



**2021 Qikiqtani Inuit Association and Nunavut Water Board
Annual Report for the Ege Bay Exploration Program**

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Water License 2BE-EQE1926 and Land Use Licence II L2-1910
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March 31, 2022 | ᐅᐅᐅ 31, 2022

Baffinland Iron Mines Corporation

Eqe Bay Project

2021 QIKIQTANI INUIT ASSOCIATION (QIA) AND NUNAVUT WATER BOARD (NWB) ANNUAL REPORT FOR EXPLORATION ACTIVITIES

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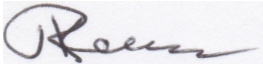
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		J. Hey	R. Keen	L. Kamermans
Date	Rev.	Prepared By		Reviewed and Approved By

TABLE 0: REPORT SUBMISSION SUMMARY

Year of Annual Report	2021
Annual Report Submission Date:	March 31, 2022
Name and contact information of the Baffinland representative responsible for the preparation and approval of the Annual Report.	Lou Kamermans lou.kamermans@baffinland.com T: +1 416 364 8820 x5101 C: +1 647 278 3317
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2021 QIKIQTANI INUIT ASSOCIATION (QIA) AND NUNAVUT WATER BOARD (NWB) ANNUAL REPORT FOR EXPLORATION ACTIVITIES

EXECUTIVE SUMMARY

This report to the Qikiqtani Inuit Association (QIA) and the Nunavut Water Board (NWB) has been prepared to summarize the 2021 exploration activities conducted under Baffinland Iron Mines Corporation's (Baffinland) Type 'B' Water Licence 2BE-EQE1926 (Type 'B' Water Licence) and the Land Use Licence 2 No. QL2-2103 (Land Use Licence) between the QIA and Baffinland for the Ege Bay Project (the Project).

The scope of the Type 'B' Water Licence focuses on exploration and drilling activities and includes provisions and conditions regarding water use, waste management, construction and operation of satellite camps, exploration and drilling programs, spill contingency and environmental monitoring.

During 2021, there were no activities carried out under the scope of the Type 'B' Water Licence. Activities completed in 2021 were limited to a geophysics survey, till sampling, geologic mapping, permafrost survey and an archaeologic survey. No satellite camps were constructed or operated in 2021, with all personnel involved with the exploration activities being based out of the Mary River Mine Site accommodation camp.

As there were no drilling activities, camp operation or water use in 2021, environmental monitoring was limited to recording wildlife sightings in the Project area and documenting instances of Inuit land use in the Project area.

As no development or earthworks has happened in the Project area to date, no reclamation works have been carried out under the Type 'B' Water Licence.

As outlined in the 2022 Work Plan, exploration activities for 2022 have not yet been finalized however it is anticipated that activities at a minimum will include mapping, sampling, geophysical and geochemical surveys of prospects on Baffinland's crown land mineral claims and the IG-03 Nunavut Tunngavik Inc. (NTI) Exploration Agreement. With respect to the global COVID-19 pandemic, any activities in 2022 will be carried out in a manner that ensures the health and safety of all Baffinland staff and Nunavummiut, and follows all applicable guidance from the Government of Nunavut Chief Public Health Officer. Baffinland intends to develop the planned exploration camp in 2022 and initiate a drilling program, pending the issuance of a Land Use Lease from QIA. Further consultation is planned to occur in Igloolik and Sanirajak prior to these developments, to keep key all local communities informed and engaged. As additional details for the 2022 exploration program become available, this information will be provided to the NWB, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), communities and the QIA prior to the commencement of activities.

RAPPORT ANNUEL 2021 DE L'ASSOCIATION DES INUITS QIKIQTANI (AIQ) ET DE L'OFFICE DES EAUX DU NUNAVUT (OEN) SUR LES ACTIVITÉS D'EXPLORATION

RÉSUMÉ EXÉCUTIF

Ce rapport à l'Association Des Inuit Qikiktani (AIQ - Qikiqtani Inuit Association, QIA) et à l'Office des eaux du Nunavut (OEN – Nunavut Water Board, NWB) a été préparé pour résumer les activités d'exploration de 2021 menées dans le cadre du permis d'eau de type B de la Baffinland Iron Mines Corporation (Baffinland) 2BE-EQE1926 (type 'B'). Permis d'utilisation des eaux) et le permis d'utilisation des terres 2 No. QL2-1910 (permis d'utilisation des terres) entre la QIA et Baffinland pour le projet Ege Bay (le projet).

Le champ d'application du permis d'eau de type «B» se concentre sur les activités d'exploration et de forage et comprend des dispositions et des conditions concernant l'utilisation de l'eau, la gestion des déchets, la construction et l'exploitation de camps satellites, les programmes d'exploration et de forage, les risques de déversement et la surveillance de l'environnement.

En 2021, aucune activité n'a été menée dans le cadre du permis d'eau de type B. Les activités achevées en 2021 se limitaient à un levé géophysiques, un échantillonnage de sédiments glaciaires (till), une cartographie géologique, un levé du pergélisol et un levé archéologique. Aucun camp satellite n'a été construit ou exploité en 2021, tout le personnel impliqué dans les activités d'exploration étant basé hors du camp d'hébergement du site de la mine Mary River.

Comme il n'y avait pas d'activités de forage, d'exploitation de camp ou d'utilisation de l'eau en 2021, la surveillance environnementale s'est limitée à enregistrer les observations d'animaux sauvages dans la zone du projet et à documenter les cas d'utilisation des terres par les Inuits dans la zone du projet.

Étant donné qu'aucun développement ou terrassement n'a eu lieu dans la zone du projet à ce jour, aucun travail de remise en état n'a été effectué dans le cadre du permis d'eau de type B.

Comme indiqué dans le plan de travail 2022, les activités d'exploration pour 2022 n'ont pas encore été finalisées, mais il est prévu que les activités comprendront au minimum la cartographie, l'échantillonnage, les levés géophysiques et géochimiques des prospectes sur les concessions minières de la Couronne de Baffinland et sur l'accord d'exploration IG03-20-001 entre Nunavut Tunngavik Inc. et BIM. En ce qui concerne la pandémie mondiale de COVID-19, toute activité en 2022 sera menée de manière à assurer la santé et la sécurité de tout le personnel de Baffinland et des Nunavummiut, et suit toutes les directives applicables du directeur de la santé publique du gouvernement du Nunavut. Baffinland a l'intention de développer le camp d'exploration prévu en 2022 et de lancer un programme de forage, en attendant la délivrance d'un bail d'utilisation des terres de AIQ. D'autres consultations sont prévues à Igloodik et Sanirajak avant ces développements, afin de garder toutes les communautés locales clés informées et engagées. À mesure que des détails supplémentaires sur le programme d'exploration 2022 deviendront disponibles, ces renseignements seront fournis à l'OEN, à Relations Couronne-Autochtones et Affaires du Nord Canada (RCAANC - CIRNAC), aux collectivités et à l'AIQ avant le début des activités.

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ABBREVIATIONS

Baffinland	Baffinland Iron Mines Corporation
CIRNAC	Crown Indigenous Relations and Northern Affairs Canada
CLARC	Community Lands and Resources Committee
CPHO	Chief Public Health Office
HTA	Hunters and Trappers Association
HTO	Hunters and Trappers Organization
IIBA	Inuit Impact and Benefit Agreement
magl.....	Meters Above Ground Level
mine site.....	The Mary River Mine Site
NIRB.....	Nunavut Impact Review Board
NTI	Nunavut Tunngavik Inc.
NWB	Nunavut Water Board
QIA	Qikiqtani Inuit Association
The Project	The Ege Bay Project
WSCC.....	Workers' Safety and Compensation Commission

1 INTRODUCTION

1.1 PURPOSE AND SCOPE

This report to the Qikiqtani Inuit Association (QIA) and the Nunavut Water Board (NWB) has been prepared to summarize the 2021 exploration activities conducted under Baffinland Iron Mines Corporation's (Baffinland) Type 'B' Water Licence 2BE-EQE1926 (Type 'B' Water Licence) and the Land Use Licence 2 No. QL2-2103 (Land Use Licence) between the QIA and Baffinland for the Ege Bay Project (the Project). Concordance tables referencing where in this report annual reporting requirements outlined in the Land Use Licence and Type 'B' Water Licence have been met are presented in Appendix B.

The scope of the Type 'B' Water Licence focuses on exploration activities and includes provisions and conditions regarding water use, waste management, construction and operation of satellite camps, exploration drilling programs, spill contingency and environmental monitoring. Activities and data discussed in this report are summarized and referenced in the completed NWB Annual Report Forms, included as Appendix C of this report.

During 2021, there were no activities carried out under the scope of the Type 'B' Water Licence. Activities completed in 2021 were limited to a geophysics survey, till sampling, geologic mapping, permafrost survey and an archaeological survey. There were no activities carried out that required the use of water, discharge of water or discharge of waste as regulated under the Type 'B' Water Licence. No exploration camps were constructed or operated for the Project in 2021, with all personnel involved with the exploration activities being based out of the Mary River Mine Site accommodation camp.

Figures 1 and 2 present the locations of the key areas associated with the Project where activities in 2021 were undertaken. Figure 3 illustrates the proposed exploration area layout including the proposed camp and beach landing area. Images of the completed activities in 2021 and the Project area are shown in Appendix E. Key areas involved with exploration activities in 2021 included the Mary River Mine Site (Mine Site), Steensby Port and the Ege Bay Project area.

1.2 REGULATORY FRAMEWORK

Although the key regulatory and legal documents that relate to this report are the Land Use Licence and the Type 'B' Water Licence, this report is presented in the context of other applicable regulatory authorizations and schedules for the Project. A list of the key regulatory permits, approvals and authorizations that allowed for the work to be completed at the Project in 2021 is presented in Table 1.1 below.

Table 1.1: Current Permits, Approvals and Authorizations - 2021

Permit or Licence No.	Licence Name	Status Update for 2021	Expiry
Nunavut Impact Review Board (NIRB)			
18EN026	Eqe Bay Project Screening	All works and activities have been screened by the Nunavut Impact Review Board (NIRB) and have been considered in the Project Screening decision. A NIRB Annual Report is submitted by March 31 st of each year that summarizes the status of the Project relative to the conditions outlined in the Project Screening.	N/A
Nunavut Water Board (NWB)			
2BE-EQE1926	Type 'B' Water Licence	In good standing	April 3, 2026
Qikiqtani Inuit Association (QIA)			
TBD	Inuit Owned Land – Land Use Lease	Application still being considered	N/A
QL2-2103	Inuit Owned Land - Land Use Licence	Compliance with the licence is outlined in the 2021 QIA and NWB Annual Reports submitted by March 31 st of each year. This is a one-year extension to QL2-1910.	May 16, 2022
	Inuit Impact and Benefit Agreement (IIBA)	Compliance with the agreement is outlined in the Annual IIBA Implementation Report submitted by March 31 st of each year.	N/A
Department of Fisheries and Oceans			
Letter of Advice – 21-HCAA-00685	Rock/Boulder Removal, Eqe Bay, Foxe Basin, Qikiqtani Region	No work carried out	N/A
Crown Land Use Permits			
N2019C0009	Steensby Land Use Permit	New Land Use Permit issued for Steensby in 2019. The previous permit N2014C0013 was closed and obligations transferred to the new Land Use Permit.	June 29, 2024

2 EXPLORATION ACTIVITIES

2.1 EXPLORATION ACTIVITIES AND DRILLING PROGRAMS

During 2021, exploration activities were based out of the Mary River Mine Site and consisted of day trips by helicopter to the Project. Activities completed in 2021 were limited to a geophysics survey, till sampling, geologic mapping, permafrost survey and an archaeologic survey.

No new satellite camps were constructed and/or operated to support exploration activities in 2021. There were no drilling activities, construction of sumps, use of water or discharge of water or waste to the receiving environment. Although Steensby Port was used as a refuelling location for helicopters transporting exploration field crews in 2021, the site remained closed throughout the year and was not used to house personnel.

3 MODIFICATIONS, INFRASTRUCTURE CHANGES AND CONSTRUCTION

There was no development, construction or earthworks activities initiated at the Project in 2021. Development of the Ege Bay Exploration Camp was deferred to 2022 due to the open Land Use Lease application with QIA, yet to be finalized.

A survival shack was mobilized in 2019 to the exploration area on IG-03 Inuit Owned Land. It was slung, intact, from the Steensby Camp and placed on rocky ground to avoid any damage to the tundra. The shack was used in 2021 and remains winterized and left in place for the 2022 field season (Figure 4). This was authorized via correspondence with the appropriate QIA representative. It is located at the following coordinates:

Easting: 430790

Northing: 7729380

UTM NAD83 18W

A temporary fuel cache was established at the Project Area to facilitate direct flights to and from Mary River and to provide emergency fuel in the event of bad weather. The direct flights serve the dual purpose of extending the number of working hours on the ground and also reducing the number of helicopter hours required to be flown, thus decreasing the potential for wildlife disturbance. The fuel cache was 12 drums, stored in secondary containment greater than 31 m from the nearest high water mark. All fuelling of the helicopter was done with a secondary drip tray beneath all of the fuelling equipment and a spill kit was kept with the fuel drums. All drums were removed from the Project Area and returned to secondary containment at the Steensby Camp at the conclusion of the field program. The fuel cache was located at the following coordinates (Figure 4):

Easting: 430790

Nothing: 7729380

UTM NAD83 18W

4 WATER USE

4.1 QUANTITIES OF FRESHWATER USED FOR DOMESTIC PURPOSES

During 2021, water was not withdrawn under the authorization of the Type 'B' Water Licence for domestic (camp) purposes. No satellite camps were operated to support exploration and drilling activities in 2021.

4.2 QUANTITIES OF FRESHWATER USED FOR DRILLING ACTIVITIES

During 2021, water was not withdrawn under the authorization of the Type 'B' Water Licence for drilling purposes.

5 ENVIRONMENTAL MONITORING

5.1 ENVIRONMENTAL MONITORING FOR DRILLING/TESTING ACTIVITIES

No environmental monitoring for drilling/testing activities occurred as there were no drilling activities executed in 2021.

5.2 AIRCRAFT FLIGHTS

The Land Use Licence and NIRB Screening decision for the Project requires Baffinland to advise pilots of flight height restrictions when travelling to and from the Project site. Specifically, Baffinland is to notify pilots of the minimum flight altitude of 650 metres above ground level (magl) (except during landing, take-off or if there is a specific need for low-level flying) and that the aircraft maintain a vertical distance of 1,000 metres and a horizontal distance of 1,500 metres from any observed groups of migratory birds. Data from helicopter flight logs was analyzed to monitor compliance for the 2021 season.

Flight height data points were designated “Compliant” when elevation requirements of a minimum flight altitude of 650 metres and a minimum flight altitude of 1,100 metres over the Snow Goose Management Area for the months of July and August were achieved, or where pilot’s discretionary rationale for deviating from flight heights was provided. Data points were designated “Non-Compliant” if they did not meet elevation requirements, and no explanation was given. 79.7 % of all flights completed in 2021 for the Ege Bay project were compliant (Table 5.1).

Table 5.1: Summary of Flight Compliance in 2021

Total Flight Hours	Compliant (hours)	Compliant (%)	Compliant with rationale (hours)	Compliant with rationale (%)	Total Compliance (hours)	Total Compliance %	Non-Compliant (hours)	Non-Compliance (%)
211.3	137.3	31.2 %	31.2	14.7 %	168.5	79.7 %	42.8	20.3 %

Most of these flights are attributed to the deployment of field crews. As per authorization in the Water Licence, a 12 drum fuel cache was maintained in the Project area for refuelling purposes. Re-supply flights to and from Steensby Camp were required to position fuel in the Project area. Map 1 in Appendix D shows the flight paths for the 2021 season.

5.3 WILDLIFE LOGS

During the 2021 field program, a total of eighty-eight (88) animals were observed across 16 different days in the Project area or in transit from Mary River to Ege Bay. The total number of observations increased from 2019 (76 wildlife observations) and 2020 (3 wildlife observations). It should be noted that the scale

and timing of the activities in 2020 was significantly reduced due to the global COVID-19 pandemic, resulting in fewer person-hours in the field and fewer opportunities for observing wildlife. It should also be noted that person-hours in the field in 2020 were less than in 2019. A summary of the sightings is presented in the following Table 5.2.

Table 5.2: Wildlife Observations in 2021

Species	Number of Observations
Caribou	73
Seal	5
Arctic Hare	5
Bowhead Whale	1
Walrus	1
Polar Bear	3
Total	88

5.4 LAND USER LOGS

During 2021, one hunting camp/group of hunters were spotted on the land from the helicopter while transiting to the Project area. No interaction, interference or conflict from Project activities were observed or reported as the helicopter immediately left the area upon spotting the land users.

Due to the global COVID-19 pandemic, Baffinland undertook extra precautions to ensure no encounters with local communities, including in some instances confirming any land use in the area with the local HTAs prior to activities.

6 WASTE MANAGEMENT

During 2021, no camps were installed or operated at the Project. Therefore, waste management is not required at this time. All waste generated by field crews (food scraps, lunch bags/wrappers, etc.) was returned to the Mary River camp for disposal on a daily basis.

7 REPORTED INCIDENTS

7.1 SPILLS

There were no spills observed or reported by Baffinland in 2021 at the Project.

7.2 HEALTH & SAFETY INCIDENTS

No health & safety incidents were reported to the QIA and/or the Workers' Safety and Compensation Commission (WSCC) that pertained to the Project activities in 2021.

8 RECLAMATION, CLOSURE AND FINANCIAL SECURITY

8.1 PROGRESSIVE AND FINAL RECLAMATION

No infrastructure, construction or earthworks activities were completed in 2021. Field work conducted in 2021 was limited to low impact surveys including a geophysics survey, till sampling, geologic mapping, permafrost survey and an archaeologic survey. As such, there is no progressive or final reclamation to report on. Details on the progressive and final reclamation for the Project are outlined in the Ege Bay Exploration Program Closure and Reclamation Plan (BAF-PH1-400-P16-0003).

8.2 CURRENT RESTORATION LIABILITY

There is currently no financial security held for the project by the QIA or NWB under the Type 'B' Licence. Baffinland is in discussion with QIA to determine the value of reclamation security that would be required for the issuance of a Land Use Lease and the development of the camp and associated infrastructure.

9 PLANS, REPORTS AND STUDIES

9.1 SUMMARY OF STUDIES REQUESTED BY THE BOARD

Due to the limited scope of work executed in 2021, studies under the Type 'B' Water Licence were not required.

9.2 REVISIONS TO PLANS, REPORTS AND MANUALS

Final versions of the management plans developed for the Type 'B' Water Licence were submitted to the NWB in February, 2019. The Spill Contingency Plan was subsequently updated in July, 2020. Table 9.1 provides a complete list of management plans for the Project.

Table 9.1: Management and Monitoring Plans for the Ege Bay Exploration Project

Management Plan	Current Version	Version Date
Environmental Protection Plan	Revision 0	February 2019
Spill Contingency Plan	Revision 1	July 2020
Closure and Reclamation Plan	Revision 0	February 2019
Inspection and Monitoring Plan	Revision 0	February 2019
Waste Management Plan	Revision 0	February 2019

9.3 SUMMARY OF FUEL STORAGE

There is currently no fuel storage at the Project.

9.4 INSPECTION AND COMPLIANCE REPORTS

9.4.1 CIRNAC Inspections

During 2021, Baffinland did not receive any inspection and/or compliance reports from Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) Water Resources Officers (the Inspector) outlining concerns pertaining to the scope of the Type 'B' Water Licence.

9.4.2 QIA Inspections

During 2021, Baffinland did not receive any inspections and/or compliance reports from QIA outlining concerns pertaining to scope of the Land Use Licence.

9.5 SUMMARY OF ARTESIAN FLOWS

No drilling activity occurred in 2021, therefore no artesian flows were possible.

10 PUBLIC CONSULTATIONS

10.1 ENGAGEMENT ACTIVITIES

In support of the Company's focus on continuous improvement and the engagement objectives defined for the Project, Baffinland implements a variety of engagement mechanisms that are intended to ensure that a broad and comprehensive approach to the identification of stakeholders and that the creation of enhanced opportunities for dialogue and input are executed.

10.1.1 Communicating Field Activities During COVID-19

In prior years, Baffinland's Exploration and Sustainable Development departments have sent representatives to the communities of Igloolik and Sanirajak to discuss planned field work for the upcoming field program. Following the onset of the global COVID-19 pandemic in 2020, Baffinland did not hold any in-person communication or engagement sessions in the communities, in accordance with guidance from the Government of Nunavut Department of Health to ensure the health and safety of all Nunavummiut. Despite the inability to meet in-person, Baffinland endeavoured to ensure communication with communities remained open and transparent. Specifically, Baffinland took the following measures to communicate details of the planned field activities:

1. Received approval from the Chief Public Health Officer (CPHO) for travel to the area of work.
2. Received approval from CIRNAC and the QIA to continue exploration activities and land access.
3. Baffinland sent letters to the nearby communities in advance of the field activities outlining the details of work, mitigations and safety measures being taken to avoid any contact with the communities. Ongoing communication with the communities was maintained until the field activities were completed. A complete list of engagement with communities for 2021 is outlined below in Table 2.1.
4. Baffinland notified the Government of Nunavut's Department of Health, as well as local airports and health centers of the nearby communities regarding our activities.

Table 10.1: Record of Engagement

Date	Letter/Event	Topics Discussed
2021-03-26 2021-03-28	North Baffin Communities - Planned 2021 Field Activities Initial Notification	Initial notification of planned work and projected timing of these works. Identified COVID-19 mitigation measures in place and plans for ongoing communication regarding status of all activities. Requested feedback on plans, if any. Notified Hamlet Councils, Hunters & Trappers Associations and administrative officers Maps of planned work areas and detailed letters delivered in English and Inuktitut. Specific teleconference requests delivered to Igloolik and Sanirajak for the weeks of May 3 – 7. No responses received.

Date	Letter/Event	Topics Discussed
2021-04-21	Sanirajak & Igloolik – Follow Up	Follow up notification sent to Mayors and HTA Chairpersons reminding them of Baffinland's offer for teleconferences to discuss planned work at Ege Bay.
2021-05-07	Sanirajak & Igloolik – Radio Show notification	Notifications sent to Hamlet Councils and HTAs in Igloolik and Sanirajak of planned community radio shows to discuss planned fieldwork in the Ege Bay area for 2021. Public comments and questions are welcomed.
2021-05-12	Igloolik Radio Show	Baffinland staff delivered information regarding planned field work in the Ege Bay area over the radio and accepted call-in questions, comments and concerns. Answers and/or commitments to follow up were provided.
2021-05-13	Sanirajak Radio Show	Baffinland staff delivered information regarding planned field work in the Ege Bay area over the radio and accepted call-in questions, comments and concerns. Answers and/or commitments to follow up were provided.
2021-05-18	Sanirajak CAO	E-mail received stating that Hamlet Council would like to meet with representative from Baffinland before making a decision on the matter of supporting field work at Ege Bay in 2021. BIM commits to calling in to Council meeting on the 31 st .
2021-05-31	Sanirajak Hamlet Council Meeting	BIM staff phone in to Hamlet Council Meeting. Overview of the 2021 Ege Bay Exploration program is provided. Questions and comments are received and responded to appropriately. Hamlet council passes motion to support the program.
2021-06-18	Sanirajak & Igloolik – Ege Bay Program Commencement	Notified Mayors and HTA Chairpersons of the commencement of field activities in the Ege Bay area as described in our previous communications.
Weekly (x13)	Sanirajak & Igloolik – Ege Bay Program Update	Provided weekly update to Mayors and HTA Chairpersons summarizing the past week's activities and the plan, including areas of work, for the coming week.
2021-09-27	Sanirajak & Igloolik – Ege Bay Program Completion	Notification delivered announcing the end of field activities in the Ege Bay area for 2021.
2021-03-26 2021-03-28	North Baffin Communities - Planned 2021 Field Activities Initial Notification	Initial notification of planned work and projected timing of these works. Identified COVID-19 mitigation measures in place and plans for ongoing communication regarding status of all activities. Requested feedback on plans, if any. Notified Hamlet Councils, Hunters & Trappers Associations and administrative officers Maps of planned work areas and detailed letters delivered in English and Inuktitut. Specific teleconference requests delivered to Igloolik and Sanirajak for the weeks of May 3 – 7. No responses received.

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2021-04-21	Sanirajak & Igloolik – Follow Up	Follow up notification sent to Mayors and HTA Chairpersons reminding them of Baffinland's offer for teleconferences to discuss planned work at Ege Bay.
2021-05-07	Sanirajak & Igloolik – Radio Show notification	Notifications sent to Hamlet Councils and HTAs in Igloolik and Sanirajak of planned community radio shows to discuss planned fieldwork in the Ege Bay area for 2021. Public comments and questions are welcomed.
2021-05-12	Igloolik Radio Show	Baffinland staff delivered information regarding planned field work in the Ege Bay area over the radio and accepted call-in questions, comments and concerns. Answers and/or commitments to follow up were provided.
2021-05-13	Sanirajak Radio Show	Baffinland staff delivered information regarding planned field work in the Ege Bay area over the radio and accepted call-in questions, comments and concerns. Answers and/or commitments to follow up were provided.
2021-05-18	Sanirajak CAO	E-mail received stating that Hamlet Council would like to meet with representative from Baffinland before making a decision on the matter of supporting field work at Ege Bay in 2021. BIM commits to calling in to Council meeting on the 31st.
2021-05-31	Sanirajak Hamlet Council Meeting	BIM staff phone in to Hamlet Council Meeting. Overview of the 2021 Ege Bay Exploration program is provided. Questions and comments are received and responded to appropriately. Hamlet council passes motion to support the program.
2021-06-18	Sanirajak & Igloolik – Ege Bay Program Commencement	Notified Mayors and HTA Chairpersons of the commencement of field activities in the Ege Bay area as described in our previous communications.
Weekly (x13)	Sanirajak & Igloolik – Ege Bay Program Update	Provided weekly update to Mayors and HTA Chairpersons summarizing the past week's activities and the plan, including areas of work, for the coming week.
2021-09-27	Sanirajak & Igloolik – Ege Bay Program Completion	Notification delivered announcing the end of field activities in the Ege Bay area for 2021.
2021-12-07	Igloolik CLARC Meeting	Meeting hosted by the Igloolik Community Lands and Resources Committee (CLARC). Baffinland presented proposed camp development and exploration plans related to current Land Use Lease and Licence applications. CLARC members posed questions and provided commentary on the proposals.
2021-12-07	Igloolik Community Meeting	Meeting hosted by the Igloolik CLARC. Baffinland presented proposed camp development and exploration plans related to current Land Use Lease and Licence applications. Community members posed questions and provided commentary on the proposals.

10.1.2 Community Group Meetings

Baffinland meets with various community groups on a regular basis to discuss aspects of the Project and ongoing issues, concerns or recommendations community representatives may have. Baffinland engaged with several community groups during 2017 and 2018 including Hamlet Councils and local community Hunters and Trappers Organizations (HTOs). These meetings were held predominantly to garner feedback on plans presented during the permitting phase. As part of the Land Use Lease negotiation process with the QIA, Baffinland attended a Community Lands and Resources Committee (CLARC) meeting and hosted a public Town Hall meeting on December 7, 2021. During both engagements Baffinland was given the opportunity to present plans related to proposed exploration and development in the Ege Bay area and to garner CLARC and community feedback.

As with previous community group meetings in Sanirajak and Igloolik, CLARC and community members brought forward several comments related to the Project. The feedback provided was a mix of comments that were both supportive of the Project and comments related to concerns or issues the participants perceived or were experiencing. Most of the comments raised at the meeting were related to:

- Potential for Inuit Employment and Training
- Marine Environment
- Terrestrial Environment
- Potential effects on Land Use and Harvesting Practices
- Training Opportunities
- Effects of the Project on Heritage Sites

Many of the above subjects have overlap with the Mary River Project and some of the questions/comments primarily concerned ongoing or proposed activities there. In these cases, questions or comments were noted and forwarded to the appropriate Baffinland departments and/or personnel to be addressed.

Baffinland, through in-person meetings and newsletters regarding project updates, as well as following all best-practice guidelines, will endeavour to address these issues and provide feedback throughout the Project.

10.1.3 Engagement with QIA

Baffinland will continue to implement a proactive approach to engagement with various stakeholders, through meetings, workshops, surveys and dissemination of information and reports. This will ensure that the communities, QIA, regulators and the public are informed in a timely and culturally sensitive manner of the Project's progress and the potential environmental and social impacts of ongoing exploration.

In the spring of 2020 exploration activities throughout much of Nunavut were effectively halted due to the global COVID-19 pandemic and the resulting associated protocols to ensure the safety of Nunavummiut. As a result, Baffinland was given amnesty from exploration spending requirements by the

Mining Recorders Office for claims on Crown land, and Nunavut Tunngavik Inc. for land held in the Exploration Agreements. As the Land Use Licence for parcels IG-02 and IG-03 (QL2-1910) would effectively be unused for the 2020 field programs, Baffinland approached the QIA about granting a one-year extension to Land Use Licence QL2-1910. A new one year Land Use Licence (QL2-2103) was granted to allow for fieldwork to continue in 2021. Discussion are ongoing with QIA regarding the issuing of a Land Use Lease agreement to allow the development of the camp described in SD 18EN026.

11 2022 EXPLORATION ACTIVITIES

The 2022 Work Plan for the Mary River Project was prepared and provided by Baffinland to relevant parties on November 1, 2021 including planned exploration activities.

The scope of Baffinland's Type 'B' Water Licence and Land Use Licence allows for Baffinland to continue to undertake exploration activities within the Project area including mineral claims staked on crown land and IG-02 and the NTI Exploration Agreement Subarea C on IG-03.

Exploration activities for 2022 have not yet been finalized however it is anticipated that activities at a minimum will include mapping, sampling and geophysical and geochemical surveys of prospects in the Project area. Notification will be provided to the NWB, CIRNAC and the QIA prior to the commencement of exploration and/or drilling activities. Baffinland also plans to engage with community members to discuss planned developments and employment opportunities that may exist as the project moves forward. Baffinland plans to continue to engage as many local employees as possible and provide on-the-job training to positions relevant to grassroots exploration.

During 2022, Baffinland plans to establish a new exploration camp within the Ege Bay Area (refer to Figure 3) to support a drilling program planned for either late summer 2022 or late spring and summer 2023, as well as other low impact exploration activities within the Ege bay Area. The current Type 'B' Water Licence issued in April 2019 is inclusive of the scope of these activities. A Land Use Lease application is still undergoing review and discussion with QIA, that would allow for the development of the camp and exploration drilling on Inuit owned land.

APPENDIX A

Figures





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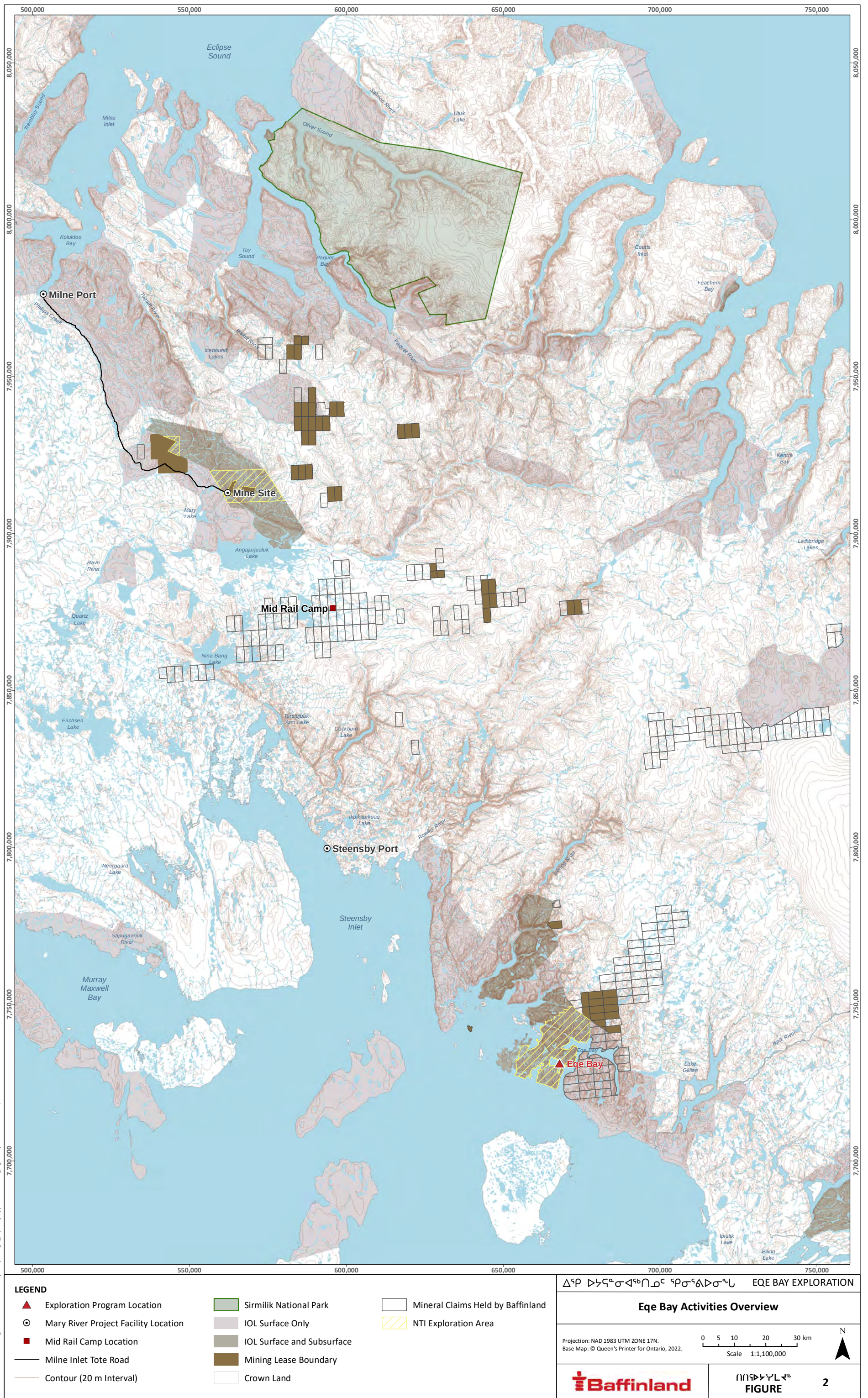
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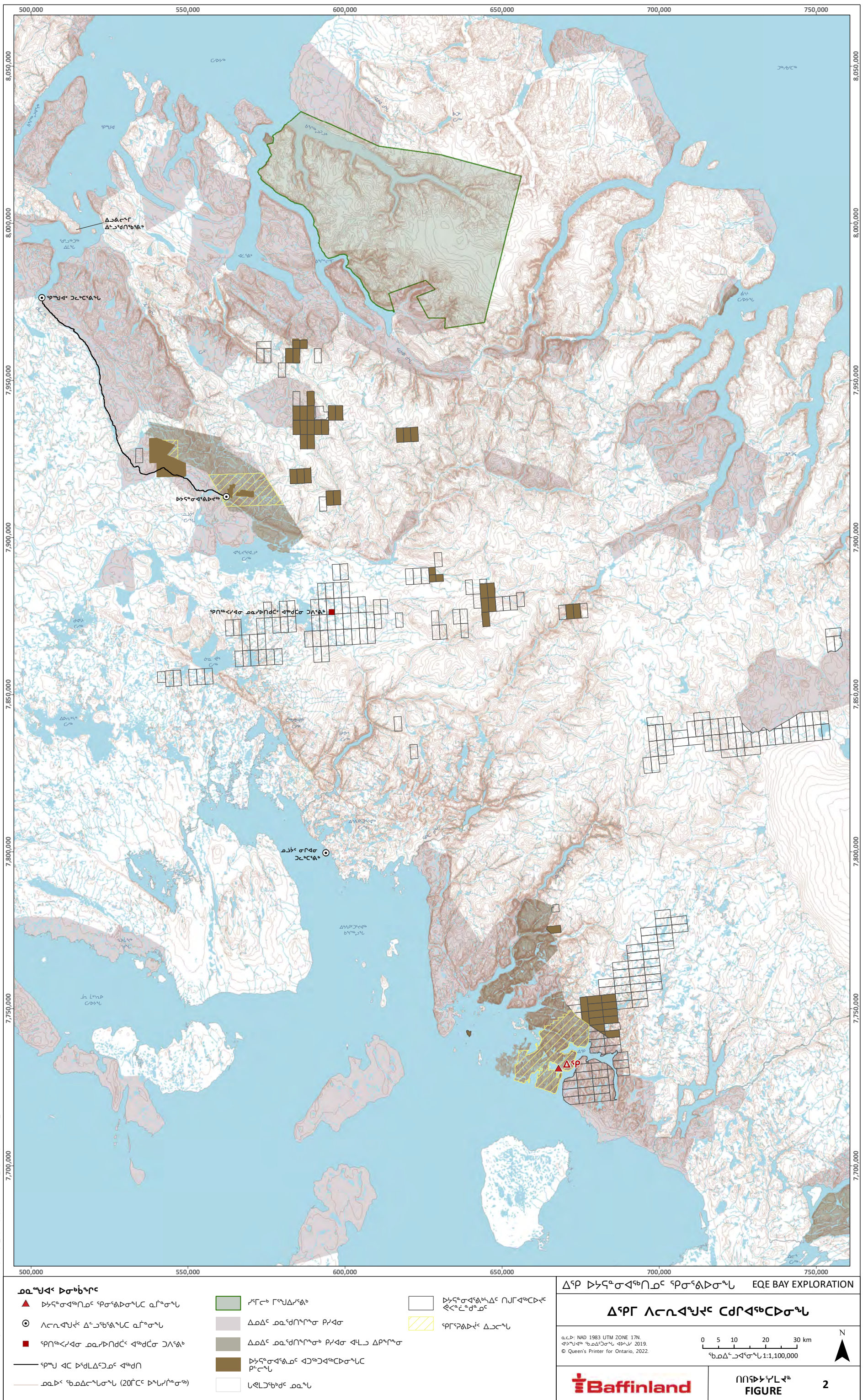
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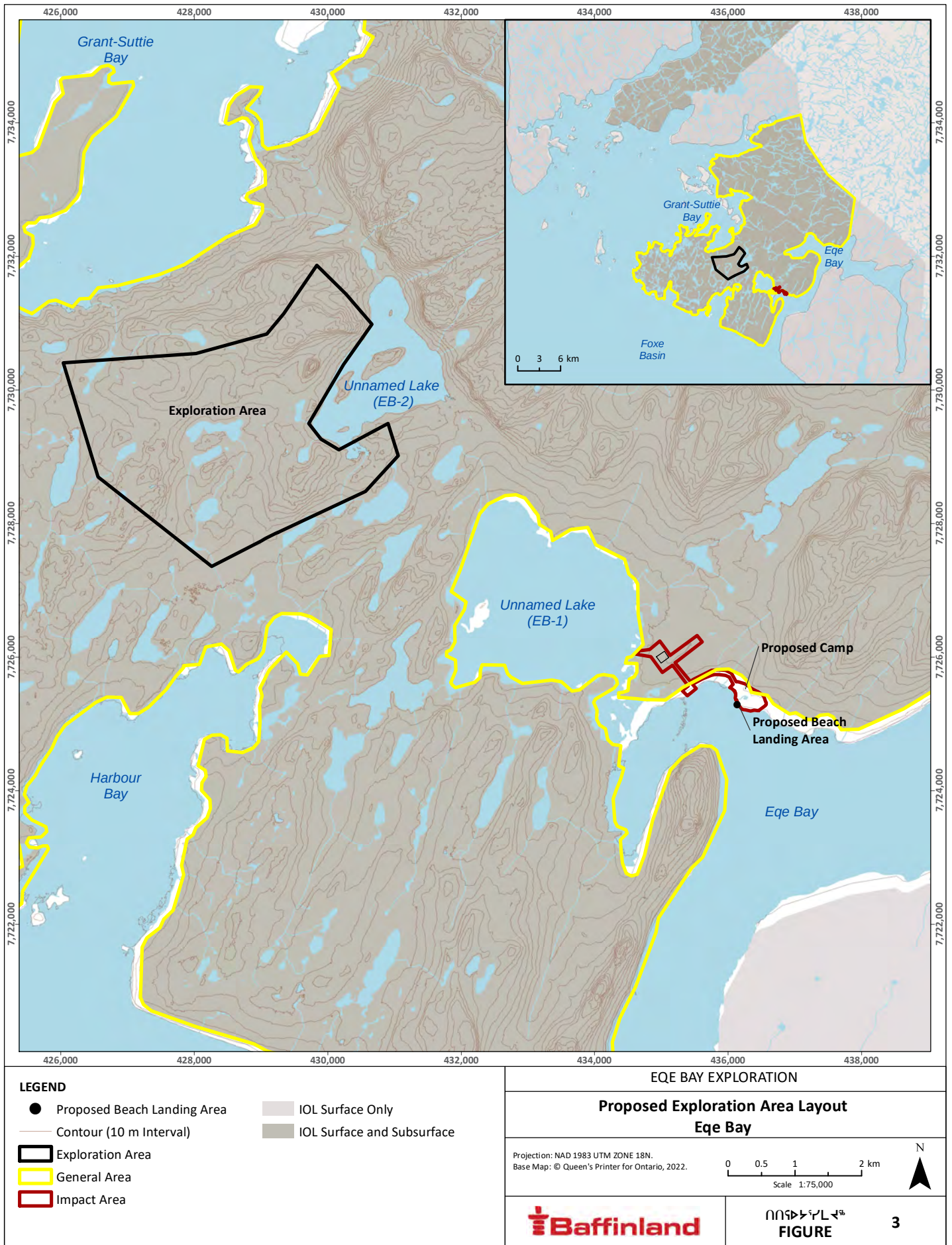


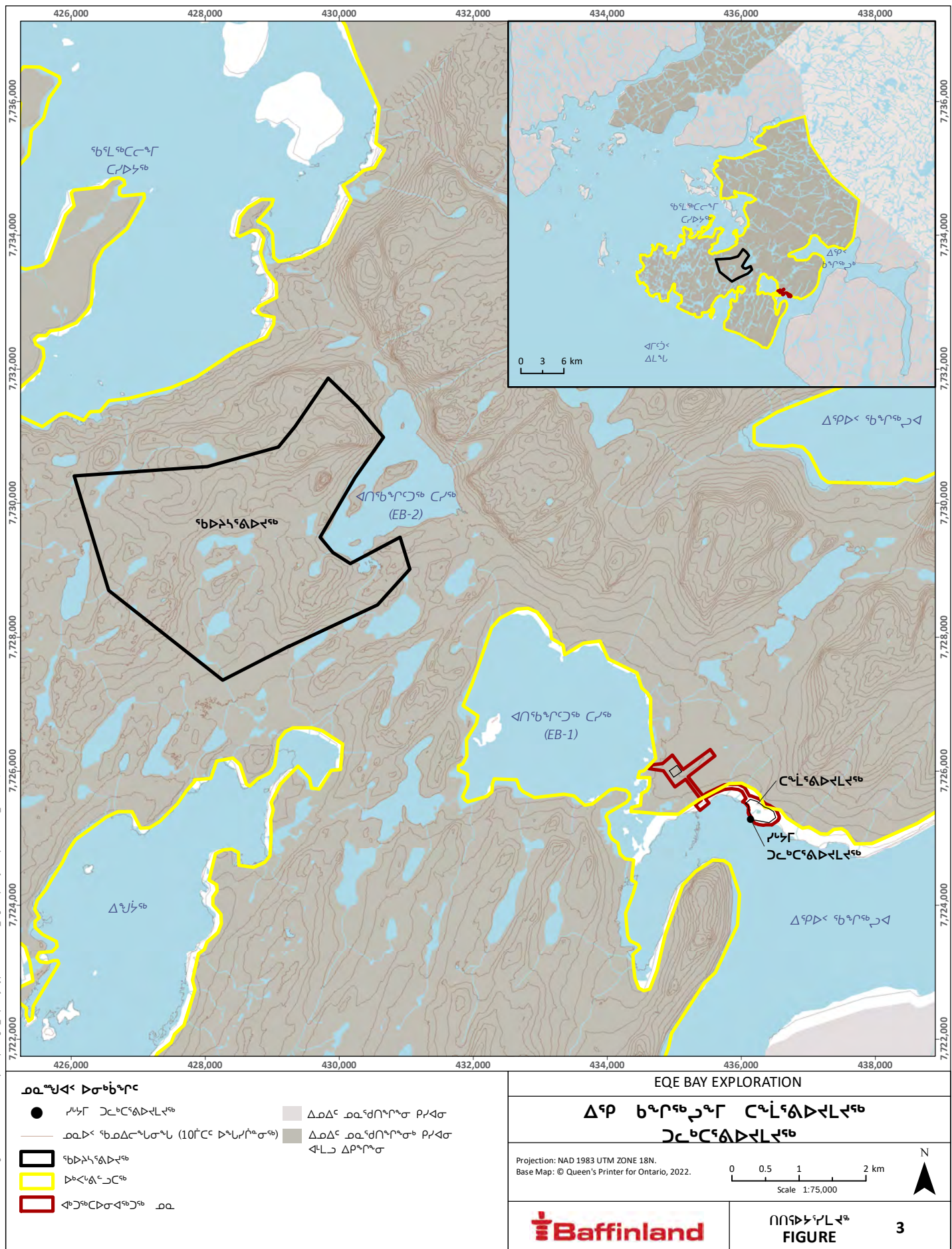
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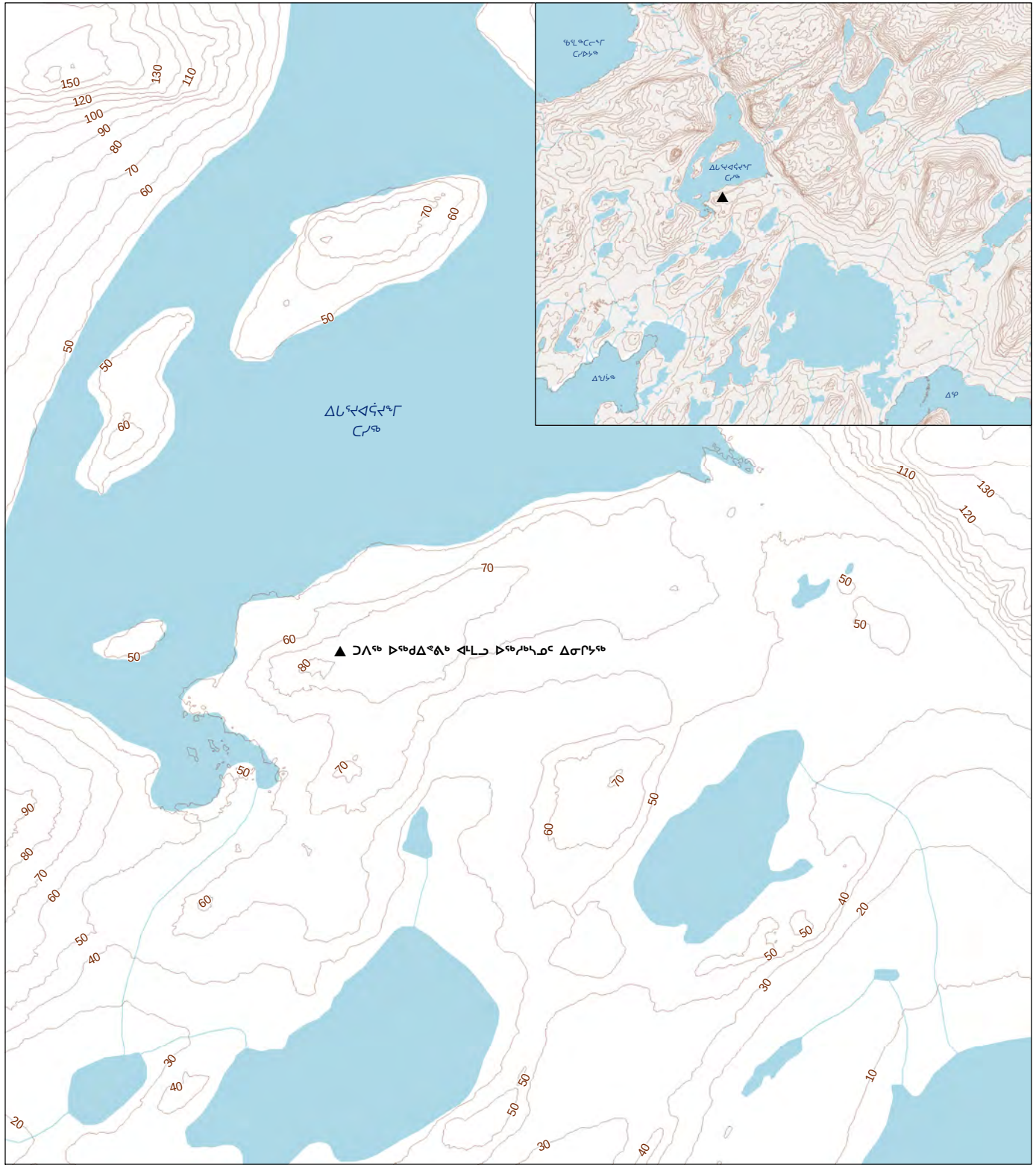
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APPENDIX B

Concordance Tables

Table 1: Concordance Table – Type ‘B’ Water Licence 2BE EQE1926

Type B Water Licence 2BE-EQE1926		2021 QIA and NWB Annual Report for Exploration and Geotechnical Activities	
Condition No.	Condition	Report Reference/Response	
Part B. General Conditions <i>The Annual Report referred to in Part B, Item 2 shall include:</i>			
2	The Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board no later than March 31st of the year following the calendar year being reported, containing the following information:	See below	Annual Report was submitted on March 31, 2022.
a	A summary report of Water use and Waste disposal activities;	Section 4 Section 6	Water Use Waste Management
b	Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Inuit-owned lands for the reporting period;	Section 4	Water Use
c	Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Crown Lands reporting period;	Section 4	Water Use
d	Quantity of Waste disposed of on on-site Waste disposal facility;	Section 6	Waste Management
e	Quantity of Waste backhauled to approved facility for disposal;	Section 6	Waste Management
f	A list of unauthorized discharges and a summary of follow-up actions taken;	Section 4 Section 7.1	Water Use Spills
g	Any revisions to the management plans, as required by Part B, Item 7, submitted in the form of an Addendum;	N/A	No revisions to management plans
h	A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;	Section 8	Reclamation, Closure and Final Security
i	Report all artesian flow occurrences as required under Part F, Item 3;	Section 9.5	Summary of Artesian Flows
j	A summary of all information requested and results of the Monitoring Program;	Section 5.1	Environmental Monitoring for Drilling/Testing
k	Details pertaining to locations of sump(s) and drill holes;	Section 2.1	Exploration Activities and Drilling Programs
l	GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that provided in the application;	Section 3	Modifications, Infrastructure Changes and Construction
m	A summary, including photographic records before, during and after any relevant construction activities or Modifications and/or major maintenance work carried out on facilities under this Licence and an outline of any work anticipated for the next year;	Section 3	Modifications, Infrastructure Changes and Construction
n	Detailed discussion on the performance, installation, and evaluation, including the use of photographic record, of the primary and secondary containment functions used in fuel storage to safeguard impacts to freshwaters;	Section 3.	No permanent fuel storage at the Project in 2021, however a fuel cache was established. Details are provided in Section 3, Modifications, Infrastructure Changes and Construction.
o	A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;	Section 10	Public Consultations
p	Any other details on Water use or Waste disposal requested by the Board by the 1st November of the year being reported.	N/A	No other details on water use or waste disposal was requested by the Board by November 1, 2021.

Table 2: Concordance Table – Land Use Licence 2 - QL2 2103

Land Use Licence 2 – QL2-2103		2021 QIA and NWB Annual Report for Exploration and Geotechnical Activities	
Condition No.	Condition	Report Reference/Response	
Schedule 1 - Annual Reporting Requirements			
8	The Licensee shall submit a Final Report March 31 2022 at the conclusion of the term of this licence, showing:	See below	Annual Reports were submitted on March 31, 2022.
a	All lands occupied and used during this land use operation, including details on all activities conducted on the lands	Section 2	Exploration Activities and Drilling Programs
b	Before and after digital photographs of land use sites	N/A	N/A
c	If applicable, aircraft flight paths, number of flights (include dates/time), and flight elevation.	Section 5.2 Appendix D	Aircraft Flights
d	Wildlife sightings including copies of all wildlife logs	Section 5.3	Wildlife Logs
e	Inuit land use encountered during operations	Section 5.4	Land User Logs
f	Land use conflicts encountered during operations	Section 5.4	Land User Logs

APPENDIX C

NWB Annual Report Forms

NWB Annual Report**Year being reported:** 2021

License No: 2BE-EQE1926 **Issued Date:** April 4, 2019
Expiry Date: April 3, 2026

Project Name: Ege Bay Exploration Program Project

Licensee: Baffinland Iron Mines Corporation

Mailing Address: 2275 Upper Middle Road East, Suite 300
Oakville ON, Canada L6H 0C3

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

Baffinland Iron Mines Corporation

General Background Information on the Project (*optional):

Refer to Section 1 of Annual Report.

Licence Requirements: the licensee must provide the following information in accordance with

Part B ▼ Select ▼

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s):	Refer to Section 4.	
Water Quantity:	29 cu.m/day	Quantity Allowable Domestic (cu.m)
	-	Actual Quantity Used Domestic (cu.m)
	270 cu.m/day	Quantity Allowable Drilling (cu.m)
	-	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- ☐ Solid Waste Disposal
☐ Sewage
☐ Drill Waste
☐ Greywater
☐ Hazardous
☐ Other:

Additional Details:

No waste generated in 2021. Refer to Section 6.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc.)

No spills observed or reported in 2021

Revisions to the Spill Contingency Plan

SCP submitted and approved - no revision required or proposed

Additional Details:

Final versions of the management plans developed for the Type 'B' Water Licence were submitted to the NWB in February, 2019.

Revisions to the Abandonment and Restoration Plan

AR plan submitted and approved - no revision required or proposed

Additional Details:

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Refer to Section 8.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details described below

Additional Details:

Refer to Section 4.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below

Additional Details:

Refer to Section 6.

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board



Additional Details: (date of request, analysis of results, data attached, etc.)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board



Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

Select



Additional Details: (Dates of Report, Follow-up by the Licensee)

Refer to Section 9.4.

Any additional comments or information for the Board to consider

The 2021 QIA and NWB Annual Report for Ege Bay Project provides further details on water use and waste disposal, fuel storage, inspections, environmental monitoring programs, updates to plans, progressive reclamation work and consultations.

Date Submitted:

March 31, 2022

Submitted/Prepared by:

Jonathan Hey

Contact Information:

Tel: (416) 364-8820 ext. 5300

Fax:

email: jon.hey@baffinland.com

APPENDIX D

Map 1 – Helicopter Flight Data



APPENDIX E

Eqe Bay Photo Log



PHOTO 1 – Surficial Geologists training BIM staff on the first day out in the field



PHOTO 2 – BIM Geologist collecting a till sample



PHOTO 3 – Archaeologist collecting data in a fenced off archaeological site



PHOTO 4 – Archaeology site (tent ring) in the Ege Bay Area



PHOTO 5 – Surficial Geologists using a talon drill to collect till and sediment



PHOTO 6 – Structural Geologist taking measurements with a Brunton



PHOTO 7 – Geophysical crew running an IP survey



PHOTO 8 – BIM staff Geologists administer the Nunavut Prospectors Program (NPP)



PHOTO 9 – Eqe Bay survival tent



PHOTO 10 – Eqe Bay Beach