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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

NWB File No: 2AM-MRY1325 /Amendment

August 29, 2014

Erik Madsen,
Vice President, Sustainable Development, Health,
Safety & Environment
Baffinland Iron Mines Corporation
2275 Upper Middle Road East – Suite 300
Oakville, Ontario, Canada – L6H 0C3
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Re: Licence 2AM-MRY1325, Type “A”; Amendment (No.1) Application by Baffinland Iron Mines Corporation (BIMC) for the Mary River Project

Dear Mr. Madsen:

The Nunavut Water Board (NWB or Board) acknowledges receipt, on July 16, 2014, of an application and supporting information (Application) to amend (Amendment No. 1) Type “A” Water Licence 2AM-MRY1325 to include the construction and operation of infrastructure and facilities associated with the proposed Early Revenue Phase (ERP) component of the Mary River Project.

Your submission, which has been placed in the Board’s public registry, includes the following documents:

- Application Cover Letter, dated July 16, 2014;
- Application Form and associated processing fee of \$30.00;
- Attachment 1 – Supplementary Technical Information for Milne Port facilities subject to this amendment;
- Attachment 2 – Supplementary Technical Information for additional water withdrawal locations and water quantities along the Tote Road subject to this amendment;
- Attachment 3 – Supplementary Technical Information for changes introduced at the Mine Site subject to this amendment;
- Attachment 4 – Interim Closure and Reclamation Plan for the Mary River Project and associated estimated security deposit;
- Attachment 5 – Company Financial Information and List of Directors; and
- Attachment 6 – Compliance Assessment and Status Report in Response to Inspector’s Report.

Access to the documents mentioned above as well as all submission related to the file is made available through the NWB’s ftp site using the following (*Username: public; Password: registry*):

<ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/1%20APPLICATION/2014%20Amendment%20Application/>

The NWB's preliminary review of your submission determines that your Application meets the requirements allowing for public distribution in support of an initial technical assessment. Further, the preliminary review confirms that the Application is for an amendment to Type "A" Water Licence 2AM-MRY1325, which will require a public hearing in accordance with s. 52¹ of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSTRA or Act). All public hearing matters will be carried out in accordance with the Board's *Rules of Practice and Procedure for Public Hearing*, dated May 11, 2005 (NWB Rules).

The next step in processing your Application involves a completeness review and an initial technical assessment to determine if all of the necessary information and studies to evaluate quantitative and qualitative effects of your project on the freshwater environment have been provided. **Accordingly, by copy of this letter, the Board requests that interested parties review the submission for completeness and initial technical assessment, including any Information Request (IRs) identified. Further, the NWB invites interested parties to comment on the type of Technical Meeting-Pre-Hearing Conference to be held for the application (written, teleconference, or in person as outlined in steps 3 and 5 in the process overview set out below).**

All intervening parties should provide their submissions to the NWB's Manager of Licensing at licensing@nwb-oen.ca by **September 19, 2014 (4:00 p.m. MST)**.

Following the receipt of comments, the NWB will determine whether the Application is complete, or whether additional information and studies are required (IR's) to evaluate all quantitative and qualitative effects of the undertaking pursuant to s. 48 of the Act. The NWB will advise Baffinland Iron Mines Corporation of the Board's determination at that time.

Once the application is deemed complete, the following general process will be undertaken; however, complete details on the NWB's licensing process are available in NWB Guide 5².

1. Notice of the Application

A notice of the Application will be made in accordance with s. 55(1) of the Act. This notice will invite interested persons to make representation to the Board. Parties will be advised of the consequences of failure to respond as outlined in ss. 59 and 60(2) of the Act. Furthermore, the Board will distribute notice to the communities and interested parties affected by the application and shall publish the notice in a newspaper of general circulation in the areas that are affected. If there is no such newspaper, the Board shall publish the notice in such other manner as the Board considers appropriate.

2. Detailed Technical Review

Interested parties will be invited to undertake a detailed technical assessment or review of the complete application for the undertaking. Parties will be encouraged to work cooperatively to address technical issues identified during the review period. Generally, the Board provides at least thirty (30) days for a technical review in advance of a technical meeting. However, to assist the Board in expediting the technical assessment, parties are encouraged to begin their detailed technical assessment as early as possible.

¹ *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, section 52 (1) Subject to subsection 37(2), a public hearing shall be held by the Board before it disposes of (a) any application in relation to a licence, unless the application is of a class that is exempted by the regulations from the requirement of a public hearing.

² Guide 5 – Processing Water Licence Applications (April 2010).

3. **Technical Meeting (TM)/Pre-Hearing Conference (PHC)**

Rule 14 of the NWB Rules permits the Board, through its staff or in conjunction with staff, to hold a Technical Meeting (TM) and Pre-hearing Conference (PHC) with interested parties, either in writing, by teleconference, or in person. The Board anticipates setting a date for a TM-PHC shortly after the deadline for receiving technical review submissions, which will be announced according and subsequently. The PHC is typically scheduled to immediately follow the TM.

4. **Pre-Hearing Conference (PHC) Decision**

Following the TM/PHC, the NWB will issue a PHC decision and may outline any technical commitments of the Applicant and the administrative and procedural requirements for a Public Hearing.

5. **Public Hearing (PH)**

Sub-section 55(2) of the Act requires that a minimum notice period of sixty (60) days be provided for a Public Hearing (PH). As with the Technical Meeting and Pre-hearing Conference, the Board has the ability to conduct its Public Hearing in writing, by teleconference, or in person. Once the Board has received all information requested through this process and is satisfied that the Public Hearing should proceed, the type or place, date, and time of the hearing will be determined and a notice will be published by the Board in advance of the public hearing and in a manner that promotes public awareness and participation in the hearing.

6. **Public Hearing Decision**

Following the Public Hearing, the Board will issue a written decision with reasons (final decision) for the Application. The Board's final decision will be provided to the Minister of Aboriginal Affairs and Northern Development Canada (AANDC) for consideration. Interested and intervening parties will also be provided with a copy of the of the Board's final decision. The Minister of AANDC typically issues his/her response to the Board's final decision with 45 or 90 days from the date of receipt.

The Licensee should note that as part of the NWB's process for the file, confirmation of pre-licensing requirements related to the Nunavut Impact Review Board's (NIRB) Environmental Assessment process and the Nunavut Planning Commission's (NPC) Land Use Conformity Determination will be required.

While the Board is well-aware that recent, separate decisions³ issued by both the NIRB and NPC for activities and undertakings related to the ERP may be consistent with those included in the Application, the NWB still requires confirmation from both organizations on whether or not the entire scope of the Application was considered in the decisions issued. Therefore, by copy of this correspondence, the NWB requests that the NIRB and NPC conduct their review, as may be required, and/or provide the Board with a copy of their respective determination for the Application. It should be understood that, in accordance with s. 39 (1) of the Act, the NWB may not issue, renew, or amend a licence until the NIRB has completed the screening, reconsideration, or where a review is required, issued an amended Project Certificate.

³ Nunavut Impact review Board, Mary River Project Certificate (005) Amendment No. 1 Project Certificate, May 28, 2014; Nunavut Planning Commission's Amendment No.1 and No.2 to the North Baffin Regional Land Use Plan to include Transportation Corridors for Baffinland Iron Mine Corporation Mary River Project, May 15, 2014

Notwithstanding the pre-licensing matters mentioned above, in the interests of ensuring that this Application is dealt with in a timely manner, while recognizing the absence of directions/ confirmation from the NPC and the NIRB regarding any pre-licensing requirements at this time, the Board will continue with its processing of your application to the extent possible at this stage in the process.

To re-state the above, the NWB is inviting interested persons to comment on the following: completeness of the Application based on their initial technical assessment, proposed updates to terms and conditions in the current licence, type of TM-PHC to be held, and any Information Requests (IRs) related to the Application. All comments and recommendations should to be submitted to the NWB's Manager of Licensing at licensing@nwb-oen.ca no **later than September 19, 2014 (4:00 p.m. (MST))**.

If you have any questions regarding the above or procedural matters, please contact Phyllis Beaulieu, Manager of Licensing, at (867) 360-6338 or by e-mail to licensing@nwb-oen.ca . For inquiries related to Technical matters, please contact Sean Joseph, Technical Advisor, by email to Sean.Joseph@nwb-oen.ca or David Hohnstein, Director of Technical Services, by email to David.Hohnstein@nwb-oen.ca.

Sincerely,

Original signed by:

Phyllis Beaulieu
Manager of Licensing

PB/sj

Cc: Qikiqtani Distribution