

APPENDIX 10F
SOCIO-ECONOMIC ENVIRONMENT MANAGEMENT PLANS

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APPENDIX 10F-1

STAKEHOLDER ENGAGEMENT PLAN



**BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT**

STAKEHOLDER ENGAGEMENT PLAN

EXECUTIVE SUMMARY

The Stakeholder Engagement Plan (SEP) establishes the approach, strategy and means by which Baffinland Iron Mines Corporation (Baffinland) will communicate with Mary River Project (the Project) stakeholders. It draws on the knowledge gained from past consultation and engagement practices, and focuses on maintaining and improving existing stakeholder relationships. Engagement will be of particular importance during the construction phase of the Project, as relationships are developed and solidified. As the Project moves forward, the SEP will be refined and updated to provide relevant engagement guidance specific to subsequent phases of the Project.

The North Baffin communities adjacent to the Project are Pond Inlet, Igloolik, Hall Beach, Clyde River and Arctic Bay. In addition, Iqaluit the territorial capital of Nunavut will continue to be one of the primary service centres for the Project. These communities comprise the Project's social zone of influence and were selected based on existing and historical socio-economic and/or ecosystemic ties to the Project area, and their geographic proximity to the Project. The communities of Cape Dorset and Kimmirut have an interest in specific aspects of the Project due to their proximity to the shipping lane.

The SEP provides guidance on communicating effectively with Inuit and other stakeholders. It describes the types of materials that may be used to support that engagement and defines the objectives, the approach and the types of engagement activities that may be employed during the construction phase. It also describes who is responsible for implementing, monitoring and reporting on the engagement programs.

The complaints management process is also presented, detailing the process by which Baffinland intends to deal with stakeholder complaints about the Project. This process defines the procedure for recording, screening, resolving, monitoring, reporting, record keeping and archiving all activities associated with the complaints process.

The SEP presents specific commitments to organize and systematically implement the concepts presented in the plan, commitments for consultation and engagement with a variety of stakeholders, and commitments to engage employees in the development of the Mary River Project.

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APPENDICES

Appendix A Stakeholder Engagement Plan

Appendix B Complaints Resolution Mechanism

Appendix C Stakeholder Engagement Plan

SECTION 1.0 - INTRODUCTION

Active stakeholder engagement has been a priority of Baffinland since the company's inception. The Stakeholder Engagement Plan (SEP) reflects Baffinland's commitment to stakeholder engagement, and outlines its approach to consultation and disclosure. During construction and operations, the focus of engagement will be on maintaining and improving existing stakeholder relationships. The SEP will thus evolve accordingly.

1.1 OVERVIEW AND OBJECTIVES

Stakeholder engagement is a means of maintaining community partnership and helping to ensure that local communities become beneficiaries of the Project. The Stakeholder Engagement Plan (SEP) emphasizes the importance of informing stakeholders and highlights the need for effective communication. It encompasses a range of activities spanning the life of the Project, and is strongly dependent on meaningful multi-directional communication.

Building local confidence and strong relationships with communities will enhance Baffinland's reputation in the communities and with all stakeholders. The SEP is intended to outline a systematic program for effective communications. It is a best practice standard and a cornerstone of corporate responsibility. It is about listening, learning, and responding to community concerns.

Stakeholder engagement is aimed at the consideration of meaningful stakeholder input into Project issues and decision making. The objectives of this SEP are to:

- To provide up-to-date information about the Project to the public, applicable regulatory agencies, and particularly to residents of communities likely to be most affected by the Project;
- Involve the public in determining how to best deliver that information (i.e., type of information required, translation and interpretation of the needs, formats of community meetings, etc.);
- Ensure that parties have the opportunity to understand and meaningfully engage in the processes initiated by the project;
- Improve internal decision making processes;
- Reduce the potential for disputes through improved understanding and awareness;
- Identify significant issues so that they can be addressed in Project planning and design (if appropriate);
- Reduce business and reputation risks;
- Build buy-in, trust, and ownership of findings;
- Share information regarding project activities;
- Obtain local and traditional knowledge that may affect business;
- Facilitate consideration of alternatives, mitigation measures, and trade-offs;
- Focus priorities so that potential adverse impacts are mitigated and project benefits are enhanced; and
- Bring in additional knowledge and expertise from potential partners (e.g. communities, academic researchers, government agencies).

Engagement lays the groundwork for long-term and harmonious relationships with the people who affect or are affected by the Project.

1.2 STAKEHOLDER ENGAGEMENT PRINCIPLES

As a member of the Mining Association of Canada (MAC), Baffinland is committed to MAC's "Towards Sustainable Mining" Guiding Principles (MAC, 2004). These Principles set the standard for Canadian mining companies to operate in a manner which respects the needs and values of affected individuals and parties. Subscribing to these Principles commits Baffinland to carry out the Project with respect, transparency and with meaningful stakeholder participation.

For Baffinland, stakeholders include the individuals and groups who have, or believe they have, an interest in the management of decisions about Baffinland's operations that may affect them. This includes: employees, contractors, Aboriginal or indigenous peoples and communities of the area, mining community members, suppliers, customers, environmental organizations, government and regulatory agencies, the financial community, and shareholders.

1.3 UNDERSTANDING THE TERMS

The following key terms are used throughout this document. These definitions are consistent with those outlined by relevant leading industry standards and other relevant guidelines and documents.

Public Consultation

Public consultation is a vehicle for facilitating two way communications for the Project. It provides an avenue for the residents of potentially affected communities, organizations, government institutions, Project lenders, and Baffinland to improve their decision-making process while fostering a culture of understanding and participation. Consulting with stakeholders involves dialogue with those persons or groups who have the ability to influence the Project's outcome.

Disclosure

Effective consultation includes culturally appropriate disclosure of information to stakeholders in a timely and ongoing fashion. Information disclosure is critical if stakeholders are to have meaningful input and participation in the decision-making process. The approach thus assumes that participation will enable stakeholders to identify their diverse objectives, flag problems and conflicts, and contribute to their resolution.

Potentially Affected Communities

The Nunavut Impact Review Board (NIRB) identifies **Potentially Affected Communities** within the regulatory process as communities (i.e., municipalities) that are expected to be ecosystematically or socio-economically influenced by the project, that is, "**where Inuit land use and occupancy (past, present and**

future) should be considered” as well as to *“the extent to which traditional land use and Inuit harvesting could potentially be affected by the Project”* (NIRB, Nov 2009).

Stakeholder Engagement

The term “stakeholder engagement” is emerging as a means of describing a broader, more inclusive, and continuous process between a company and those potentially impacted that encompasses a range of activities and approaches and spans the entire life of a project. The growing use of this term reflects broader changes in the business and financial worlds, which increasingly recognize the business and reputational risks that come from poor stakeholder relations, and place a greater emphasis on corporate social responsibility, transparency and reporting.

Engagement Levels

As a pre-amble to the rest of this SEP, there are different levels of engagement as portrayed in Figure 1.

- Information: One-way flow from the Company to stakeholders
- Consultation: The opportunity for two-way exchange of information
- Participation: Active, multi-directional interaction and more intensive forms of consultation
- Negotiation: Face-to-face discussions with the intent of reaching agreement on a specific issue

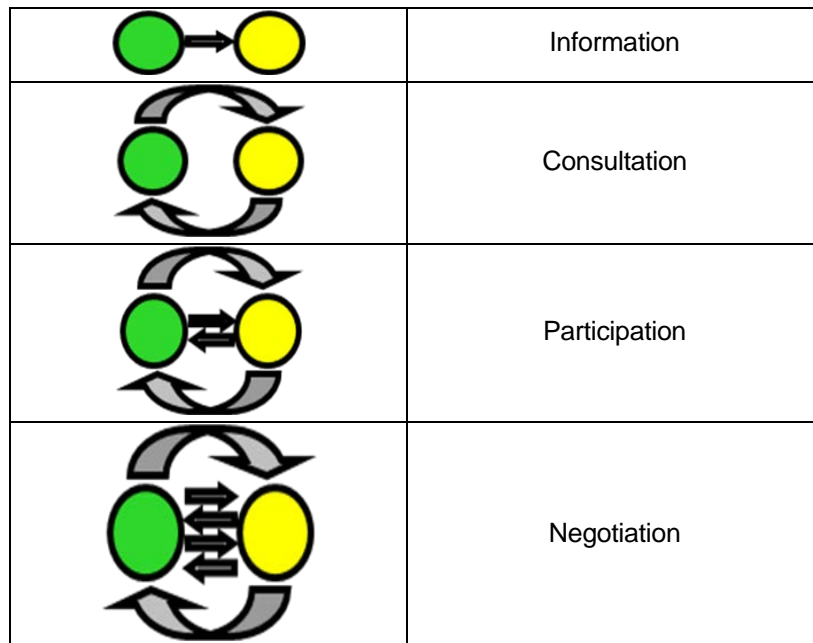


Figure 1.1 Stakeholder Engagement Levels

While these levels are identified in the International Finance Commission’s handbook on stakeholder engagement, the definitions listed above were created specifically for this SEP.

SECTION 2.0 - APPROACH TO STAKEHOLDER ENGAGEMENT

To achieve the objectives of the stakeholder engagement plan, Baffinland has established a program that includes a range of activities, including disclosure of materials, meetings, workshops, and other venues with local communities, local, regional and national governments, as well as other stakeholders including non-government organizations (NGOs). Media interactions and Territorial level round-table exercises have also been conducted and is ongoing.

2.1 STUDY AREA AND SOCIAL ZONE OF INFLUENCE

"Potentially Affected Communities" are expected to be ecosystematically or socio-economically influenced by the Project. They represent the communities "*where Inuit land use and occupancy (past, present and future) should be considered*" as well as to "*the extent to which traditional land use and Inuit harvesting could potentially be affected by the Project*" (NIRB, Nov 2009).

In this context, Baffinland views the communities of Baffin Island in three categories:

- Category 1: Communities in the immediate vicinity of the Project, which have existing and historical socio-economic and/or ecosystemic ties to the Project area, and for which the Project has a direct impact on the traditional land use of their residents. These are the communities of Pond Inlet, Arctic Bay, Igloolik, Hall Beach and Clyde River.
- Category 2: Communities with a potential interest in the Project due to their location along the shipping lanes, and therefore have a biophysical tie to the Project. These are the communities of Cape Dorset and Kimmirut.
- Category 3: The community of Iqaluit which will be impacted due to its commercial and institutional importance in Nunavut.

Public consultation initially focused on the Category 1 communities and Iqaluit and more recently have focused on all communities. Socio-economic studies have focused on Category 1 communities and Iqaluit (the Category 3 community) since these communities are expected to be most affected socio-economically. The ties of the individual communities to the Project are described in more detail below:

Category 1 Communities

- **Pond Inlet** is geographically the closest community to the Mary River mine site, located approximately 160 km northeast of Mary River. Pond Inlet relies on hunting in the marine environment of Eclipse Sound and Milne Inlet as well as caribou hunting through the Mary River area. As such, it has the closest land use, historical and ecosystemic ties to the Mary River area.

- **Igloolik** is located on the mainland but is the closest community to the Steensby port site (155 km) and second closest geographically to the Mary River Site (230 km). Historically, Igloolikmiut spent the summer hunting caribou along the western side of North and Central Baffin Island. Current harvest patterns show that while Igloolikmiut utilize the Baffin coast and marine areas at the mouth of Steensby Inlet, their activities are heavily concentrated around the community on Melville Peninsula and the closest Baffin Island shoreline to the north. Igloolikmiut still hunt around Rowley and Koch Islands and even in Steensby Inlet; thus, the Project shipping route through this area may have both land use and ecosystemic effects on the community.
- **Hall Beach** is located on the mainland just south of Igloolik, some 192 km from the Steensby port site and 288 km southwest of the Mary River site. Hall Beach harvest patterns are distinct from Igloolik despite their proximity, with a concentration of marine harvesting centred on the Hall Beach area. Some hunting occurs on Baffin Island intermixed with Igloolikmiut hunting, including in and around Rowley and Koch Islands and Steensby Inlet; thus, the Project shipping route through this area may have both land use and ecosystemic effects on the community.
- **Arctic Bay** is located on northern Baffin Island, some 280 km northwest of the Mary River site. Harvest and land use patterns indicate that the effect of Project activities on these current patterns of Arctic Bay residents is less than what it would have been historically. Arctic Bay residents may use the Milne Inlet, Eclipse Sound and Mary River areas for hunting on a sporadic or occasional basis but other geographic areas are more important to this community's land use.
- **Clyde River** is located in northeastern Baffin Island some 415 km from the Project area. Historical land use information and discussions with elders from various communities suggest that the people of the Clyde River area used to travel inland from Cambridge Fiord facing Baffin Bay, into the Ravn River area east of Angajurjua Lake and southeast of Mary River. Harvest patterns suggest that contemporary land use activities are now concentrated closer to the community, however, historical ties to the Mary River area have resulted in the inclusion of this community in the study area.

Category 2 Communities

- **Cape Dorset and Kimmirut**

The communities of Kimmirut and Cape Dorset are located on South Baffin Island (Category 2). While Project ships pass near to the communities through Hudson Strait, recent harvest data for Cape Dorset and Kimmirut suggest that hunting activities are very concentrated along the coast but do not extend far into Hudson Strait. This is because the ice is mainly first year ice in restricted motion; as such, harvesting activities are physically restricted to the near shore of the Strait because of dangerous ice conditions.

Category 3 Community

- **Iqaluit** is both geographically and ecosystemically well removed from the Project area, but is inherently tied to the Project in a socio-economic sense. This is due to the presence of government/regulatory agencies with whom the Project must interact and also the need to pass through Iqaluit to access other Nunavut communities from other parts of Canada. The size of the city and its developed commercial economy make Iqaluit a logical procurement centre and one of the points-of-hire for the Project. It is conceivable that some mine employees who were originally based in other Baffin communities may opt to move to Iqaluit due to its amenities and relative lower cost of living.

In 2007, Baffinland initially established Baffinland liaison officer offices in the five Category 1 communities in the North Baffin. Baffinland has continued to maintain these offices in two of these communities to organize and facilitate its employment initiatives (Pond Inlet and Igloodik). The Category 1 communities have had fly-in fly-out service to the Mary River site to support the Bulk Sampling Program and the current exploration program.

In August, 2011, Baffinland Iron Mines Corporation hired a Senior Manager of Northern Affairs based in Iqaluit. One of the position's immediate tasks at this time was to get the new office in Iqaluit operational. The main priorities for the Senior Manager Northern Affairs are to strengthen relationships and partnerships with communities, regulatory agencies, businesses as well as other stakeholders. In addition to filling the position of Senior Manager Northern Affairs, Baffinland recently (November 2011) hired an Administration/Liaison position in Iqaluit and intends, in the first quarter of 2012, to fill the three vacant Baffinland Liaison Officer positions in Clyde River, Hall Beach, and Arctic Bay.

Other communities in the Qikiqtani Region were also considered in terms of potential Project interactions, but baseline investigations did not identify any current or historic socio-economic or ecosystemic ties to the Project area. Additionally, each of these communities is found at least 500 km from the Project area. Although Baffinland intends to focus on the five, Category 1 North Baffin communities as its direct points-of-hire, qualified workers from other Inuit communities will also be welcomed in becoming members of the Project workforce.

Qikiqtarjuaq, Pangnirtung, Grise Fiord and Resolute were considered, but are geographically and socio-economically well-removed from the Project area. All Project activities, including shipping routes, are located far from these communities and their land use patterns do not encroach on areas that may be affected by the Project.

2.2 APPROACH TO STAKEHOLDER ENGAGEMENT

The objectives of the SEP are presented in Section 1.1. In order to achieve these objectives and facilitate meaningful consultation and community engagement, Baffinland used the following approach:

- Formally identify and analyze stakeholders (Section 2.0);

- Involve appropriate stakeholders in “scoping” the EIS;
- Disclose stakeholder concerns regarding environmental, cultural, social, and health impacts;
- Use engagement as a means to identify other potential impacts and to enhance mitigation planning;
- Deploy Baffinland Liaison Officers to inform and facilitate access to and for local people;
- Maintain involvement with government-led consultation;
- Integrate stakeholder information access across project planning;
- Report to stakeholders on evolving project design;
- Document stakeholder engagement activities and results; and
- Give feedback to stakeholders on the development process.

Balancing multiple considerations and concerns (of investors, communities, workers, etc.) is an important component of stakeholder engagement. Baffinland’s intent is to develop the project in such a way as to ensure every stakeholder gains something beneficial, while no one loses out in a significant way. Some of the various considerations the Mary River Project must balance are presented graphically below

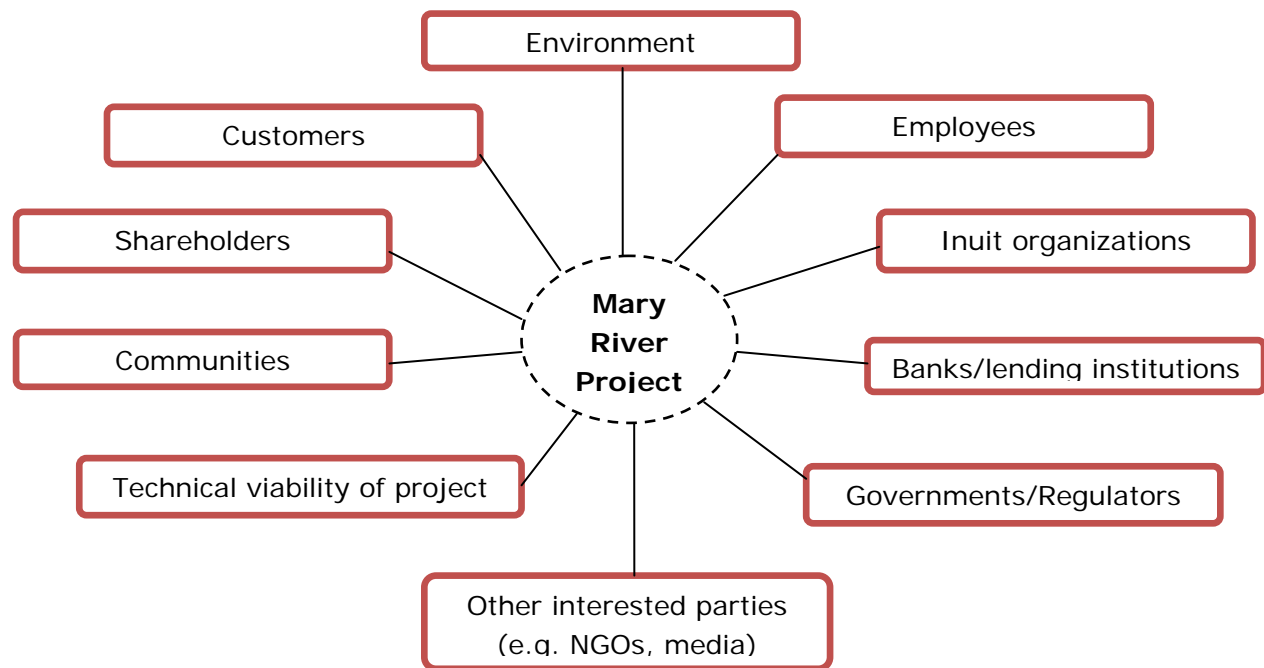


Figure 2.1 Considerations for Stakeholder Engagement Plan

2.3 STAKEHOLDER IDENTIFICATION, ANALYSIS AND TRACKING

2.3.1 Identification Process

Stakeholder identification for the Project was originally initiated during work on environmental and socio-economic baseline studies in 2004, and has been revised and updated in subsequent years. Stakeholder identification and initial consultation was achieved by conducting government, institutional and household interviews, carrying out surveys, reviewing statistical data, and hosting community focus group discussions. Specifically, stakeholders were identified through the following means:

- Past engagement activities on the project, including pre-consultation activities and permitting of the current project activities
- Development of inventories of community-based organizations by Baffinland Liaison Officers in North Baffin communities.

Table 2.1 lists Project stakeholders, grouped according by level of government, type, or organization. This list has formed the basis for analyzing and prioritizing stakeholders to determine who the Project will engage with, track, and monitor.

Table 2.1 Project Stakeholder/Organization

| FEDERAL AGENCIES | |
|---|---|
| Aboriginal Affairs and Northern Development Canada | Health Canada |
| Canadian Coast Guard | Parks Canada (Sirmilik National Park of Canada) |
| Department of Fisheries and Oceans | Natural Resources Canada |
| Environment Canada (Canadian Wildlife Service, Water Survey of Canada, Canadian Ice Services, Canadian Hydrographic Services) | Transport Canada |
| TERRITORIAL GOVERNMENT AGENCIES | |
| Department of Community and Government Services | Department of Executive and Intergovernmental Affairs |
| Department of Culture, Language, Elders and Youth | Department of Finance |
| Department of Economic Development & Transportation | Department of Health and Social Services |
| Department of Education | Nunavut Research Institute |
| Department of Justice | Workers Safety and Compensation Commission |
| Department of Environment | Qikiqtani Socio-Economic Monitoring Committee |
| INSTITUTES OF PUBLIC GOVERNMENT | |
| Nunavut Impact Review Board | Nunavut Water Board |
| Nunavut Planning Commission | Nunavut Wildlife Management Board |
| INUIT ORGANIZATIONS | |
| Inuit Heritage Trust Incorporated | Qarjuq Elders Committee (Pond Inlet) |
| Inullariit Elders Society | Qikiqtani Inuit Association |
| Qikiqtaaluk Corporation | Kakivak Association |
| Nunavut Tunngavik Inc. | |

| COMMUNITY ORGANIZATIONS | |
|-----------------------------------|---|
| Arctic Bay HTA – Ikajutit | Hamlet of Pond Inlet |
| Clyde River HTA – Namautaq | Hamlet of Pond Inlet Economic Development Committee |
| Hall Beach HTA | Igloolik HTA |
| Hamlet (Municipality) of Igloolik | Mittimatalik Hunters and Trappers Organization |
| Hamlet of Arctic Bay | Hamlet of Arctic Bay Economic Development Committee |
| Ilisaqsivik Society (Clyde River) | |

2.3.2 Ongoing Analysis and Tracking

As the Mary River Project develops, Baffinland has transitioned to a more formalized document control system. Baffinland records of meetings with stakeholders at the local and territorial levels are now formatted in mandatory consultation documents and then uploaded to a platform, dated and archived and subsequently interlinked and cross referenced as to relevant topics and issues in a unique software which was developed specifically for the Mary River Project.

Data entry includes the uploading of all historical documentation including: contacts, meetings, meeting reports, discussed commitments, refused commitments and agreed upon commitments, media related to the Mary River Project, Baffinland Iron Mines Corporation and surrounding topics into one of two components of the software:

1. Contact Manager
2. Commitment Manager

Contact Manager: This software is designed to track and document consultations; meetings, reports issued, emails, teleconferences, etc. A consultation record template has been designed with fields to collect necessary information, so that consultation record can be easily incorporated into the Contact Manager software. Descriptions of the fields are summarized in Table 2.2.

Commitment Manager: This software is designed to track and consolidate stated commitments from all the various sources (agreements, IIBA, permitting, licensing requirements, community consultations, hearings, EIS, etc.). The software is now in place, and will require effort over the next few months to consolidate, record and review the commitments.

As the Project continues to move through the permitting phase, Baffinland will use this formal stakeholder tracking system. This system has been designed to keep track of engagement activities, important comments or issues mentioned at meetings, associated company responses, as well as commitments made to different stakeholder groups.

Table 2.2 Consultation Record Fields

| Category | Description |
|----------------------------|---|
| Date | |
| Communication type | Type of interaction (face-to-face meeting, teleconference, etc.) |
| Stakeholder / organization | The name of the individual(s) and role/position(s) |
| Objectives | Objectives of the meeting |
| Key issues | Describe main issues (e.g., want employment, concerned about social or environmental impacts) |
| Summary | Summary of the discussion |
| Follow-up | If follow-up is required or complete, follow-up date (if applicable), and follow-up details |
| Notes | Detailed notes on the discussion and outcomes |

2.4 CULTURAL SENSITIVITY

In the most general sense, the “public” are primarily Inuit residents of the affected communities: Pond Inlet, Igloodik, Arctic Bay, Clyde River and Hall Beach (Category 1 communities). While non-Inuit community members are considered stakeholders as well, Inuit culture creates an additional set of needs to be considered during stakeholder engagement. In order to achieve meaningful consultation with Inuit communities, the targeted communities must understand the messages communicated within the process of dialogue. To this end, the following cultural sensitivities must be considered:

- Attention must be paid to scheduling engagement initiatives. There are certain times of the year that the community feels are inappropriate for the Company to schedule meetings or other activities. Seasonal use of the land and the spending of time with family take priority in the spring, in the summer when the ice has broken up, and during the holiday season. The Company should avoid holding meetings, as much as possible, at these times.
- Inuit Qaujimajatuqangit (traditional knowledge, beliefs and values) should be respected at all times.
- Conflict is to be avoided; the desire to avoid conflict, especially with the older generations, may mean that some members of the community may be hesitant to bring up issues which are potentially contentious. It is important for the Company and its representatives to specifically encourage the older generations to share both positive and negative comments and opinions.
- Relationships are extremely important to Inuit, as well as honesty and the maintenance of social harmony. The Company should consider all levels of engagement as contributing to a long-term and meaningful relationship with the communities.
- Listening is a valuable tool in community engagement - silence when a community member is speaking, and allowing the member to finish what they have to say is a form of respect.

- Inuit often use non-verbal means to communicate.
- Thoughtful and correct response to a local person's comment or question is more important than an immediate answer.
- If commitments are made to the community, whether regarding information, action or initiatives, they must be followed up on. Baffinland has developed a detailed commitment software to ensure that this will be the case. The recording of all forms of stakeholder communication – Information, Consultation, Participation and Negotiation – will also ensure that there is absolute clarity over topics which are not formal commitments.
- The engagement process has so far been more accommodating to men; women are less likely to attend or participate in public forums. Special consideration should be given to ensuring that women's views are adequately represented.

Most community members have little experience with mining development or the processes arising from industrial development. Therefore, all levels and forms of engagement should consider that:

- Local people may not be fully aware that they are welcome to participate in the process. Special effort should be made to welcome all members of the communities to attend workshops, meetings and other activities.
- Terminology and concepts used in public presentations and reports should be accessible to, and understandable by non-specialists. This includes avoiding the use of acronyms whenever possible.
- Presenters should speak slowly, clearly, and in small blocks to ensure that interpreters can keep up and communicate the information accurately.
- Visual images (photographs, posters, videos) are often more useful than oral descriptions, especially where people have no previous experience with a concept or topic.
- Oral transmission of information, especially over the local community radio stations, is in many cases, preferable to written information.
- Inuktitut is the first language of most community members. Every attempt must be made to have oral information interpreted and written information translated into Inuktitut.

2.5 BAFFINLAND LIAISON OFFICERS AND COMMUNITY AUDIENCES

In order to better communicate with Category 1 communities, Baffinland has created the position of Baffinland Liaison Officers, who act as the company representative in the directly impacted communities.

Baffinland Liaison Officers can play a major role in all aspects of stakeholder engagement, and most notably where the stakeholders are members of the particular community, in which the BAFFINLAND LIAISON OFFICER both lives and is employed. Baffinland Liaison Officers can effectively bridge the cultural gap between the communities and Baffinland and thus provide an important link between their community and Baffinland. Baffinland Liaison Officers can often more effectively disseminate information on company operations than an outsider could, and are similarly knowledgeable about community activities that could affect company operations. For example, cultural nuances, important community events and seasonal harvesting activities can be identified by the Baffinland Liaison Officers and planned for accordingly. Baffinland Liaison Officers play a crucial role in arranging meetings in local communities, including booking meeting venues, translators, and accommodation.

The ability to relate on a personal level, and in the first language of community stakeholders, may help to create a level of comfort and openness that might not otherwise occur. It is important to note that local stakeholders will likely place a high value on the creation of long-term relationships with the Company and its representatives.

Baffinland intends to maintain five Baffinland Liaison Officers in the Category 1 communities (Arctic Bay, Pond Inlet, Clyde River Igloolik and Hall Beach). All of these positions will report to the Senior Northern Manager in Iqaluit, supported by an Administrator, also based in Iqaluit.

2.6 LOCALLY SOURCED PROJECT EMPLOYEES

Local people hired on the Project have the capacity to become valuable channels for communication between the Company and the communities. Having first-hand knowledge, or “seeing with one’s own eyes” is important to Inuit, and thus the knowledge and opinions of people who have worked at the Mary River site are held in high esteem, and acknowledged as “truth.” Therefore, it is important to facilitate the communication of experiences had by locally hired employees, both positive and negative, and then train employees to help facilitate the receipt of stakeholder input on how to limit adverse impacts and maximize benefits.

Local employees may also function as a valuable source of information for the Company to gauge how the communities are responding to their activities and initiatives. As “ears to the ground,” they can be encouraged by the Company to provide insight and feedback on the Project.

2.7 STAKEHOLDER ENGAGEMENT ACTIVITIES BY PROJECT PHASE

Table 2.3 presents the range of stakeholder engagement activities that may be utilized in the various phases of the Project, from conception through feasibility/environmental review to construction, operations and beyond.

Table 2.3 Stakeholders Engagement Activities by Project Phase

| Project Phase | Key Activities |
|---|---|
| Feasibility Study and environmental studies (complete or in-process) | <ul style="list-style-type: none"> • Baffinland liaison officers recruited for some of the Communities assisted environmental and social science specialists on EIS studies • Interviews with stakeholder representatives and key informants • Participatory techniques used to consult with focus groups on impact-specific topics • Formal meetings • Participatory techniques used to consult with stakeholders most disadvantaged by the project • Stratified sample interviews • Public meetings • Newsletters • Open houses in Baffinland Liaison Officer offices • Radio and TV broadcasts • IIBA negotiation meetings • Workshops |
| Construction and Operations (to come) | <ul style="list-style-type: none"> • Participatory monitoring • Grievance mechanisms (various) • Targeted consultation, e.g. on specific stakeholder groups • Internet-based consultation, including access to monitoring data • Stakeholder perception surveys and follow-up • Simplified sample interviews • Newsletters • Radio and TV broadcasts • Open houses in Baffinland Liaison Officer offices • IIBA, Management and Executive Committees • Specific workshops |
| Consultation on new issues and concerns (ongoing) | <ul style="list-style-type: none"> • Household questionnaires with project-affected people • Interviews with key informants and stakeholder representatives • Stakeholder events and gatherings • IIBA, Management and Executive Committees |

SECTION 3.0 - DISCLOSURE MATERIALS

3.1 GUIDELINES FOR THE PREPARATION OF DISCLOSURE MATERIAL

All stakeholders value truth and transparency. These attributes are critical when dealing with both stakeholders who have no previous knowledge or understanding of the Project or associated processes, as well as for those who are already engaged in the processes. The following guidelines apply for the preparation of disclosure material:

- Understand the different needs and abilities of stakeholder groups to process information, and tailor materials accordingly;
- Do not assume that all stakeholders possess an understanding of business practices and protocols;
- Be clear and consistent in describing impacts and what the Project can deliver;
- Plan ahead and anticipate issues;
- Create robust procedures for developing disclosure materials;
- Make sure there is a “consistent message” in the materials disclosed;
- Get sign-off from managers on key facts and figures;
- Do not portray a more favourable situation than actually exists;
- Explain uncertainties and their limits (e.g., by describing “most likely,” “best” & “worst case” scenarios);
- Make information meaningful and accessible (culturally appropriate) and use images to assist in descriptions where appropriate;
- Release sensitive information in face-to-face meetings only (e.g. IIBA benefits); and
- Provide an avenue for affected people to get more information on topics that interest or concern them.

3.2 TYPES OF MATERIALS

Table 3.1 presents the types and uses of engagement materials that Baffinland will consider using in the future and explains the advantages and disadvantages of their use.

Table 3.1 Types of Engagement Material

| Technique | Description and Use | Advantages | Disadvantages |
|--|--|---|---|
| Level I Education & Information Provision | | | |
| Leaflets/Brochures/ Fact Sheets | Used to convey information; care should be taken in distribution | Can reach a wide audience or be targeted | Information may not be understood or may be misinterpreted. Most Inuit prefer oral information to written materials |
| Newsletters | May involve a series of publications; care should be taken in distribution | Ongoing contact, flexible format can address changing needs and audiences | Not everyone will read a newsletter |

| Technique | Description and Use | Advantages | Disadvantages |
|--|--|---|---|
| Unstaffed Exhibits/Displays | Set up in public areas to convey information | Can be viewed at a convenient time and at leisure; graphics can help visualize proposals | Information may not be understood or may be misinterpreted |
| Local Newspaper Article | Conveys information about a proposed activity | Potentially cheap form of publicity; a means of reaching a local audience | Circulation may be limited |
| National Newspaper Article | Conveys information about a proposed activity | Potential to reach a very large audience | Unless an activity has gained a national profile, it will be of limited interest |
| Local Radio Announcements | Conveys information about a proposed activity | A locally accepted means of information transfer, with the ability to reach those who are not literate; considered effective in local communities | Local audiences only |
| Site Visits | Provides first hand experience of an activity and related issues | Issues brought to life through real examples | Difficult to identify a site which replicates all issues; can only bring so many individuals on visits |
| Level 2 Information Feedback | | | |
| Staffed Exhibits/Displays | Set up in public areas to convey information. Staff available. | Can be viewed at a convenient time and at leisure. Graphics can help. | Requires a major commitment of staff time |
| Staffed Telephone Lines | Can phone to obtain information, ask questions or make comments about proposals or issues | Easy for people to participate and provide comments; promotes a feeling of accessibility | May not be as good as face-to-face discussions; staff may not have knowledge to respond to all questions |
| Internet | Used to promote information or invite feedback. On-line forums and discussion groups can be set up | Potential global audience. Convenient method for those with internet access | Not all parties will have access to the internet, but as many do now, materials will need to be managed and kept up to date |
| Public Meetings | Used to exchange information and views | Can meet with other stakeholders. Demonstrates proponent is willing to meet with other interested parties. | Can be complex, unpredictable and intimidating. May be hijacked by groups or individuals. |
| Call-In Radio Shows | Used to exchange information and views in a locally accepted format. | Virtually all members of the community listen to the local radio. Allows for anonymous commentary | Can be complex, unpredictable, misinterpreted, and may be used as a "soapbox" by opponents of the project. |
| Surveys, Interviews and Questionnaires | Used for obtaining information and opinions. May be self-administered, conducted face-to-face, by post or telephone. | Confidential surveys may result in more candid responses and can identify existing knowledge and concern | Response rate can be poor; responses may not be representative and opinions change. |

| Technique | Description and Use | Advantages | Disadvantages |
|---|--|---|---|
| Level 3 Involvement & Consultation | | | |
| Workshops | Used to provide background information, discuss issues in detail and solve problems | Provides an open exchange of ideas. Can deal with complex issues and consider issues in depth and can be targeted | Only a small number of individuals can participate; full range of interests not represented |
| Open House | Locations provided, e.g., at a site or operational building for people to visit, learn about a proposal and provide feedback | Can be visited at a convenient time and at leisure | Preparation for and staffing of the open house may require considerable time and money |
| Level 4 Extended Involvement | | | |
| Community Advisory/Liaison Groups | People representing particular interests or areas of expertise, e.g., community leaders, meet to discuss issues. | Can consider issues in detail and highlight the decision-making process and the complexities involved. | Not all interests may be represented. Requires ongoing commitment from participants. |
| Visioning | Used to develop a shared vision of the future. | Develops a common view of future needs. | Lack of control over the outcome. Needs to be used early in the decision-making process. |
| IIBA | Annual Report | Informs public of activities of IIBA | All reporting may not be positive |

Source: *Institute of Environmental Management and Assessment (1999)*

3.3 INTERNAL APPROVAL OF MATERIALS

All disclosure materials prepared for and used by the Project will require approval. As previously mentioned, it is very important that the message put out in disclosure materials is consistent, up-to-date, and is culturally appropriate. To this end, Baffinland will establish a review policy for making sure that printed or broadcast disclosure material has been reviewed by the proper channels prior to being made public.

SECTION 4.0 - ENGAGEMENT PHASES

Stakeholder engagement for the Mary River Project will consist of four main phases:

- Pre-consultation (2004 to 2009)
- Formal consultation during the environmental review process (2009 to 2012)
- Consultation during Project development (2nd quarter 2013 to 2016)
- Consultation during Project operations (2016 and beyond)

Activities for each of these phases are described below.

4.1 OBJECTIVES OF THE ENGAGEMENT PROGRAM TO DATE

Engagement provides for active involvement of stakeholders in the development of the Project, through regular collaboration with Project teams. To date, the focus of stakeholder engagement has been to:

- Identify and monitor key stakeholders and their interests and concerns;
- Identify patterns of interaction and utilize appropriate methods and tools to engage stakeholders, particularly local North Baffin communities;
- Allow for meaningful stakeholder input into final Project decision-making;
- Build long-term relationships between Baffinland and the local communities;
- Develop practical and locally acceptable mitigation strategies for unavoidable impacts (and maximize benefits), which includes the collection of IQ knowledge which was beneficial to program design;
- Give stakeholders access to information on Baffinland activities in a timely manner;
- Provide information that can be understood by everyone (written and spoken Inuktitut and English)
- Provide information on the Project, the company, or other relevant topics at locations which are accessible to all who want the information;
- Include women and vulnerable groups in the engagement process;
- Manage expectations among communities and other stakeholders;
- Establish clear mechanisms for managing stakeholders' questions, concerns, and complaints/grievances and provide appropriate conflict resolution processes; and
- Document formal engagement activities, maintain a relevant database and implement a records management system.

4.2 SUMMARY OF CONSULTATION TO DATE

4.2.1 Community Consultation

This initial consultation focused on obtaining and disseminating information regarding exploration efforts (2004 and 2005), and later regarding bulk sampling plans (2006). Efforts were broadened in scope and outreach in 2007 to include all six communities expected to be directly affected by Project when Baffinland undertook its first formal public consultation on the mine development plans. The purpose of these

consultations was to inform stakeholders and solicit public input. During this time meetings with community organizations—including Mayor and Council and Hunter and Trapper Associations/Organizations also took place.

A second round of public meetings was held in the same communities in late March 2008 following submission of Baffinland's Development Proposal (Baffinland, 2008b) to regulatory agencies. The objective of these meetings was to:

- Hold dialogue with the communities;
- Provide them with information regarding the Project Development Proposal;
- Identify any issues or concerns that might be associated with planned Project activities; and
- Integrate appropriate stakeholder feedback in Project decision-making.

In April 2009, Baffinland attended NIRB scoping sessions in the potentially affected communities. Through 2010, Baffinland visited potentially affected communities (including Cape Dorset and Kimmirut) on several occasions in order to provide Project updates and to discuss preliminary findings of the draft environmental impact statement (DEIS). Baffinland carried out two rounds of open houses in the Category 1 and 2 communities in 2011, and held numerous other meetings with communities in northern Foxe Basin regarding port location alternatives.

PowerPoint presentations used in public meetings were in Inuktitut. Presentations delivered in English were translated simultaneously using local translators as much as possible to preserve local dialects. As much as possible, Baffinland had at least two translators on hand at all meetings with community liaison officers attending meetings to provide backup translation. During meetings, headsets were provided by Baffinland, so attendees could properly hear the translations. Minutes from these meetings were recorded by Baffinland and incorporated in a central public consultation database (Volume 2, Appendix 2A).

4.2.2 Meetings with Government and Inuit Organizations

With the renewed exploration activities in 2004, initial engagement was conducted with Qikiqtani Inuit Association (QIA) as landowner representatives. Baffinland entered into the Inuit Impact Benefit Agreement (IIBA) discussions with the QIA in 2008 and met frequently that year. During 2009 there were almost no discussions with the QIA regarding the IIBA. Discussions recommenced in 2010 and have continued throughout 2011 with a goal of having a signed agreement in principle for the IIBA in early 2012.

A Mineral Development Advisory Group (MDAG) meeting, coordinated by AANDC in Iqaluit, was held in June 2007. The meeting brought together a number of government agencies and Inuit organizations that may be responsible for issuing permits or approvals, and/or that will be involved in some capacity with the social and environmental process.

Baffinland held a number of meetings with Inuit organizations, government agencies, and Institutes of Public Government (IPGs) since that time until present, starting with overview discussion on the Project and

moving to key issues and discussions in context of the environment review by NIRB. Other meetings with the QIA, federal and territorial governments have been ongoing, relating to both the permitting of current operations, and the various steps in the environmental review of the mine development project.

4.3 KEY STAKEHOLDER ISSUES

Engagement activities to date were well-attended and the feedback on the proposed Project was balanced. The engagement activities have identified some key issues of concern which have helped to focus the EIS. Table 4.1 summarizes the key issues and concerns identified through community meetings and how Baffinland has responded to these issues.

| Key Concerns | How Baffinland Addressed the Concern |
|---|---|
| A desire to maintain the existing social fabric of the Inuit culture. | Baffinland recognizes and respects this strong desire, and is committed to developing a project that is consistent with this desire. The Human Resource Management Plan is a response to this. |
| Opportunities for training and employment | Baffinland assessed training and employment as Valued Socio-economic Assessments, and has developed a Human Resource Management Plan (Volume 10, Appendix 10F-3) aimed at maximizing training and employment opportunities. |
| Potential impacts on wildlife (with a focus on caribou migration patterns affected by the railway and marine mammals being disrupted by shipping), the potential to affect food security, and a desire to be compensated for impacts on wildlife. | Caribou and marine mammals were the focus of the IQ study. Effects assessments have been prepared for caribou, marine mammals and land use (including harvesting). |
| Opportunity for regional economic development and the need to make sure that the IIBA will benefit directly affected local communities. | Baffinland is committed to economic development and signed a memorandum of understanding (MOU) with the QIA on March 31, 2009, for the economic provisions of a future IIBA, of which regional economic development is one component. |
| The concern of environmental degradation due to spills, contamination and pollution and need for effective environmental controls and mine closure planning. | Baffinland has developed a comprehensive environmental management system (see Volume 10). |
| Desire to change shipping routes and port locations to reduce impacts on communities and marine mammals. Request to consider moving the location of the Steensby Port outside of the landfast ice. | Baffinland selected the easterly of two potential shipping routes through Foxe Basin due to public concerns and IQ study results. Alternate ports and railway alignments were evaluated at the request of local communities (Volume 3, Section 6) although none of these alternatives are viable. The railway to Steensby Port is preferred because of distance, terrain and relative ease of construction and operation. |
| Interest in a port at Nuvuit, as an alternative to Steensby Port (an extension of the above key concern) | Baffinland conducted multiple meetings with the community of Igloolik and QIA Executive on this subject since issuing the DEIS. The QIA Executive flew the two routes and port sites with Baffinland's railway engineers and shipping experts, and |

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| | |
|--|---|
| | contracted an independent railway engineer to review Baffinland's engineering work regarding Steensby and Nuviut feasibility. |
| The potential to bring freight for communities by return shipping, and/or share shipping costs with local communities, thereby reducing the life expenditure of local communities. | There will be limited opportunity to support community re-supplies due to the distance of the port sites from communities. |

4.4 CONSULTATION PLANS MOVING FORWARD

As the Project moves to the formal approval stages, Iqaluit will become the focus of the Project development activities and communication activities. Baffinland has established a physical presence in Iqaluit and has staffed the office with a Senior Manager of Northern Affairs, as the Company's representative in Nunavut, and is in the process of re-establishing Baffinland Liaison Officer offices in Arctic Bay, Clyde River and Hall Beach. During the Project Approval phase, the responsibilities of the Iqaluit Senior Manager will be as follows:

- Establish Baffinland's presence in Nunavut; staff and manage Iqaluit office;
- Liaise with representatives of Territorial and Federal departments/institutions;
- Liaise with QIA, Inuit organizations, NGOs and other institutions;
- Organize and schedule public information forum/sessions;
- Set up an information local to disseminate Project information;
- Liaise with local/regional media to disseminate Project information;
- Respond to local inquiries from individual and business groups related to Project opportunities;
- Establish database of business and individuals that can provide services to the Project;
- Recruit staff for the Iqaluit Office in anticipation of Project approval.

4.4.1 Environmental Review Process

Formal consultation commenced with the submission of the Development Proposal. The Nunavut Impact Review Board (NIRB) environmental review process includes the following formal consultation activities:

- Baffinland submitted its Draft EIS to the Nunavut Impact Review Board and stakeholders in January 2011 and has been immersed in the technical review and consultation with local communities and other stakeholders on the Draft EIS.
- A technical review hearing was held in Iqaluit October 18-20, 2011, with follow-up pre-hearing conferences in Igloolik (November 6-7, 2011) and Pond Inlet (November 9-10, 2011). The Company intends to submit its Final EIS at the end of January 2012.
- Consultation will be heavily focused in 2012 on the Company's FEIS submission and permitting. Final Hearings will likely be held late in the second quarter of 2012.
- It is expected that the Company will consult with the communities following the FEIS submission, with additional consultation during the remaining review period.

4.5 PROJECT DEVELOPMENT – MID 2012 TO 2015

Once the project is approved for construction by the various stakeholders, stakeholder engagement enters a new phase. The focus will be shifted from dissemination of project information and seeking public input to on-going stakeholder engagement during construction and into operations. This phase, and the construction portion in particular, will have the highest level of activity during the project. The focus will be to maintain stakeholder involvement and awareness of project activities, and ensure the grievance process is in place to manage complaints that may arise from project activities.

During the construction phase, the Project will move to formalize its stakeholder engagement program and make comprehensive plans for engaging with stakeholders during the busy construction period. A large construction workforce will be present throughout the period and large amounts of construction activity can be expected. The focus of the SEP during the construction phase will be to:

- Identify new issues, concerns or needs of stakeholders related to construction, and to resolve complaints in an expedited manner.
- Continue to build long-term relationships with stakeholders most affected by Project activities.
- Assess the effectiveness of environmental and social mitigation measures by using social monitoring in communities and direct feedback.
- Maximize Project benefits such as employment and procurement opportunities through effective engagement of stakeholders.
- Identify opportunities for Baffinland to make sustainable contributions to their host communities and the wider Nunavut region.

Approach and Content

Baffinland and its construction teams will establish regular contact with local communities to ensure up-to-date information is available for stakeholders. Once construction works begin Baffinland and its engineering, procurement and construction management (EPCM) contractor will work closely to ensure that existing communication channels are maintained, that ongoing messages are consistent, and that information is provided on key topics including hiring practices, local worker training, worker camps, codes of conduct and upcoming construction activities in the area.

Baffinland will remain in charge of stakeholder engagement throughout construction, though it will require its contractors to have appropriate personnel available to undertake complementary and parallel engagement activities as may be appropriate or necessary.

Baffinland plans to implement regular engagement activities with different stakeholder groups during the construction period. These may include such engagement methods as outlined in the Table 4.1.

Disclosure Material

All general and typical handouts providing information about the Project and its effects on health, safety, environment, and community issues, all handouts answering “frequently asked questions,” the EIS summary, and possibly the NIRB Annual Reports will be disclosed in both Inuktitut and English.

While Baffinland recognizes the need to be in regular contact with local community stakeholders during construction, it is also conscious of the potential for ‘consultation fatigue’ and disruption to traditional livelihoods due to intensive engagement with the Project. The activities outlined above are indicative of the types of activities and methods that may be undertaken during the construction phase. Baffinland will test the planned engagement techniques before full implementation to see if they meet the needs of stakeholders. Modifications will be made accordingly based on these review processes.

Table 4.1 Typical Stakeholder Engagement Activities during the Construction Phase

| No. (#) | Stakeholder Group | Engagement Methods / Techniques | Description and Details |
|---------|----------------------------------|--|---|
| 1 | Affected communities and Iqaluit | | |
| | | Meetings with community organizations and associations | Meetings will be held with relevant individuals or groups to discuss overall Project progress and any issues or concerns that they may have about the Project. |
| | | Community meetings | In addition to the range of other avenues for engagement and information disclosure, the Project will arrange formal meetings with the affected communities periodically to provide a status report about the Project and hear any concerns from stakeholders. |
| | | Community awareness and training sessions | Awareness raising and training will be conducted with affected communities, particularly related to community health and safety. |
| | | Company/Community Newsletter | The Project will develop and establish a regular newsletter. |
| | | Employment / Local Hire | Employment opportunities and employees will become valuable channels for disseminating information related to on-site Project activities and progress. |
| 2 | Vulnerable people or groups | Meetings and discussions | Baffinland will meet specifically with vulnerable people/groups (e.g., women) to discuss relevant support programs. Baffinland will work with local formal and customary authorities in identifying and preparing assistance measures for vulnerable people through the IIBA. |
| 3 | Other local committees | Focus group discussions and meeting on key topics | Discipline specific committees shall be in place during construction to address important issues affecting the local populations. |
| 4 | Public/ Other interested Parties | Baffinland public website | Regular updates about the Project on the public website. |
| | | Media including notices, advertisements and other relevant materials | Relevant media channels will be used to keep the local and regional public informed about the Project. |
| | | NIRB Annual Report and NWB (Nunavut Water Board) | The Project will produce an Annual Report that details the Project's performance on environmental issues, including stakeholder engagement. This report would be disclosed to the general public. |

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| No. (#) | Stakeholder Group | Engagement Methods / Techniques | Description and Details |
|---------|---------------------------|---------------------------------|---|
| 5 | Governments Regulators | Meetings | Meetings will be held with relevant individuals or groups to discuss overall Project progress and any issues or concerns that they may have about the Project. |
| | | Reports | Baffinland will submit reports on project progress as required. Baffinland may also prepare reports as requested by various organizations. |
| 6 | Inuit Organizations | Meetings | Meetings will be held with relevant individuals or groups to discuss overall Project progress and any issues or concerns that they may have about the Project and to meet the requirements of the IIBA. |
| | | Reports | Baffinland will submit reports on project progress as required. Baffinland may also prepare reports as requested by Inuit organizations. |

4.6 OPERATIONS (2015 AND BEYOND)

Throughout the operation and closure phases, the Communication Department based in Iqaluit and the Baffinland Liaison Officers will continue to be Baffinland's most valuable agents in disseminating Project related information to the affected communities.

As the construction phase winds down, there will be a transition in labour force requirements and the types of jobs available, and that transition will require specific stakeholder engagement, as well as adjustments to the focus of training programs.

Engagement in operations (and into closure) will focus on day-to-day operation of the mine, shipping of ore, railway, port and ancillary facilities and will also include progressive rehabilitation through to full closure. The main objectives of the engagement process during the operation and closure periods are as follows:

- Provide relevant stakeholders with information about the progress of the Project;
- Maintain and further develop constructive relationships with the local communities;
- Maintain broad support for the Project locally, regionally and nationally;
- Engage with communities on monitoring and evaluation of Project impacts;
- Maintain awareness and solicit feedback on social, environmental and safety issues that may be of concern to stakeholders;
- Identify opportunities for Baffinland to make sustainable contributions to the host communities and the wider regions of Nunavut;
- Maintain partnerships with local communities for ongoing participatory monitoring of the Project (e.g. for water, air quality, wildlife);
- Manage any concerns or complaints from stakeholders, including employees and local community members;
- Monitor community attitudes toward the Project; and
- Fulfil the requirements of the IIBA.

The main activities for stakeholder engagement and consultation that may be incorporated during the operations and closure phases are presented in Table 4.2.

Table 4.2 Summary of Anticipated Engagement Activities during Operations and Closure

| Activities | Description and details |
|--|---|
| Regular updates about the Project / Information Disclosure | Regular revision of information on the Baffinland public website. Fact sheets, reports, brochures, and pamphlets targeted at specific populations, organizations or groups. Notices in local governmental offices and Baffinland community liaison offices. Radio information spots and updates appropriate to local communities. Periodic community consultation. |
| Disclosure of employment opportunities | Notification of employment and training opportunities through the Baffinland public website, Baffinland Liaison Officer offices and other locations. |
| Stakeholder engagement activities | Stakeholder engagement will continue throughout the operations phase. Public information activities will form part of day-to-day functions. Community relations staff will be in place throughout the life of the Project to maintain ongoing relationships with local communities and other stakeholders. |
| Closure and rehabilitation activities | Liaise with communities and other relevant stakeholders on plans for land rehabilitation, pilot programs and closure activities. Liaise with communities and other relevant stakeholders approximately three to five years prior to the start of major rehabilitation activities. Work with local government and community leaders in anticipation of Project shut down regarding retrenchment opportunities and impacts. |
| Participatory monitoring and evaluation | Local populations will continue to be involved in Project monitoring, including for example marine mammals, terrestrial, water quality, air quality and traffic monitoring |
| Complaints and grievance handling and management | A formal complaints and grievances process will be introduced and continue through to the operations phase. |

SECTION 5.0 - RESOURCES AND RESPONSIBILITIES

Everyone involved with the Project is a representative of Baffinland, and therefore has certain responsibilities in stakeholder engagement. Responsibilities for effective engagement are shared throughout the organization. Internal communications are required to effectively disseminate key messages, to maintain consistency in the messages and how they are delivered.

5.1 ROLES AND RESPONSIBILITIES

Table 5.1 highlights the key project personnel responsible for implementation of the SEP, with a description of their specific responsibilities.

5.2 OTHER RESOURCES

It is in the interests of the Company to encourage dialogue and the building of relationships amongst stakeholder groups. The building of such relationships encourages transparency and may provide collective context and insight into how Project activities are affecting stakeholder groups.

Table 5.1 Roles and Responsibilities for Stakeholder Engagement and Complaints Process

| Title / Role | Responsibilities for Engagement Activities |
|--|---|
| Vice President, Sustainable Development Vice President, Corporate Affairs | <ul style="list-style-type: none"> • Oversee and approve engagement activities • Manage overall dialogue with government and community stakeholders • Participate in and support relevant engagement activities |
| Manager, Communications | <ul style="list-style-type: none"> • Develop communications materials • Manage the contacts manager and commitments database • Oversee the implementation of the complaints management system (Complaints Manager) • Liaise with the Senior Northern Affairs Manager on an ongoing basis |
| Senior Northern Affairs Manager (Iqaluit Office) | <ul style="list-style-type: none"> • Liaise with representatives of the Territorial and Federal governments and departments • Liaise with QIA and other Inuit associations • Oversee implementation of the SEP • Coordinate with Project operations to ensure that engagement messages are consistent with Project plans • Alert the Vice President, Sustainable Development to emerging issues and trends • Manage Baffinland Liaison Officers • Implement the complaints management system (Complaints Officer – CO) • Recruit new staff, manage staff and conduct training |
| Environmental Superintendent (Mary River) | <ul style="list-style-type: none"> • Support engagement activities and complaints process at the work sites • Manage interface with construction contractor community engagement staff |

| Title / Role | Responsibilities for Engagement Activities |
|--|--|
| Baffinland Liaison Officers Pond Inlet Igloolik / Hall Beach Arctic Bay Clyde River | <ul style="list-style-type: none"> • Co-ordinate and ensure that engagement activities occur as planned • Identify, manage and report on engagement non-compliances • Hold regular meetings with the key department managers to monitor activities, stakeholder feedback and issues • Implement the complaints management system (Complaints Officer – CO) • Advise managers and their respective departments on recommended engagement practices and procedures • Monitor community attitudes and impacts of Project actions and report emerging issues / trends • Organize and attend engagement meetings and other activities • Prepare monitoring and evaluation reports |
| Human Resources Coordinators (Mary River and Steensby) | <ul style="list-style-type: none"> • Tracks Project employment needs and skills requirements • Establish training programs and local recruitment of employee • Implement the complaints management system (Complaints Officer – CO) • Track level of complaints and report to management |

SECTION 6.0 - COMPLAINTS MANAGEMENT

As a means to document, assess, and respond to complaints that may arise, the positions responsible for implementing Baffinland's complaints management process (see Table 5.1) will take practical measures to address all legitimate complaints to the satisfaction of complainants. The positions identified (i.e., Managers and Baffinland Liaison Officers) are collectively referred to as Complaints Officers (COs).

It should be recognized that complainants will not distinguish between activities undertaken by Baffinland and its contractors, so all complaints will be directed to Baffinland. It is Baffinland's responsibility to manage complaints against contractors and construction/operation activities as well as those against Baffinland. The Company can only resolve issues on which it has direct control. For issues outside of Baffinland's control, the Company will endeavour to facilitate a resolution where possible.

Some potential complaints related to the Mary River Project are provided in Table 6.1. Complaint types are categorized according to Project activities and type of effect.

Table 6.1 Types and Category of Complaints

| Activities/Type of Effect | Complaint Type | Nature of Complaint |
|---------------------------|----------------|--|
| Air Traffic | 1 | Low flight, noise, interference with tourism, interference with wildlife |
| Ground Traffic | 2 | Noise, habitat disturbance, interruption with hunting, tourism, camping |
| Shipping Traffic | 3 | Noise, interruption with boating, hunting and camping |
| Visual | 4 | Unightly views and/or activities |
| Economic | 5 | Increased cost of living or reduced harvest affecting livelihood |
| Cultural | 6 | Destruction of important places and archaeological resources; degradation of traditional culture |
| Social | 7 | Truancy, increased alcohol usage (abuse), marital infidelity |
| Health | 8 | Health concern attributed to project activities |
| Other | 9 | Other complaints of a nature not addressed above |

6.1 COMPLAINTS MANAGEMENT PROCEDURES

Baffinland management will follow these procedures to manage complaints:

- Maintain the identity of all complainants and the complaints they raise as confidential;
- Assign a Complaints Number to all complaints;
- Document all complaints in a Complaints Register;
- Document all verbal complaints on a Complaints Form and indicate that it was submitted verbally;
- Screen out unfounded complaints and address legitimate complaints;
- Prioritize complaints according to magnitude (severity, geographic extent, number of people affected) of effect

- Notify complainants of the proposed action(s) to rectify the complaint or the reasons why a complaint will not be acted upon;
- Consult with complainant for further explanation on complaint, when necessary;
- Involve organizations and/or community groups, where necessary, to manage complaints (i.e., Hamlets, Qikiqtani Inuit Association);
- Document the action(s) taken to address complaints and the dates when they were both initiated and addressed; and
- Document follow-up action with details including, why the need for follow-up, who will be responsible, what is expected from the follow-up and when follow-up reports are expected.

The Complaints Officer in charge will manage all complaints in accordance with Figure 6.1:

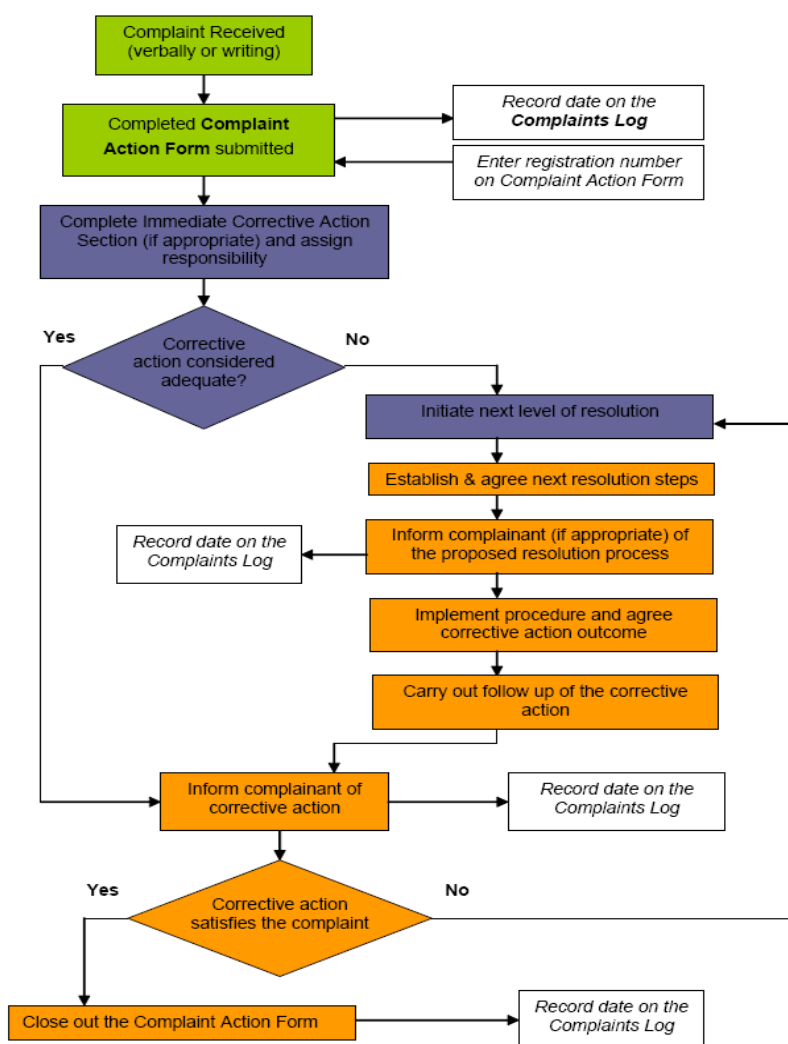


Figure 6.1 Complaints Resolution Mechanism

The following general points apply to the complaints procedure:

- All Baffinland employees and contractors/consultants shall direct complainants to the designated officer. All complainants must complete a Complaint Action Form (Appendix B) to formally register their complaint. Complaints must be accompanied by a name, address, and contact details for Baffinland to provide a response.
- Complaints received as letters or in formats other than a Complaint Action Form will be reviewed and if the contact information is sufficient, the first response of the Project will be to ask the complainant to formalize the complaint by filing a Complaint Action Form
- The Baffinland Liaison Officers will assist those who have difficulty or are inexperienced with the complaints process in preparing and filing complaints
- Complaints may be submitted at the Baffinland Liaison Officer offices or to the COs any time during open hours.

6.2 LODGING AND RECORDING PROCEDURE

To lodge a formal complaint, the complainant must:

- Fill out a Complaint Action Form, including name, address, and contact details (Part 1) and all information necessary to accurately describe the complaint (Part 2);
- Submit the completed Complaint Action Forms to the Baffinland Liaison Officer or a Baffinland office, who will then pass the form on to the CM.

The CM will record the received Complaint Action Form on the Complaints Log. The Complaints Log entry will include the following information about the complaint:

- Date received;
- Brief summary of complaint; and
- Complainant contact information.

If present, the complainant should initial the Complaint Log entry.

The CM will then record the complaint registration number from the Complaints Log on Part 1 of the original Complaint Action Form.

6.3 COMPLAINT RESOLUTION

Baffinland's goal is to resolve complaints whenever possible. The Company can only resolve issues on which it has direct control. For issues outside of Baffinland's control, the Company will endeavour to facilitate a resolution where possible.

A four-level complaint resolution system has been developed to make sure that the process is timely, effective, and transparent. The next level of complaint resolution is triggered if the complaint cannot be resolved at a lower level, although Baffinland recognizes and accepts that complainants may proceed directly to Level 3 or 4 to lodge complaints. Complaint levels are:

- Level 1: Complaints that can be resolved by the Baffinland Liaison Officer and appropriate Manager(s) directly with the complainant - dealt with through immediate corrective action.
- Level 2: Complaints that require the input and oversight of the Baffinland's management or executive leadership, and/or when a complaint is deemed urgent or critical – the CM is responsible for reporting Level 2 complaints to the appropriate management personnel.
- Level 3: Complaints that require mediation by an external and independent party – Baffinland will facilitate involvement of the relevant agency, individual or group that can act as a mediator in resolving disputes between the community and the Project.
- Level 4: Legal action is available to any citizen and to Baffinland, in conformance with applicable laws. A complaint can be taken to progressively higher levels of government until resolution is achieved. There is also recourse under Canadian law for a complainant to initiate civil court action. The Company does not control this level of resolution but acknowledges this process is in place and available. It also acknowledges that some complainants may choose to proceed directly to this level of resolution.

6.4 SCREENING PROCEDURE

The Baffinland Liaison Officer will screen all complaints received to separate questions, requests, and general comments from actual complaints. Questions, requests, and general comments will be listed as “non-complaints” on the Complaint Action Form and Complaint Log under the “Actions Taken” category. Non-complaints are not subject to the complaints resolution process, and are not included in the monthly tally of complaints received.

Although they are not complaints, commonly asked questions and requests should be categorized and tallied so that they can be appropriately addressed through the public consultation process.

All received complaints that have been verified by the Baffinland Liaison Officer as actual or unique complaints will be resolved via the following complaint resolution procedure.

6.5 RESOLUTION PROCEDURE

All complaints must be acknowledged in writing within one month of receipt. Investigations into the validity of the complaint are to begin as soon as practical but no later than one week. Where appropriate, verbal

responses may also be given. The Baffinland Liaison Officer will record all responses in the Complaints Log.

The Baffinland Liaison Officer will initiate resolution of all complaints that require specific corrective actions and completes the “Immediate Action” section of Part 3 of the Complaint Action Form. As not all complaints can be readily resolved, the initial response may be a summary of what is planned and when it is likely to occur, recorded in the “Immediate Action” section of the Complaint Action Form. Some complaints received may be the subject of another complaint currently being resolved. In such cases the initial acknowledgement of the complaint will incorporate the details of the previous response/resolution to the complaint.

The Baffinland Liaison Officer will consult with the responsible person/group within Baffinland required to resolve the complaint. When the Baffinland Liaison Officer staff is not qualified to respond to certain Level 1 or higher issues on its own, the complaint must be given to the CM, who must approve any response before it is implemented.

Baffinland’s objective is to address complaints that can be resolved by relatively simple, straight-forward actions within 15 days of receipt of the Complaint Action Form. If complaints take longer to address, the complainant will be kept informed of resolution progress on a regular basis.

Once the complaint has been addressed, the Baffinland Liaison Officer will communicate the resolution of the complaint to the complainant. If the complainant is satisfied with the resolution, the Baffinland Liaison Officer will close out the Complaint Action Form by signing and dating Part 4 of the form. If the complainant is not satisfied with the resolution of the complaint, the resolution process is restarted, moving up a resolution level as necessary.

A Mediation Committee will be established, comprised of at minimum a Baffinland representative not involved with the complaint, a community member not involved with the complaint and one other party that is mutually agreeable to the complainant and the Company (e.g., a Government of Nunavut representative, an elder from a neighbouring community, a Qikiqtani Inuit Association member). The Mediation Committee will meet to address complaints and grievances that cannot be readily resolved between Baffinland and complainants (Level 3).

New complaints regarding issues previously resolved through the complaints process and “closed out” indicate that regardless of the complaint’s “closed” status, the complainant is not satisfied with the resolution and thus additional measures need to be taken to resolve the complaint.

Complainants who cannot resolve their complaints with the Project can take action in a court of law (Level 4).

6.6 MONITORING AND REPORTING

The Baffinland Liaison Officer is responsible for the following:

- Weekly monitoring of complaints, including screening complaints to remove non-complaints, review of the number and status of complaints, and any outstanding issues requiring resolution
- Producing complaints procedure reports for the CM no less than once per month – these reports will be discussed at relevant management meetings and include the following information:
 - Complaint subject
 - Discussion of complaint's validity
 - Importance of issue raised
 - Measures taken and any required follow-up
 - Analysis of types of complaints and complaint levels
 - Actions taken to reduce complaints

The levels and types of complaints received by the Project as well as the speed with which complaints are dealt with will also be monitored by the Vice President Corporate Development on an annual basis.

6.7 RECORD KEEPING AND ARCHIVING

All complaints documentation shall be stored at a Baffinland location that offers appropriate privacy and security protections for these potentially sensitive files. Documentation pertaining to a specific complaint shall be kept on file for three (3) years; after that it shall be archived under appropriately secure conditions designed to ensure privacy, or it will be destroyed.

ATTACHMENT A1

Complaint Action Form

(for the information of an individual/organization wishing to submit a complaint)

Baffinland Iron Mine Corporation (Baffinland) has been working on its Mary River Project since 2004, carrying out mineral exploration drilling, engineering studies and environmental programs. Over 2007-2008, Baffinland is also carrying out a bulk sampling program, where the company will remove a large sample of the iron ore to send to potential customers.

Baffinland wants to bring as much benefit to the people of the region as possible, and at the same time make sure that the company does not have a big negative effect on the people and the wildlife. As a way of understanding local concerns, Baffinland has developed a Complaints Process, to hear concerns or complaints people may have, and to follow up to see the potential issues resolved.

If you are bothered by the effects of a project activity, you can fill out a complaints complain about it by filling the attached Complaints Form and submit it to the address provided below. Your complaint(s) will be addressed in the best practical way possible and in a timely manner. You can also submit your complaint(s) verbally at the office of the Community Liaison Officer.

Please submit all complaints (written or verbal) to the nearest Community Liaison Officer (CLO), or directly to the company.

Qujannimik!

Complaint Action Form

(to be completed by individual/organization submitting a complaint)

NAME OF COMPLAINANT

SUBMISSION METHOD

| | |
|---------|--------------------------|
| Verbal | <input type="checkbox"/> |
| Written | <input type="checkbox"/> |

CONTACT INFORMATION

| |
|------------------------------------|
| Name of Community: |
| House #: |
| Phone #: (if available)..... |
| Email Address: (if available)..... |

DATE SUBMITTED

| | | |
|------------|----------|-----------|
| Month..... | Day..... | Year..... |
|------------|----------|-----------|

WHAT IS THE COMPLAINT ABOUT? (E.g. Noise)

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DETAILED COMPLAINT (Use additional sheet if necessary)

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ATTACHMENT A2

BAFFINLAND COMPLAINT FOLLOW-UP FORM (to be completed by Baffinland Management)

| |
|-----------------------------------|
| COMPLAINT #: CO- |
|-----------------------------------|

ACTION BY

| |
|-------------------------|
| Name..... Position..... |
| Date..... |

ACTION TAKEN (Use additional sheet if necessary)

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RECOMMENDATION AND FOLLOW-UP ACTION (Use additional sheet if necessary)

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APPROVED BY

| |
|---------------------------|
| Name: Position..... |
| Date..... Signature..... |

| | |
|-------------|----------------|
| Name: | Position..... |
| Date..... | Signature..... |

BAFFINLAND COMPLAINANTS NOTIFICATION FORM
(to be completed by CLO or other responsible officer)

The CLO or other responsible officer(s) will contact complainant as soon as a decision is made and an action plan developed for the complaint. Where multiple complaints are lodged for the same issue or against the same project activity, the officer(s) will convene a meeting with all complainants and address the issue by consultation.

NAME OF COMPLAINANT

COMPLAINTS #:

CONTACT INFORMATION

| |
|------------------------------------|
| Name of Community: |
| House # |
| Home Phone #: (if available)..... |
| Email Address: (if available)..... |

COMPLAINT

PROPOSED ACTION

| | | |
|-------------------------------------|-----------|----|
| Need to consult with complainant(s) | Yes | No |
| | | |
| If 'yes' when? | Date: | |
| If 'yes' where? | Location: | |
| | | |

SPECIFIC ACTION(S) TO ADDRESS COMPLAINT

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ACTION BY

| | |
|-------------------------|------------------|
| Name..... Position..... | |
| Date: | Signature: |

ATTACHMENT A3

Complaints Log

| Complaint Number (CO-[2-digit year]-001) | Complaint Type (1 to 8) | Brief Description of Complaint | Name of Person (Complainant) | Date Resolved | Approval Person |
|---|----------------------------|--------------------------------|---------------------------------|---------------|-----------------|
| CO-07-001 | | | | | |
| CO-07-002 | | | | | |
| CO-07-003 | | | | | |
| CO-07-004 | | | | | |
| CO-07-005 | | | | | |
| CO-07-006 | | | | | |
| CO-07-007 | | | | | |
| CO-07-008 | | | | | |
| CO-07-009 | | | | | |
| CO-07-010 | | | | | |
| CO-07-011 | | | | | |
| CO-07-012 | | | | | |
| CO-07-013 | | | | | |
| CO-07-014 | | | | | |
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