

## COMMUNITY SUMMARY

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### Purpose of the Section 98 Application

Baffinland Iron Mines Corporation (Baffinland) has applied to the Canadian Transportation Agency (Agency) under the *Canada Transportation Act* (CTA) to construct a 149 km long railway line from its Mary River Mine Site to Steensby Port (the Steensby Railway) under Section 98 of the *Canada Transportation Act*, S.C. 1996, c. 10. The construction of the Steensby Railway is needed for Baffinland to create long-term value in the Project allowing it to continue to operate and provide benefits to Inuit, the public, local and regional Inuit organizations and hamlets, the Government of Nunavut, Federal agencies, and other interested parties.

The Steensby Railway was previously assessed and approved in 2012 by the Nunavut Impact Review Board (NIRB), and was also included in approvals issued in 2013 by the Nunavut Water Board (NWB), and in 2024 by the Nunavut Planning Commission (NPC). The Steensby Railway is subject to many strict legal requirements, including Project Certificate No. 005, the Type A Water Licence, the North Baffin Regional Land Use Plan, the Inuit Impact Benefit Agreement (IIBA) and the Commercial Lease with the Qikiqtani Inuit Association (QIA).

The Section 98 is one of the remaining activity-specific authorizations needed for Baffinland to build the Steensby Railway. Baffinland has prepared this summary of its Section 98 Application to help the community understand our application.

Baffinland has asked the Agency to approve our Section 98 Application. Baffinland's Section 98 Application says that the location of the railway is reasonable, taking into consideration the existing approvals that have already been issued, the requirements for railway operations and services at the Mary River Project, and the commitments and other measures that have been applied to ensure that the interests of Inuit are addressed.

### Steensby Railway Summary

The Mary River Project (the Project) is an operating open pit iron ore mine located on northern Baffin Island, in the Qikiqtani Region of Nunavut, in the Canadian Arctic (Figure 1). Baffinland is the owner and operator of the Project. Nine (9) high-grade iron ore deposits have been identified, but only Deposit No. 1 is currently being mined. The Mine is located approximately 160 km south – southwest of the nearest community of Pond Inlet and 1,000 km north – northwest of the territorial capital of Iqaluit.

Baffinland has conducted many studies and assessments in support of the Mary River Project. The Project has been designed, evaluated, and refined by Baffinland over the course of more than 10 years of operational experience and 18 years of engagement and collaboration with localities (including Inuit and Inuit organizations in the local communities, and regional and territorial Inuit organizations), territorial and federal regulatory authorities, and others.



Figure 1: Project Location Map

The current approved Mary River Project includes the following activities and infrastructure:

- mining of iron ore from Deposit No. 1 at the Mary River Mine Site, and year-round transportation and shipping of that iron ore via the Steensby Railway, the Steensby Port, and a southern shipping route from Steensby Port through the Foxe Basin to the world market (the Southern Transportation Corridor);
- deliveries of equipment and materials via the port within Milne Inlet on the northern shore of Baffin Island (the Milne Port) and the 100 kilometer Milne Inlet Tote Road (the Tote Road), which connects the Mary River Mine to the Milne Port and a northern shipping route (the Northern Transportation Corridor); and
- transportation of up to 6 million tonnes of iron ore per year (Mtpa) from the Mary River Mine Site to the world market by the Northern Transportation Corridor.

The Steensby Railway and Port have not yet been built, but Baffinland has been actively seeking funding for the Steensby Railway and Port components since the Mary River Project was first approved by the NIRB in 2012. In the meantime, since 2015 the Mary River Project has been transporting ore by truck and ship along the Northern Transportation Corridor.

Since its early development, the Project has been an important source of economic benefits in Nunavut. The Project has made significant economic contributions at the community, territorial and national level by providing employment, contracting and training benefits and associated taxation revenues and royalties. Baffinland is currently the largest private employer of Inuit in the region.

The IIBA between Baffinland and the QIA describes how benefits from the Project flow to Inuit, nearby Inuit communities and the Qikiqtaaluk Region of Nunavut. The IIBA was signed in 2013 and re-negotiated in 2018. The development of the Project is consistent with the NPC's broad planning principles, policies, and goals, as well as the Government of Nunavut's strategy for mining development, Parnautit. Overall, the Project is expected to increase investment in a region with historically and comparatively low levels of development.

Through the Mary River IIBA and other community partnerships, Baffinland has paid more than \$164 million in financial benefits to Qikiqtani Inuit, provided over \$150 million in wages to Inuit employees and contractors, reached over \$1.79 billion in contracts awarded to Inuit firms, provided over \$3.8 million through its Sponsorship and Donation Program, seen over 650 graduates of pre-employment training programs, and delivered over 229,000 hours of training to Inuit employees, amongst other socio-economic benefits.

Baffinland estimates that the total value of financial benefits which will flow to Inuit and Nunavut over the life of the Mary River Project (including the Steensby Railway) will exceed \$5 billion CAD in direct payments to the Governments of Nunavut and Canada, and to Inuit Organizations, including QIA and Nunavut Tunngavik Inc. (NTI), as well as more than \$1 billion CAD paid directly to Inuit through employment at the Mary River Project.

These estimates do not reflect other benefits which will flow to Qikiqtani Inuit, other Nunavummiut, and Canadians generally as a result of the Mary River Project, such as the opportunities and training that generations of Qikiqtani Inuit and other Nunavummiut will experience as a result of the Mary River Project.

The Steensby Railway is very important to the future of the Mary River Project. The railway will allow Baffinland to sell more iron ore than it is able to now. Once the Steensby Railway is in operation, all project ore will be transported by railway and there will be no more trucking of iron ore along the Tote Road. Overall, a railway will be much cheaper to operate than ore trucking, and will benefit the environment because there will be no more dust generated by ore trucking operations on the Tote Road.

The construction of the Steensby Railway is needed for Baffinland to create long-term value in the Project allowing it to continue to operate and provide benefits to Inuit, the public, local and regional Inuit organizations and hamlets, the Government of Nunavut, Federal agencies, and other interested parties. For the people of Nunavut, the Project will continue to contribute to the development of infrastructure, skills, jobs, business opportunities, and will provide more revenues to the Government of Nunavut and NTI. The Steensby Railway will help amplify the current benefits under the Mary River IIBA. The Project is expected to continue bringing benefits to local communities by providing an economic base and diverse range of employment options in a manner that is compatible with the traditional lifestyles of Inuit.

### Approvals Issued for Steensby Railway to Date

The Mary River Project, including the Steensby Railway, was subject to a long and thorough environmental assessment by NIRB under Article 12 of the Nunavut Agreement from 2008 to 2012. The process included many public meetings and public hearings in Nunavut communities, and allowed an opportunity for a diverse group of participants to review and comment on the Final Environmental Impact Statement (FEIS) prepared by Baffinland. The Mary River Project received a positive NIRB recommendation and approval from the Responsible Ministers, and NIRB issued the Project Certificate in 2012.

The Project Certificate also applies to the Section 98 Application. Baffinland has applied to the Agency for the same Steensby Railway as approved under the Project Certificate, with the same location and same requirements. The Section 98 Application provides updates on topics specific to the Steensby Railway, including detailed design drawings, results of ongoing monitoring programs, updated memos, updated management plans, and updates on commitments.

Baffinland has obtained all of the necessary approvals for the Mary River Project's current operations from the applicable territorial and federal authorities and agreements with Inuit groups including, but not limited to: the QIA, the NPC, NWB the Government of Nunavut, Fisheries and Oceans Canada (DFO), Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), Transport Canada, and the Governor in Council. A number of these approvals include requirements specific to the Steensby Railway, such as the Project Certificate, Amendment No. 1 to the North Baffin Regional Land Use Plan, the Type A Water Licence and the Mary River IIBA.

Baffinland has applied for two *Fisheries Act* Authorizations and this Section 98 Application, which will allow it to proceed with the construction of the Steensby Railway (subject to financing and a final decision to construct by Baffinland).

### Steensby Railway Location

The Steensby Railway will be approximately 149 km long and is needed for the purpose of transporting iron ore from the Mary River Mine Site to Steensby Port.

The railway line will run generally in a south east direction for approximately 35 km, and then turn south to cross the Ravn River and climb gently towards the head waters of a tributary of the Cockburn River. The line will follow the west bank of the river, the west bank of Cockburn Lake and cross to the east bank of the lake about a third of the way down. At the south end of Cockburn Lake, the line will move east away from the lake and meander between many small lakes to arrive on the foreshore of Steensby Inlet in proximity to the Island that will be a part of Steensby Port (Figure 2).

### Engagement with Communities

For over 18 years, Baffinland has engaged with local communities, Inuit Organizations, local businesses, territorial and federal regulatory authorities and other interested groups —both directly and through the regulatory processes established under the Nunavut Agreement. Baffinland will continue to pursue a vigorous approach to engagement with Inuit, the public, local and regional Inuit organizations and hamlets, the Government of Nunavut, federal agencies, and other interested parties, through meetings, workshops, surveys and dissemination of information via newsletters and the internet. In this way, 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 operations. Baffinland will continue its engagement activities and comply with the terms and conditions of Project Certificate No. 005 and the Mary River IIBA.

As part of the Section 98 process, the Agency has asked Baffinland to explain how the views they have received from Inuit and the communities have been applied to the Steensby Railway. Communities and individuals are called "localities" in the Section 98 process. Inuit that live in the communities are also called "localities" in the Section 98 process.

Five communities (or "localities") are located at the following distances from the Steensby Railway:

- Arctic Bay approximately 337 km northwest of the midpoint of the Steensby Railway
- Clyde River approximately 356 km from the midpoint of the Steensby Railway
- Igloolik, approximately 155 km from the Steensby Port and 214 km from the midpoint of the Steensby Railway
- Pond Inlet (also known by its Inuktitut place name Mittimatalik) approximately 160km northwest of the Mine Site and 204 km from the midpoint of the Steensby Railway
- Sanirajak (formerly known as Hall Beach) approximately 192km from the Steensby Port and 264km southwest of the midpoint of the Steensby Railway

Baffinland will carry out construction and operation of the Steensby Railway in an environmentally and socially responsible manner. The needs and values of Inuit will be respected throughout development and operation of the Steensby Railway. An important part of Baffinland's approach to adaptive management is incorporation of community review and feedback, especially the incorporation of Inuit Quajimajatuqanit (IQ) to continue to improve the Environmental Management System (EMS) for the Mary River Project.



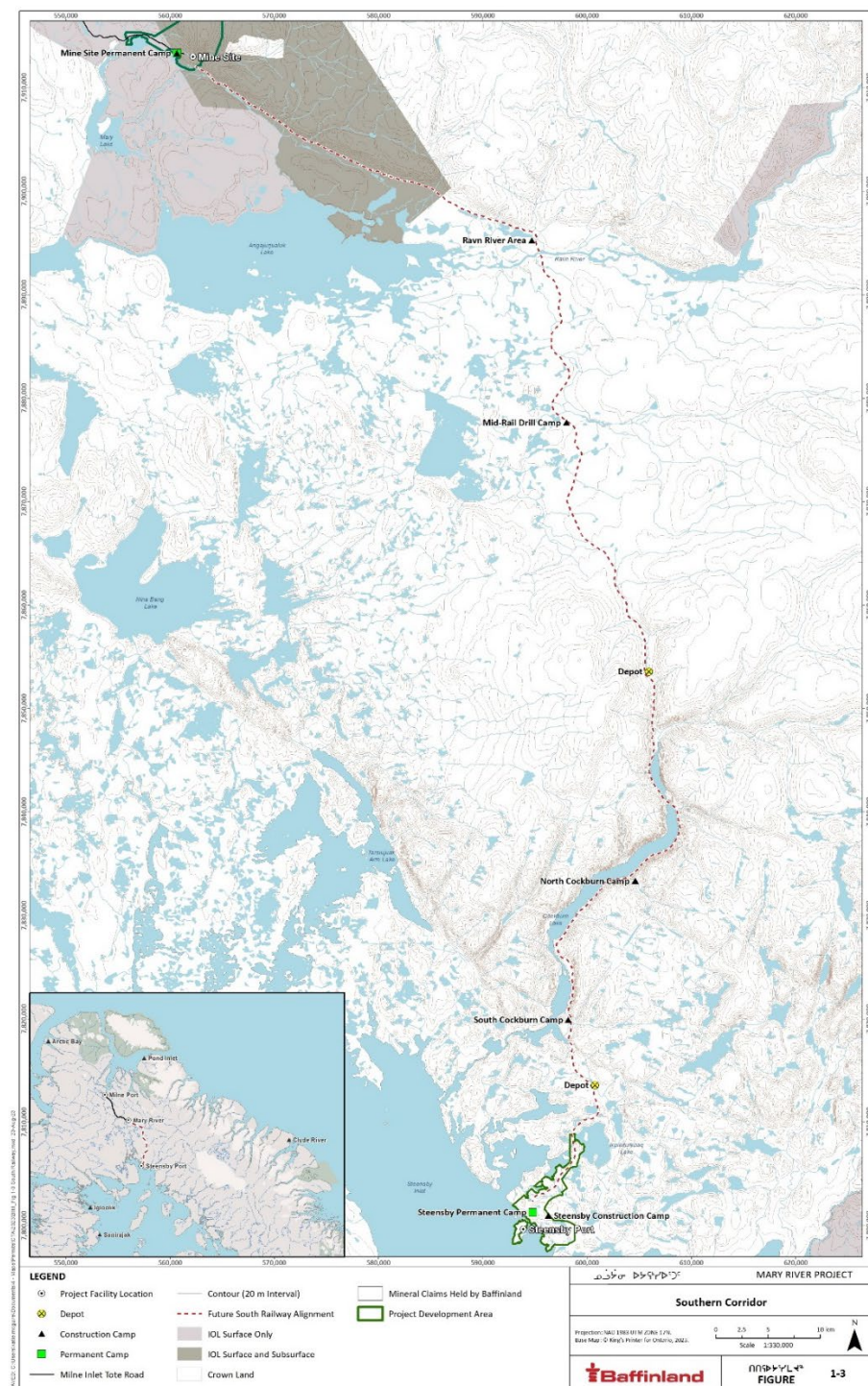


Figure 2: Southern Transportation Corridor

### Steensby Railway Operations

The Steensby Railway will consist of the following key parts:

- 149 km mainline track; three (3) mainline passing loops; and arrival and departure tracks at Steensby Port and Mine Site)
- two tunnels of approximately 1,000 m and 300 m length each
- 42 bridges and at least 258 culverts
- Locomotives and rail cars
- Ore and freight loading/unloading facilities at the Mine Site and Steensby Port
- Railway maintenance buildings and yard at Steensby Port
- Related support facilities (for example communication towers)

The railway design prioritizes safety and meets the needs of the Mary River Project. The design also incorporates the following factors:

- Inuit views and feedback and IQ
- Western science
- Arctic cold climate and hydrologic conditions
- Permafrost conditions
- Impacts of climate change
- Remoteness of the Project site
- Applicable legislation and standards for railway design and operation in Canada

### Railway Construction Activities

The construction of the Steensby Railway is scheduled to take from three to four years to complete, and will consist of the following key phases:

(i) *Construction of the Temporary Construction Facilities* – This phase will include construction of temporary camps for our workers, equipment storage, maintenance shops, fuel storage, medical trailers, and a temporary airstrip for worker transportation.

(ii) *Earthworks Construction* – This phase will include removal and cutting through of soil and rock along the railway alignment (meaning the path where the railway tracks will go), construction of the railway embankments (meaning the mound of earth that will be built on the land so that the railway is constructed over level ground), construction of the bridges along the railway alignment, and construction of the culverts (structures so water can flow freely through the railway as needed).

(iii) *Track Superstructure Construction* – “Track superstructure” means the part of the railway above ground, that people will be able to see with their eyes. This phase will include installing the railway track and railway ties along the railway embankment. Once the rails and railway ties are in place, the area will be filled with crushed rock (which is known as “ballast” and serves as a bed for the railway track and ties, and also helps increase water drainage and reduce noise from trains).

(iv) *Construction of Permanent Railway Related Facilities* – This phase will include the construction of the permanent maintenance workshops, equipment facilities and management offices.