

MARY RIVER SOCIO-ECONOMIC MONITORING WORKING GROUP
TERMS OF REFERENCE

1. PURPOSE

1.1 This document sets the Terms of Reference for the Mary River Socio-Economic Monitoring Working Group (the “Working Group”). The Working Group will support the Qikiqtaaluk Socio-Economic Monitoring Committee’s (QiSEMC) regional monitoring initiatives through project-specific socio-economic monitoring. It is intended to provide a forum for Working Group members to engage in the work of the QiSEMC through identification of areas of mutual interest and socio-economic monitoring priorities related to the Mary River project, communities, and the Baffin region as a whole.

1.2 The Working Group will support the fulfillment of Terms and Conditions set out in the Mary River Project Certificate that relate to socio-economic monitoring.

2. WORKING GROUP MEMBERSHIP AND MEMBER ROLES AND RESPONSIBILITIES

2.1 The Working Group will include as members:

- a. Baffinland Iron Mines Corporation (BIMC) or the successor owner/operator of the Mary River project;
- b. Government of Nunavut;
- c. Government of Canada; and
- d. Qikiqtani Inuit Association.

2.2 Each organization is responsible for their own costs of participating in activities of the Working Group.

2.3 Role of BIMC or the successor owner/operator of the Mary River project:

- a. Identify indicators and share project-specific data that can contribute to priorities identified by QiSEMC, where appropriate;
- b. Participate in the analysis of data arising from collaborative monitoring;
- c. Review the effectiveness of socio-economic mitigation measures;
- d. Participate and prepare presentations of project-related data/issues for the QiSEMC.

2.4 Role of the Government of Nunavut:

- a. Identify indicators and share data that can contribute to priorities identified by the QiSEMC, where appropriate;
- b. Participate in the analysis of data arising from collaborative monitoring;
- c. Participate in the analysis of effectiveness of socio-economic mitigation measures.

2.5 Role of the Government of Canada:

- a. Work with the Working Group to identify and align indicators and share relevant data from the Nunavut General Monitoring Plan (NGMP);
- b. Participate in the analysis of data arising from collaborative monitoring;
- c. Participate in the analysis of effectiveness of socio-economic mitigation measures.

2.6 Role of the Qikiqtani Inuit Association:

- a. Identify indicators and share data that can contribute to priorities identified by QiSEMC, where appropriate;
- b. Participate in the analysis of data arising from collaborative monitoring;
- c. Participate in the analysis of effectiveness of socio-economic mitigation measures.

2.7 Protection of Personal Information

It is recognized that, in collecting and sharing of any information and data under these Terms of Reference, each of the members of the Working Group is required to comply with any rules governing the collection, use, and disclosure of personal information, applicable to each member respectively, in accordance with the provisions of privacy legislation.

2.8 Information

The members acknowledge that:

- a. BIMC is best able to collect and provide data concerning employment and training in relation to the Project;
- b. the Government of Nunavut and the Government of Canada are best able to report public statistics on general health and well-being, food security, demographics and other socio-economic indicators at the community and territorial level; and
- c. the Qikiqtani Inuit Association is best able to provide information and data relating to Inuit land use and culture at the community and regional level.

3. OBJECTIVES

3.1 The Working Group has the overall goal of contributing to the ongoing expansion of knowledge related to interactions between communities in Nunavut and the Mary River Project. The priority is on knowledge that will ultimately assist in directing socio-economic benefit from the Project, enhance the accuracy of subsequent predictions related to socio-economic impact assessment, and improve the focus and efficiency of socio-economic monitoring.

3.2 The Working Group aims to undertake collaborative monitoring in order to identify and access priority data that will be useful in improving the socio-economic performance of the Mary River Project. This will involve combining Project-specific performance data with data generated by other member agencies. The resulting insight will be useful in supporting adaptive management measures implemented by member agencies to minimize adverse effects and maximize benefits from the project. The goal will be to analyze the monitoring data in order to assess the effectiveness of current practices; obtain early warning should mitigation measures not be achieving their intended outcome; and provide timely detection of unanticipated outcomes.

3.3 The Working Group aims to improve understanding of priority socio-economic issues in order to increase confidence in socio-economic assessment predictions. The Working Group will identify priority predictions contained in the Mary River Final Environmental Impact Statement (FEIS) and will then work to address how these predictions can be validated or how unanticipated trends/observations can be described.

3.4 The Working Group will provide monitoring data and objective analysis in a manner that is focused, efficient and cost-effective.

3.5 The Working Group will ensure that project-specific monitoring aligns, where appropriate, with QiSEMC priorities, such as, but not limited to:

- a. Health and well-being;
- b. Education, life skills, and training;
- c. Employment and career progression;
- d. Demographics;
- e. Land use, culture, food security; and
- f. Other priorities that may be identified by the QiSEMC.

4. REPORTING AND COMMUNICATION

4.1 BIMC or the successor owner/operator of the Mary River project will prepare an annual socio-economic report, presenting performance data, to the Nunavut Impact Review Board for review. These annual reports will be due on 30 June of each year, containing data on the indicators selected by the Working Group for the previous calendar year (January to December). These reports will further describe the Company's participation in the QiSEMC, other collaborative monitoring processes and any activities related to better understanding of socio-economic processes.

4.2 Following Project Certificate issuance and BIMC's decision to proceed with the construction of the Mary River project, annual reporting will commence following the start of site activities.

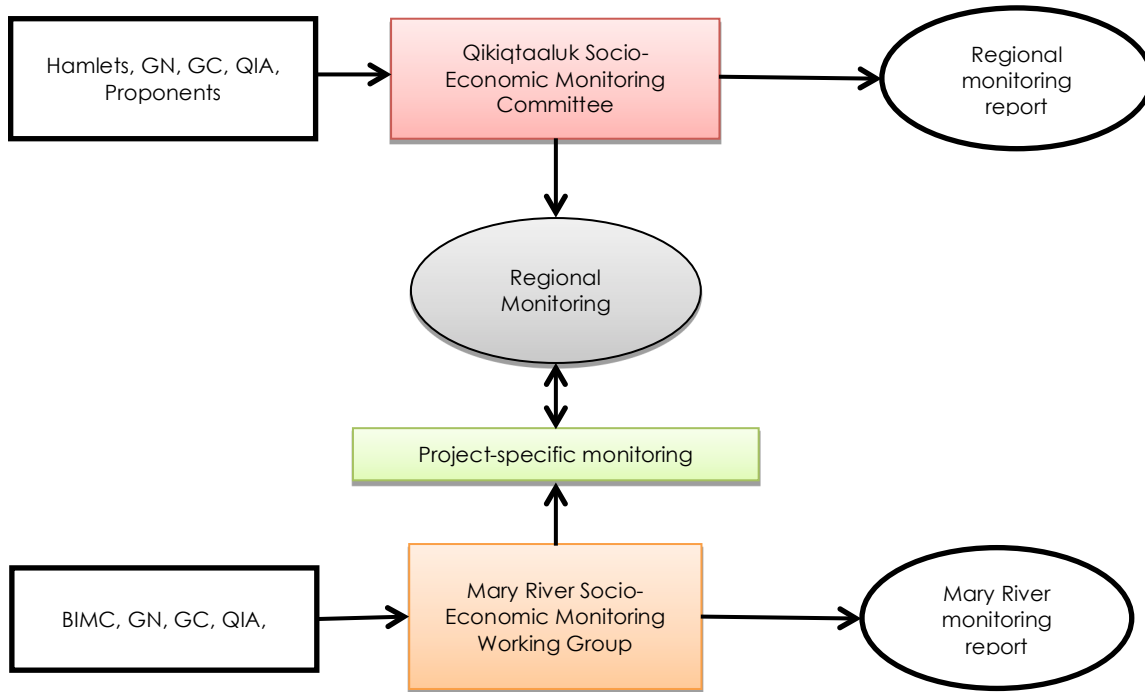
4.3 As appropriate, the Working Group may communicate with, and request data from, other issue-specific working groups that may arise throughout the life of the project.

5. MEETINGS

5.1 The first official meeting will be held within six (6) months of Certificate issuance or at the next QiSEMC following issuance, whichever is first.

5.2 The Working Group is to initially meet twice a year, preferably immediately prior to or immediately after the QiSEMC meetings. This meeting schedule may be changed at a later date if agreed to by all members.

5.3 BIMC will designate a Chair and optionally a Secretary for these meetings. BIMC's appointment of the Chair (which could include itself) recognises the significance of the weight of responsibility for reporting by the Company.



6. RELATION TO IIBA OBLIGATIONS

6.1 The parties recognize that this ToR is separate from any obligations under the Inuit Impact and Benefit Agreement (IIBA) between the proponent and the Qikiqtani Inuit Association and that the mandate of the Working Group shall not include monitoring of the IIBA.

6.2 Any sharing of information with the Working Group related to the IIBA will be solely at the discretion of the Qikiqtani Inuit Association and Baffinland Iron Mines Corporation or successor.

7. REVIEW OF TORS

7.1 These Terms of Reference may be reviewed by Working Group members periodically for any required changes that may be applicable as the Project evolves from construction, through operations and closure.