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Qikiqtani Inuit Association

PUBLIC SERVICE ANNOUNCEMENT

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DATE ISSUED: April 18, 2017

EVENT: QIA/Baffinland arbitration hearings regarding the Mary River Project

DATE/LOCATION OF EVENT: April 18 to 20, 2017 in Vancouver, B.C.

The Qikiqtani Inuit Association (QIA) will be in arbitration hearings with Baffinland Iron Mines Corporation from April 18 to 20, 2017 in Vancouver, B.C.

On July 20, 2016 QIA initiated arbitration proceedings with Baffinland. This process was initiated according to the dispute resolution provisions of the September 6, 2013 Inuit Impact and Benefit Agreement (IIBA) between QIA and Baffinland with respect to the Mary River Project.

QIA has requested resolution by arbitration on two items:

- Whether Baffinland is in breach of its obligation to pay Advance Payments to QIA
- What is the “intended capacity” of the Mary River Project for the purposes of Article 5 of the IIBA

The answers will determine whether QIA will continue to receive Advance Payments of \$1.25 million per quarter until production levels of the Mary River Project increase to a certain point, or whether QIA will be receiving royalty payments based on current production levels.

QIA alleges that Advance Payments of royalties from Baffinland are in arrears for a portion of 2015 and all of 2016. QIA also alleges that Advance Payments of royalties have been prematurely halted by Baffinland as the project has not yet reached its “intended capacity”.

QIA has requested that the arbitration panel interpret Baffinland’s financial payment obligations, including a request to calculate amounts owed and an order for payment to QIA.

The panel members include: Thomas R. Berger (QIA Appointee), Jim McCartney (Baffinland Appointee) and Murray Smith (Panel Chairperson).

To promote accessibility, the hearings will be video linked and can be accessed through the following web address: www.webstream.ca/qia/

QIA and Baffinland attempted to directly resolve the issue of Advance Payment arrears, but were not able to do so. QIA believes that binding arbitration is necessary to resolve these financial issues. QIA and Baffinland continue to work together on other aspects of the IIBA implementation.

For more information contact:

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