

January 29, 2025

Luc Chamberland
Director
Canadian Transportation Agency
60 Laval Street, Unit 01
Gatineau, QC J8X 3G9

Re: Baffinland Iron Mines Corporation (Baffinland) Application for Approval to Construct a Railway (application) to the Canadian Transportation Agency (CTA) Letter issued by the Canadian Transportation Agency on January 16, 2025

Dear Mr. Chamberland,

Baffinland Iron Mines Corporation (Baffinland) is pleased to submit the enclosed response addressing the Canadian Transportation Agency's (CTA) update on Baffinland's application for approval to construct its proposed railway line, as outlined in their letter dated January 16 (the January Letter). We are encouraged by the confirmation that several components of our application are deemed complete, as specified in the Guide, including:

1. Application overview
2. Location of the railway line
3. Alternative locations
5. Archaeological elements and related maps
6. Railway operations and services (infrastructure and ground alterations)
9. Railway operations and services (construction activities)

This supplemental information filing addresses the items identified by CTA as incomplete or requiring additional information in their letter, namely:

4. Maps and Plans
5. Railway operations and Services
8. Railway operations and services (railway services)
10. Interests of Localities

4. Maps and Plans

In the January Letter, CTA has requested the following additional information:

- *“The Agency requires Baffinland to file and update the plans of the Steensby Port to include mileage points and the railway line right of way”.*

Mileage Points at Steensby Port

The Steensby Port schematic is provided in Attachment 1.1, the mileage point starts at kilometer point (KP) 0+000 within the top right of the schematic. A few mileage point are provided on the schematic, though these mileage points are directly related to Steensby Port, and are independent from the mileage points shown along the railway schematics and design drawings, starting at KP 0+000 at the Mine Site to 149+357 when arriving to Steensby Port. Attachment 1.2 provides the overall track schematic for the Steensby Railway, and shows that the Steensby Port KP 0+000 mileage point (shown in Attachment 1.1) is located at mileage point KP 149+357 with respect to the entire Steensby Railway. These schematics contain all the available information related to the Steensby Port mileage points.

Right of Way at Steensby Port

The right of way for the railway between Steensby Port and Mary River is limited to an impact area of 100 meters on either side of the centreline of any road or access way or railway, this is a requirement under Baffinland’s Commercial Lease (Condition 2.5 a). Whereas the Steensby Port impact area is limited to the project development area as defined in the Final Environmental Impact Statement. Attachment 1.3 shows the project development area (also provided in SD-24), which would be considered the right of way for the Steensby Port, which includes the Steensby Port yard.

7. Railway operations and Services

In the January Letter, CTA has again requested the following information, originally requested in LET-R-52-2024:

- *“The Agency requires Baffinland to file information about idling, shunting, train building and marshalling activities planned for the yard along with where, when, and how they will be conducted, as appropriate. This information was specifically requested in LET-R-52-2024 and remains outstanding.”*

Baffinland confirms it provided all of the available information on this item within the supplemental letter we provided to CTA on November 7, 2024 (see Section CTA IR. 9, pages 23-26 of that filing). We note that the level of detail included in our November 7, 2024 response generally aligns with the level of detail provided in other Section 98 applications that were previously accepted by CTA (for instance, a similar request regarding idling, shunting, train building and marshalling activities made by CTA to Vancouver Park Logistics (VPL) in 2022).

For ease of review, Baffinland is re-submitting the following information, which was previously submitted in Baffinland's November 7, 2024 response letter. We trust this addresses the CTA's request as outlined in LET-R-52-2024.

(a) idling

There may be idle timing for the locomotives during the maintenance operations if there is a lack of space within the four routine maintenance and inspection bays.

(b) shunting

The only shunting expected at Steensby will be to replace rail cars with defects that cannot be repaired in place before departure.

(c) train building

The only train building operations to occur will be de-coupling the locomotive as the railcars are unloading at the Steensby Port loadout point. The locomotive will be moved around the loop track to a point where they will be re-coupled to the rail cars on the other end for departure back to the Mary River Mine Site. Also train building will occur on track P13 or P11 to P12 (Figure 2) for the general freight operations. This will occur roughly 2 to 3 times per week.

(d) marshalling

No decoupling or rearranging of Ore rail cars is expected during operations. Marshalling will occur on track P13 or P11 to P12 (see Figure 2) for the general freight operations. This will occur roughly 2 to 3 times per week.

(e) Summary of Railway Yard Operations

The following sections provide operational details at each yard and their planned activities.

The Railway Design Brief includes information on the operations of the railway, and is provided as SD-22 (Railway Brief Design: Tender Phase, September 27, 2024, Systra). As outlined in SD-22, the Steensby Railway is designed to transport iron ore between two terminals located at the Mary River mine site and Steensby Port. Aside from the terminals, the railway consists of a single track main line with three sidings intended for ore train meets and two short sidings for maintenance purposes.

At Mary River, the terminal is required to support ore loading and mine activities. At Steensby Inlet, the Steensby Yard is a railway support rail yard which consists of a rolling stock maintenance shop, a track maintenance base, an ore unloading loop, access tracks to liquid storage tanks, and a container storage area.

The Steensby Yard is located on the mainline at KP149.4 and will be the centre of activity for rail operating purposes. The Transportation, Rolling Stock and MOW departments are headquartered in the Rolling Stock Maintenance Facility at Steensby Yard. Trains from the mine will be received at Steensby on one of two Dumper Arrival tracks. Once the dumper is available, the main line locos will bring the train up to the

dumper where an indexer can engage the first of the rail cars. At that point, the locomotives will be uncoupled from the train and proceed to the shop for inspection and servicing. As the rail cars are unloaded, they will be indexed around the loop track to a point where they will be re-coupled to the locomotives. The empty cars will also be inspected before departure back to the mine. The only shunting expected at Steensby will be to replace rail cars with defects that cannot be repaired in place before departure.

At Mary River, empty trains will be received on one of two TLO (Train Loadout) Arrival tracks. Control of the locomotives will be turned over to the Loadout operator for in-motion loading of iron ore at a minimum speed. Once loaded, control will be returned to the train crew for departure. The train will undergo a pull-by inspection as it leaves the yard.

Aside from the ore train operations, the two terminals will have a general freight track for occasional (2 to 3 trains per week) transport of containerized spare parts and supplies to the mine. Both yards will also have a small shop building where maintenance-of-way teams will be based.

The train movements through the Mary River Yard are briefly described below (see Figure 1):

1. Upon arrival the empty ore train will pull directly into the loading track M01 or to the waiting track M02, as shown in Figure 1 below.
2. After loading is completed, the loaded train will move to the east end of track M01 for a brake continuity test and pull-by inspection.
3. After completion of the brake continuity test and pull-by inspection and upon receiving proper authority from the dispatcher the train will depart.

The information on train movement through both railway yards will be refined during detailed design and will the final plan will be published in the Railway Maintenance and Operations Plan, to be issued before the start of operations.

As described in IR.1, the train movements through Steensby Yard are described below (see Figure 2):

1. Loaded trains will pull down main track and proceed directly to the unloading area on the loop track P01, as shown in Figure 2 below (from SD-22, Railway Brief Design: Tender Phase, September 27, 2024, Systra).
2. Once the train is placed in the car positioner (indexer), the leading locomotive(s) will be detached from the train and sent to the locomotive inspection shed, on track P08 (Figure 2), for refueling (as required) and trip inspection. One locomotive will remain connected to the train to supply air to the braking system during the dumping operation.
3. Once the train is unloaded, locomotive(s) will be recoupled to the front of the train and the train will move forward on P02 (Figure 2), and will stop next to the locomotive inspection shed.
4. A train standing inspection will be performed on P02. Minor car repairs will be performed on the inspection track, without removing wagons from the train.
5. The crew will take the train on P02 once the standing inspection is completed. They will perform a No. 1 or 1A brake test. A pull by inspection will be performed by the car inspector.

Supply train operation at the Mary River Yard are described below (see Figure 1):

1. The supply train will pull into one of the freight tracks (M01 or M03) and cut-off cars;
2. The locomotives will use track M02 to run around and pick-up empty cars from either track M01 or M03, as required;
3. Locomotives will couple onto empty flats on the General Freight Track or empty tank cars on the Tank Farm Track once fuel deliveries by rail are started; and
4. After a brake continuity test and a pull-by inspection are performed, and upon receiving proper authority from train dispatcher, the supply train will depart.

As described in response to CTA IR.1, the train movements through Steensby Yard (Figure 2) are described below:

1. Loaded trains will pull down main track and proceed directly to the unloading area on the loop track P01, as shown in Figure 2 below (from SD-22, Railway Brief Design: Tender Phase, September 27, 2024, Systra).
2. Once the train is placed in the car positioner (indexer), the leading locomotive(s) will be detached from the train and sent to the locomotive inspection shed, on track P08 (Figure 2), for refueling (as required) and trip inspection. One locomotive will remain connected to the train to supply air to the braking system during the dumping operation.
3. Once the train is unloaded, locomotive(s) will be recoupled to the front of the train and the train will move forward on P02 (Figure 2), and will stop next to the locomotive inspection shed.
4. A train standing inspection will be performed on P02. Minor car repairs will be performed on the inspection track, without removing wagons from the train.
5. The crew will take the train on P02 once the standing inspection is completed. They will perform a No. 1 or 1A brake test. A pull by inspection will be performed by the car inspector.

At the Steensby Yard (Figure 2), the exit from the unloading loop leads directly to:

- Departure track P01. The full train standing inspection will be performed on track P01, with the front of the train positioned next to the dumper. Defective cars that cannot be repaired on the train will be set-off on the bad order track PB01. A road beside track P01 enables inspectors to access the train with their vehicle to transport tools and spare parts for the walk-by train inspection. Platform with road access are provided on both sides of Bad Order track and between tracks P11 and P12 to permit some repair activities. Cars in need of heavier repairs will be directed to the rolling stock workshop.
- The Track P02 is equipped with an inspection shed adjacent to the rolling stock workshop to perform locomotive servicing. It also provides an alternative departure track in the exceptional situation where more than two trains arrive at Steensby Terminal and track P01 is occupied by the previous train waiting for departure.

For inbound general freight operations at Steensby Yard:

1. On arrival at Main Yard the Supply Train will proceed to the Freight Terminal using either track P01 or P02, as instructed by the dispatcher;
2. The crew will place cars as required on tracks P13 or P11 to P12, as required;
3. The locomotives and crew will proceed to the locomotive inspection shed;
4. Secondary switching, if required, will be performed by a main line locomotive.

For outbound general freight operations at Steensby Yard:

1. The locomotives and crew will proceed from the locomotive shop to the freight track P13;
2. The locomotives will couple onto the loaded cars;
3. The crew will make sure that there is brake air pressure up the last car on the train ;
4. The locomotives and outbound cars will proceed to the departure track;
5. The train will be inspected and upon completion of the inspection will depart for Mary River.

A structured approach to train scheduling has been developed where, rather than dispatching the unit trains evenly through the day, they are dispatched so that as one train is preparing to leave the loading or unloading facility another train is arriving. This minimises the occurrence of mainline meets for the ore trains and improves the reliability of the operation. It also provides for two periods of continuous loading and unloading per day leaving significant blocks of time available for the maintenance of the loading and unloading facilities. Therefore the most likely idle timing for the locomotives will be during the maintenance operations. These plans are consistent with those described in the 2012 FEIS (SD-71, Final Environmental Impact Statement, 2012, Baffinland, Volume 3, p.76).

There are four routine maintenance and inspection bays in the heated maintenance shop for locomotives. Consequently, there will sometimes be one locomotive not in use that cannot be housed in the shop due to lack of space. It will stand in the yard and, depending on the temperatures and length of time out of use, it will either sit with its generators idling (as many of the diesel pickup trucks do in the north) or it will be plugged into "wayside power" (the railway equivalent of plugging in a block heater). Experience will determine the temperature at which the wayside power approach becomes ineffective and it becomes necessary to fire up the engine to be sure that it will run when required.

8. Railway operations and services (railway services)

As described within CTA's January 16 letter CTA is requesting the following information:

- *"The Agency requires Baffinland to file additional submissions, including a summary of the interests of localities which was discussed at our January 15, 2025, meeting, relating to the required information."*

Baffinland confirms it will be providing an updated summary of the interest of localities in the form of a table within the coming weeks. At our meeting on January 15, 2025, CTA staff requested additional information on Baffinland formal processes in place to address community grievances.



This information was previously provided to CTA in the Section 98 Application in SD-27.51, Baffinland's Stakeholder Engagement Plan (see Section 6 of the Stakeholder Engagement Plan). For convenient reference, Baffinland has provided an overview of the community grievance process in this submission, below.

Baffinland understands that with the submission of these two items, the Agency's above noted request will be considered satisfied.

Grievance Mechanism

As a means to document, assess, and respond to external complaints or feedback that may arise, the positions responsible for implementing Baffinland's complaints management process will take practical measures to address all legitimate complaints to the satisfaction of complainants.

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.

Complaint Management Procedure

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, if necessary;
- Consult with complainant for further explanation on complaint, when necessary;
- Involve organizations, contractors, 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.



All Baffinland employees and contractors/consultants shall direct complainants to the designated officer. All complainants must complete a Complaint Action Form 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.

Lodging and Recording Procedure

To lodge a formal complaint, the complainant must:

- Fill out a Complaint Action Form, including name, address, and contact details and all information necessary to accurately describe the complaint.
- Submit the completed Complaint Action Forms to the Baffinland Liaison Officer or a Baffinland office, who will then pass the form on to the Corporate Affairs. The Complaints Action Form can be submitted via email to contact@baffinland.com or via the Baffinland Website which includes contact for the Head of Corporate Affairs.

Corporate Affairs will record the received Complaint Action Form on the Complaints Log.

Complaint Resolution

Baffinland's goal is to resolve complaints as expeditiously as 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. 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 Complaints Officer 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. Senior leadership will decide how to advance this grievance.
- 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. Senior Management will be responsible for Level 4 grievances.

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. 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.

Once complaints are passed to the Complaints Officer, they will screen and forward to the appropriate manager. The same screening approach is taken for all queries submitted to contact@baffinland.com. All received complaints that have been verified by the Complaints Officer as actual or unique complaints will be resolved via the resolution procedure.

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. 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 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 Community 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.

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.

10. Interests of localities

As described within CTA’s January 16 letter CTA is requesting the following information:

- *“The Agency notes that Baffinland has filed the update on future multi-community engagements and extracts from the engagement database and that no additional filings are required for these elements. The Agency does require Baffinland to file additional submissions, including a summary of the interests of localities which was discussed at our January 15, 2025, meeting, relating to the required information.”*

As noted above, Baffinland will be providing an updated summary of interests of localities table to CTA in the very near term. Baffinland’s understanding is that with the submission of this item, the Agency’s above noted request will be considered satisfied.

We are providing the Agency with the enclosed Supplemental Information filing for your review and to help ensure the completeness of the record and the efficiency of the Agency’s review. We trust this information (together with our upcoming submission of an updated summary of interests of localities table described above) will be sufficient to complete Stage 1 of the Application review process described in the Guide. . Please contact me should you wish to clarify any part of the Application. Should you have any further questions or require clarification, please do not hesitate to contact the undersigned.

Regards,

Elisabeth Luther
Senior Manager, Regulatory Affairs
Baffinland Iron Mines Corporation

Encl:

Attachment 1. Steensby Port Design Drawings

Attachment 1.1: Steensby Port Yard Schematic

Attachment 1.2: Overall track Layout Schematic

Attachment 1.3: Steensby Port Infrastructure Figure

Attachment 2. Stakeholder Engagement Plan (SD 27.51)

Attachment 1 – Steensby Port Design Drawing

Attachment 2 – Stakeholder Engagement Plan (SD-27.51)