

This Memorandum of Understanding made this second day of April, 2019

Between:

The Government of Nunavut as represented by the Minister of Economic Development and Transportation (the “GN”)

and

Baffinland Iron Mines Corp.

a corporation incorporated under the laws of the province of Ontario and
having a head office at Oakville, Ontario, Canada
(“Baffinland”)

(hereinafter referred to individually as a “Party”, and collectively as the “Parties”)

WHEREAS the GN and Baffinland share the belief that Nunavummiut should benefit from resource development within the territory of Nunavut and that, therefore, maximizing their capacity to engage in such development is important;

AND WHEREAS the GN and Baffinland recognize the mutual benefit that may be gained by working collaboratively to: share information, increase opportunities for Nunavummiut to participate in the wage economy, ensure responsible mining development in a manner that minimizes impacts on the environment and wildlife, and consider joint initiatives that will result in socio-economic benefits to Nunavummiut;

AND WHEREAS such collaboration between the GN and Baffinland will benefit the Parties and all Nunavummiut, and will optimize the efficient and effective use of available resources;

AND WHEREAS Baffinland is committed to meeting obligations, including those in relation to socio-economic benefits, contained in Inuit Impact and Benefit Agreements entered into between the Qikiqtani Inuit Association and Baffinland in relation to the Mary River mining project;

NOW THEREFORE, the Parties agree as follows:

Purpose

The purpose of this Memorandum of Understanding (“MOU”) is to assert the Parties’ strategic alliance and cooperation and partnership to promote responsible economic development and enable mutual benefits as opportunities continue to emerge in Nunavut.

Collaboration and Facilitation of Partnerships

1. The Parties commit to exploring opportunities for collaboration, information sharing and facilitation of partnerships in the following priority areas:

a) Barriers to Employment

Government of Nunavut and Baffinland agree to cooperate to reduce barriers to employment that may result from delays in pre-employment health care services and disincentives from employment due to rent control policies for those residing in public housing.

b) Education and Training

Government of Nunavut and Baffinland agree to collaborate on the development of education and training programs that are designed to increase Inuit employment at the Mary River Project.

c) Community Wellness

Government of Nunavut and Baffinland agree to work in partnership to develop programs to address addictions, improve community based family counselling services, as well as the development of programs to increase awareness of sexually transmitted infections.

d) Infrastructure and Transportation

Government of Nunavut and Baffinland agree to look for ways that Project and Public infrastructure can support the needs of either party to increase Inuit employment at the Project, improve community educational, training, and recreational opportunities, as well as support the development plans of Hamlet Governments, when possible and practicable.

2. Within 90 days of the signing of this MOU, the Parties will:
 - a. Establish an oversight committee (the "Committee") comprised of two (2) senior-level representatives from each Party; and
 - b. Develop terms of reference for the Committee, including the roles and responsibility of any sub-committees and secretariat (the "Terms of Reference").
3. The Parties agree that maximizing Inuit employment for Nunavut Inuit is a priority under this agreement. Partnerships to facilitate the hiring of Inuit and maximize the successes of Inuit employees are to be pursued through this MOU. Hiring priority will be given first to Inuit from Pond Inlet, Arctic Bay, Igloolik, Hall Beach, and Clyde River. Priority thereafter will be given to Inuit residents of the remaining Baffin communities, and then to all Inuit outside of the Baffin region enrolled under the Nunavut Agreement.
4. Unless otherwise specifically agreed to in advance, each Party will be responsible for the costs of its own participation and involvement in this MOU, including in the Committee, and any subcommittees, and/or secretariat.

Review

5. The Parties will review this MOU every three (3) years to ensure that the terms and conditions remain acceptable and priority areas remain pertinent.
6. Initiatives undertaken by the Parties in accordance with this MOU shall be the subject of a joint annual review by the Parties.

Not Legally Binding

7. This MOU is not a legally binding agreement and places no legal obligations on either of the Parties.
8. This MOU shall not be interpreted to either require or exclude cooperation on any specific matter, nor shall it in any way limit the ability of either Party to independently determine and pursue its own objectives or priorities.

Dispute Resolution

9. Parties agree that they shall make bona fide efforts to resolve by good faith negotiations any dispute involving the interpretation or implementation of this MOU, which negotiations shall not terminate until the CEO of Baffinland (or designate) and the Premier of Nunavut (or designate) have considered the dispute.

Amendment and Termination

10. This MOU comes into effect on the date it is signed by both Parties and remains in effect unless terminated in accordance with section 13.
11. This MOU may be amended at any time by written agreement of the Parties.
12. Either Party may cease to participate in this MOU by providing the other Party with written notice to this effect and this MOU shall terminate ninety (90) days after the date of such notice.

General

13. Neither Party shall be responsible for the actions of third parties who may be involved in initiatives entered into in accordance with this MOU.
14. This MOU shall be governed by the laws of the territory of Nunavut.
15. Each Party shall retain intellectual, industrial and proprietary rights to any information shared with the other Party in accordance with this MOU.

16. Each Party shall comply with all laws in relation to the collection, use, disclosure, and privacy of personal and other information when sharing any information with the other Party in accordance with this MOU.

Notice

17. Any notice required to be provided in accordance with this MOU shall be sent by facsimile or electronic means and delivered to:

a. For the GN:

David Kunuk
Director, Minerals and Petroleum Resources
Department of Economic Development and Transportation
dkunuk@gov.nu.ca
867-975-7870 fax

b. For Baffinland:

- i. Baffinland Iron Mines Corporation
2275 Upper Middle Road East- Suite 300
Oakville, ON L6H 0C3
- ii. Andrew.Moore@baffinland.com
Andrew Moore
Manager, Inuit, Government and Stakeholder Relations

Signed by the duly authorized representatives of the Parties as of the date first written above:

Government of Nunavut



Honourable David Akeeagok
Minister Economic Development
and Transportation

Baffinland Iron Mines Corp.



Brian Penney
President and Chief Executive Officer