described in the Final EIS?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		12.b. (T)hen the Company shall carry out appropriate measures as contained in the EHS System.	12.b. If so, did Baffinland carry out appropriate measures as contained in the EHS System?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation (Page 31, 43, 55, 65, 75, 97, 119, 139, 176, 200, 250, 318, 337, 353, 363, 375, 389, 399, 415, 417, 424, 435)	
		12.c. These measures will be reviewed by the Forum pursuant to Article 14 and by the Joint Executive Committee pursuant to Section 14.14.	12.c. Have these measures been reviewed by the Forum pursuant to Article 14 and by the Joint Executive Committee pursuant to Section 14.14?	x			"2018 Inuit Impact and Benefit Agreement (IIBA) Annual Implementation" document, 'Engagement Highlights' section (Page 54 & Page 70)	Interviewed IIBA Reporting Specialist - See page 70 for documented evidence of forum and page 74 for list of attendees and participants at forum
13	15.8 Environmental Monitors	13.a. The Company shall pay QIA the cost to fund a full-time presence on site for Environmental Monitors to be appointed and employed solely by QIA...	13.a. Has Baffinland paid QIA the cost to fund a full-time presence on site for Environmental Monitors to be appointed and employed solely by QIA?	x			"Environmental Monitor Operating Procedures Manual" document, 'Description of the IIBA & Environmental Monitor Commitment' (Page 4)	Interviewed IIBA Reporting Specialist - Baffinland funds QIA's costs to hire and employ staff (Environmental Monitors) working on site
		13.b. who shall be in attendance on site at the Project...	13.b. Are the Environmental Monitors in attendance on site at the Project provide written reports to QIA and Baffinland?	x			"Project Status Report" document for February 27, 2019 – March 13, 2019, compiled by Karen Nungaq, QIA Environmental Monitor	Interviewed IIBA Reporting Specialist - Written report documents the Environmental Monitors presence at the site of the Project.
		13.c. and provide written reports to QIA and the Company.	13.c. Do They provide written reports to QIA and Baffinland?	x			"Project Status Report" document for February 27, 2019 – March 13, 2019, compiled by Karen Nungaq, QIA Environmental Monitor	
		13.d. The Environmental Monitors shall attend the Project site with a copy of all environmental approval conditions, including any applicable NIRB project certificate conditions...	13.d. Have the Environmental Monitors attended the Project site with a copy of all environmental approval conditions, including any applicable NIRB project certificate conditions?	x			"Environmental Monitor Operating Procedures Manual" document, 'Description of the IIBA & Environmental Monitor Commitment' (Page 7 and 8)	Interviewed IIBA Reporting Specialist - Baffinland has made all materials available to on-site Environmental Monitors as part of their on-boarding.
		13.e. and shall work with representatives of the Company's environmental department to, inter alia, ensure the proper and adequate implementation of all management and monitoring plans specific to the physical environment.	13.e. Do Environmental Monitors work with representatives of the Baffinland's environmental department to, inter alia, ensure the proper and adequate implementation of all management and monitoring plans specific to the physical environment?	x			"Environmental Monitor Operating Procedures Manual" document, 'Description of the IIBA & Environmental Monitor Commitment' (Page 7 and 8)	
14	15.10 regulatory Affairs	14.a. The Company will comply with all regulatory requirements associated with the Project, as described in their Sustainability Policy...	14.a. Has Baffinland complied with all regulatory requirements associated with the Project as described in their Sustainability Policy?	x			"Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation, 'Performance on Compliance with Regulatory Instruments' section 4.5 (Page 49)	
		14.b. including but not limited to the NIRB Project Certificate...	14.b. Has Baffinland complied with all regulatory requirements associated with the Project as described the NIRB Project Certificate?		x		"Status of PC Conditions in 2018" document & "Baffinland Iron Mines 2018 Annual Report to the Nunavut Impact Review Board" presentation , 'Summary of 2018 Compliance with Conditions' section 4.3 (Page 47)	Interviewed IIBA Reporting Specialist - The Annual reports outlines the status of compliance with terms and conditions of the PC. Since they are not 'all' marked as compliant, evidence provided does not support the completion of the Audit Question.
		14.c. and all Nunavut Water Board licenses related to the Project.	14.c. Has Baffinland complied with all regulatory requirements associated with the Project as described in all Nunavut Water Board licenses related to the Project?	x			Type A Water License 2AM-MRY1325 Type B Water License 2BE-MRY1421	Interviewed IIBA Reporting Specialist - Baffinland has complied with all regulatory requirements associated with the Project as described in all Nunavut Water Board licenses related to the Project, as described in the license renewals.
Total				49	8	0		