



November 30, 2023

Chris Spencer
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Qikiqtani Inuit Association
P.O. Box 1340
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**RE: Steensby Railway Realignment at Mary River - Land Classification Amendment
(Options Exercise Notice)
Commercial Lease No. Q13C301**

In accordance with Section 3.2 of Commercial Lease No. Q13C301 (Commercial Lease) between the Qikiqtani Inuit Association (QIA) and Baffinland Iron Mines Corporation (Baffinland), the purpose of this letter is to request an amendment to reclassify Lands (Options Exercise Notice; OEN) outside the limits of the Impact Areas for the Mary River Project (the Project), outlined in the Commercial Lease. Amendments to the Impact Area limits are being requested to reconcile Rail Impact Area limits to reflect a realignment of the Steensby Railway where it crosses the Mary River.

A completed Options Exercise Notice (OEN) Application Form for this request, consistent with the requirements of Section 3.4 of the Commercial Lease and Lease Operations Guide "Option Exercise Notice Submission", is provided in Attachment 1. Updated design drawings for the Steensby Railway have been used to delineate the required amendments to the Project's Impact Area limit. A figure showing the proposed amendments to the Impact Area limits are provided in Attachment 2. Details of the requested expansion to the impact area are provided in Table 1.

**Table 1 – Snow Stockpile Locations Requiring an
Amendment to Tote Road Impact Area Limits**

Approximate Location	Figure Reference	Additional Impact Area Required (m ²)
Steensby Railway at Mary River	Figure 1	178,658
Total (m²)		178,658
Total (hectares)		17.8



We trust that this application is comprehensive for the purpose of reclassifying Lands at the Project under Section 3 of the Commercial Lease. Please do not hesitate to contact the undersigned, should you have any questions or comments.

Regards,

Steve Borcsok
Approvals Manager

Attachments:

Attachment 1: OEN Application Form

Attachment 2: Figure

Attachment 3: Environmental Monitoring and Management Plans

cc. Jared Ottenhof, Conor Goddard (QIA)

Lou Kamermans, Elisabeth Luther (Baffinland)

Attachment 1

OEN Application Form

#	OEN APPLICATION FORM	
1	OEN Title	Extension of Commercial Lease Boundary at the Steensby Railway at Mary River
2	General geographic UTM coordinates of the areas subject to amendment	UTM (NAD83, Zone 17N) 562478 E 791746 N
3	A description of the characteristics of the land including acknowledgement and explanation of any environmental sensitivities ¹	<p>Vegetation in this region is discontinuous. Dry sites are very sparsely vegetated, whereas wet areas tend to have a more continuous cover of sedge, cottongrass, saxifrage, and moss. Bedrock consists of undifferentiated gneisses and mixed rocks of Precambrian age. Bedrock outcroppings are common, and Turbic Cryosols developed on hummocky, thin, discontinuous sandy moraine is the dominant soil. Organic and Static Cryosolic soils also occur. Most of the ecoregion is underlain by continuous permafrost with low ice content. No other unique environmental sensitivities (wildlife, water quality, and air quality) are expected and environmental management will be done in accordance to site environmental management and regulatory requirements. Impacts in this area are consistent with those assessed for the Project, and no new activities are proposed in this area that have not previously been conducted within impact areas at the Project.</p> <p>Figure 1 outlines the geographical features (e.g. water bodies, topography) in proximity to the Steensby Railway at Mary River, including satellite imagery from 2023.</p>
4	The specific nature of activities that have historically occurred on the proposed Lands ²	The Steensby Railway alignment at Mary River will be constructed on undisturbed land. Activities that have occurred along the alignment have been limited to studies including geotechnical investigations, archeological assessments, and fish habitat assessments.

¹ This description shall at a minimum include a complete description of the following components:

- i. Wildlife
- ii. Vegetation
- iii. Permafrost
- iv. Water quality (includes Acid Rock Drainage and Metal Leaching)
- v. Air quality
- vi. Associated map(s), sketches and other information in sufficient detail and in a scale as to QIA to consider the amendment request, including clear presentation of existing geographical features and relevant project facilities. The map(s) will include nearby facilities and geographical features (e.g. water bodies, topography).
- vii. Photographic record of pre-operations in the OEN area.

² Indicate whether lands are disturbed or undisturbed - if disturbed, nature and duration of past disturbance (e.g. hectares of land disturbed, tonnes of material quarried, other types of activities etc.)

#	OEN APPLICATION FORM	
5	The specific nature of activities to be conducted on the proposed Lands ³	Baffinland will be constructing and operating the Steensby Railway from Mary River to Steensby Port as described in the 2012 Final Environmental Impact Statement.
6	Proposed duration of the activities	The use of the Steensby Railway will be continuous during operations. The duration is dependent on production rates and the overall mine life, and is expected to be at least 25 years.
7	Associated changes to all Environmental Management and Monitoring Plans ⁴	There are no required changes to management practices or procedures associated with Environment Management and Monitoring Plans. A list of current environmental management plans is included in Attachment 3.
8	All related Annual Work Plan amendments, if any. ⁵	There are no amendments to the 2024 Annual Work Plan associated with this activity. Construction of this section of the Steensby Railway will be included in a Work Plan Addendum for the Steensby component of the Mary River Project, to be submitted at a later date.
9	Relevant information concerning financial security, including the Security Deposit.	Baffinland will reconcile the footprint of disturbed areas utilizing satellite imagery when the Steensby Railway is constructed.
10	Indicate whether changes are required to existing approvals, licences, plans, permits or authorizations.	No proposed changes to existing approvals, licences, plans, permits or authorizations.
11	The anticipated increase or decrease in Rent payment where the increase or decrease is shown compared against the initial Rent payment amount pre-OEN approval.	Based on a footprint of 0.7 ha, this represents a potential rent increase of \$3,560/yr, prior to calculation of the annual rent payment and any applicable minimum payments.

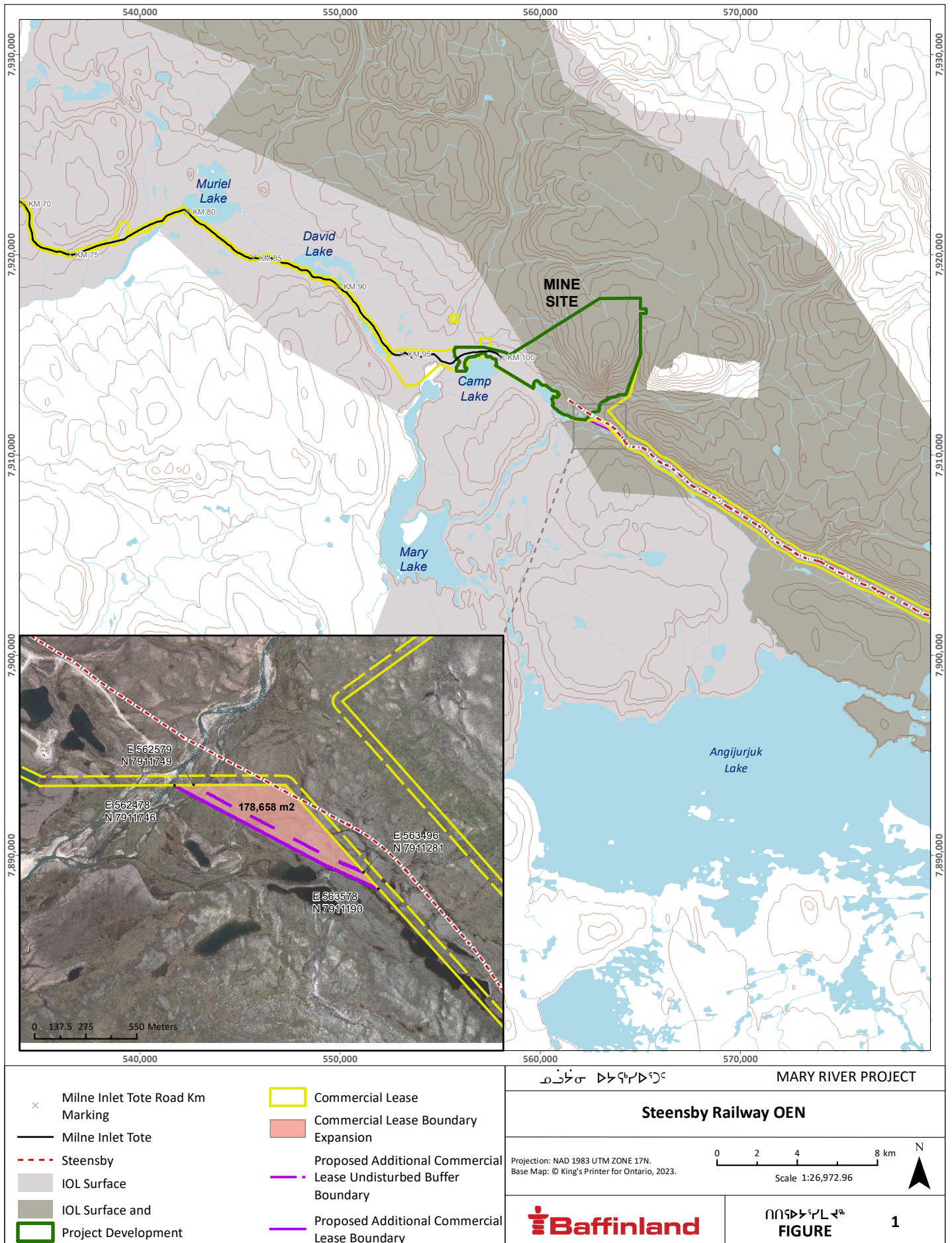
³ Associated drawings and designs are to be included as annexes.

⁴ Relevant environmental management plans associated with the OEN. If there are no revisions required to management plans, a list of the most current environmental management plans will be provided.

⁵ Indicate whether activity is outside of scope of relevant Annual Work Plan.

Attachment 2

Figure



Attachment 3

Environmental Monitoring and Management Plans

Environmental Monitoring and Management Plans

Document Number	Plan Name	Current Revision Date
BAF-PH1-300-P16-0002	Snow Management Plan	Mar-23
BAF-PH1-830-P16-0001	Surface Water Sampling Program - Quality Assurance and Quality Control Plan	Mar-22
BAF-PH1-830-P16-0002	Air Quality and Noise Abatement Management Plan	Apr-21
BAF-PH1-830-P16-0004	Borrow Pit and Quarry Management Plan	Mar-14
BAF-PH1-830-P16-0006	Cultural Heritage Resource Protection Plan	Mar-16
BAF-PH1-830-P16-0008	Environmental Protection Plan	Apr-21
BAF-PH1-830-P16-0010	Fresh Water Supply, Sewage and Wastewater Management Plan	Mar-23
BAF-PH1-830-P16-0011	Hazardous Materials and Hazardous Waste Management Plan	Mar-22
BAF-PH1-830-P16-0012	Interim Closure and Reclamation Plan	Oct-18
BAF-PH1-830-P16-0013	Oil Pollution Emergency Plan - Milne Inlet (OPEP)	May-22
BAF-PH1-830-P16-0017	Q1 Quarry Management Plan	Feb-22
BAF-PH1-830-P16-0023	Roads Management Plan	Feb-20
BAF-PH1-830-P16-0024	Shipping and Marine Wildlife Management Plan	July-22
BAF-PH1-830-P16-0025	Community and Stakeholder Engagement Plan	Mar-16
BAF-PH1-830-P16-0026	Surface Water and Aquatic Ecosystems Management Plan	Mar-21
BAF-PH1-830-P16-0027	Terrestrial Environmental Management and Monitoring Plan	Mar-16
BAF-PH1-830-P16-0028	Waste Management Plan	Mar-23
BAF-PH1-830-P16-0029	Phase 1 Waste Rock Management Plan	June-20
BAF-PH1-830-P16-0030	Borrow Source Management Plan – Kilometre 2	Oct-14
BAF-PH1-830-P16-0031	Life of Mine Waste Rock Management Plan	Apr-14
BAF-PH1-830-P16-0032	Borrow Source Management Plan - Kilometre 97	Oct-14
BAF-PH1-830-P16-0035	Borrow Source Management Plan - Kilometre 104	Mar-14
BAF-PH1-830-P16-0036	Spill Contingency Plan	Feb-21
BAF-PH1-830-P16-0037	Exploration Spill Contingency Plan	Jan-21
BAF-PH1-830-P16-0038	Exploration Closure and Reclamation Plan	Jan-21
BAF-PH1-830-P16-0039	Aquatic Effects Monitoring Plan	Mar-22
BAF-PH1-830-P16-0040	QMR2 Quarry Management Plan	Jul-21
BAF-PH1-830-P16-0041	Polar Bear Safety Plan	Mar-16
BAF-PH1-830-P16-0042	Spill at Sea Response Plan	Aug-15
BAF-PH1-830-P16-0046	Marine Environmental Effects Monitoring Plan	Mar-16
BAF-PH1-830-P16-0047	MDMER Emergency Response Plan	Mar-23
BAF-PH1-830-P16-0050	Ballast Water Management Plan	Mar-19
BAF-PH1-830-P16-0056	Diesel Environmental Emergency (E2) Plan - Milne Port	Feb-20
BAF-PH1-830-P16-0057	Diesel Environmental Emergency (E2) Plan – Mine Site	Feb-20

Document Number	Plan Name	Current Revision Date
BAF-PH1-830-P16-0058	Oil Pollution Prevention Plan - Milne Inlet (OPEP)	May-21
BAF-PH1-840-P16-0002	Emergency Response Plan	Dec-20
H349000-3000-07-245-0001	Q7 Quarry Management Plan	Oct-13
H349000-3000-07-245-0002	Q11 Quarry Management Plan	Oct-13
H349000-3000-07-245-0003	Q19 Quarry Management Plan	Oct-13
H349000-4200-07-245-0001	D1Q1 Quarry Management Plan	Oct-13
H349000-4200-07-245-0002	D1Q2 Quarry Management Plan	Oct-13

Notes:

- 1 Discontinued and incorporated into the March 2014 Borrow Pits and Quarry Management Plan.
- 2 The Explosives Management Plan is a contractor document.