

Nunavut Planning Commission
Conditional Conformity Review of the
Early Revenue Phase of the Mary River Project
under the North Baffin Regional Land Use Plan

Submissions of Baffinland Iron Mines Corporation

January 31, 2014

I. Introduction

Baffinland Iron Mines Corporation ("Baffinland") wishes to thank the Nunavut Planning Commission ("NPC") for the opportunity to submit this final submission in the Nunavut Planning Commission Conditional Conformity Review of the Early Revenue Phase of the Mary River Project under the North Baffin Regional Land Use Plan (the "NPC Conformity Review").

II. NIRB/NPC Procedural Overview re Early Revenue Phase

In addition to the NPC Conformity Review, Baffinland notes that Nunavut Impact Review Board ("NIRB") has undertaken a reconsideration of the terms and conditions of Project Certificate No. 005 (the "NIRB Reconsideration") authorizing the Mary River Project (the "Project"), to take into account the proposed Early Revenue Phase ("ERP"). The NIRB Reconsideration is being conducted under Article 12, Part 8, and Section 12.8.2 (b) of the *Nunavut Land Claims Agreement* ("NLCA"). As part of the reconsideration, NIRB is assessing the environmental and socio-economic impacts associated with the proposed Project amendment for the ERP. At the request of NIRB, Baffinland prepared a comprehensive addendum (the "FEIS Addendum") to the Final Environmental Impact Statement ("FEIS") describing all aspects of the proposed ERP, including updates to relevant baseline data, impact predictions and proposed mitigation measures and monitoring plans. Baffinland filed the FEIS Addendum with the NPC and NIRB on June 20, 2013.

The NPC Conformity Review and the NIRB Reconsideration relating to the ERP are proceeding as a joint review. NPC has confirmed that it will consider all information on the NIRB public registry as part of the NPC Conformity Review. Following receipt of the NIRB report on the NIRB Reconsideration, Baffinland may provide additional submissions to NPC as per the NPC's direction on this matter.

Baffinland refers to the NPC's August 13, 2013 Conditional Conformity Determination:

"..The project proposal conditionally conforms with the NBRLUP, provided that (1) the joint review process for the proposed transportation corridor provided in section 3.5.12 of the NBRLUP is completed, (2) the NPC makes a recommendation to the ministers on whether to amend the plan, and (3) the Ministers determine whether to amend the plan."

On September 18, 2013, the NPC notified the Minister of Aboriginal Affairs and Northern Development that in accordance with section 3.5.12 of the NBRLUP, a joint review process for the proposed transportation corridor must be completed, and asked that the Minister confirm that the NPC may proceed with its joint review with the NIRB. On November 20, 2013 the Deputy Minister responded on the Minister's behalf, saying that it was agreed that the NIRB may proceed with the NPC in the review of the proposed amendment to the NBRLUP.

NPC issued its "Scope of Matters to be Considered in the Public Review of Baffinland Iron Mines Corporations Early Revenue Phase for the Mary River Project", on December 19, 2013 which states that the issues before the NPC in the oral hearings (the "Oral Hearings") were as follows:

1. Whether the ERP meets the information requirements of Appendices J and K of the NBRLUP, and

2. Whether to recommend an amendment to the land use plan based on the factors referred to in Section 7 of the NBRLUP, including for the purposes of Rule 7.3(d), chapters 1 and 3 of the NBRLUP.

The NPC Oral Hearings took place in Clyde River, Grise Fiord, Resolute Bay, Arctic Bay and Pond Inlet from January 7 to 10, 2014.

The NIRB public hearings took place in Pond Inlet from to January 27 to 31, 2014.

III. Overview of the ERP

The ERP will use transportation corridors as follows.

1. Land Corridor

Terrestrial transportation will take place along the Tote Road between the Mary River Mine Site and Mine Inlet.

The Tote Road was established as a transportation corridor in the 1960s and is recognized as a public access easement under Article 21, Part 4 (Section 21.4.1) of the Nunavut Land Claim Agreement.

The ERP will result in increases in the volume of traffic along the Tote Road. Under the Mary River Project, the Tote Road traffic included vehicles for equipment and supplies between Milne Inlet and the Mary River Mine Site. Under the ERP, additional traffic will include ore trucks transporting ore from the Mine Site to Milne Inlet.

The FEIS Addendum includes an assessment of the potential effects of the increase in traffic along the existing Tote Road transportation corridor.

2. Shipping Corridor

The marine transportation corridor to Milne Port has been used since the establishment of the port at Milne Inlet and the Tote Road. The Marine Transportation Corridor is shown on Figure 1 1.1 in both the FEIS and the FEIS Addendum. The Mary River Project included transits to and from Milne Port for ships bringing supplies and equipment. Under the ERP, shipping will also include ore carriers. This shipping will take place during the open water season.

The FEIS Addendum includes an assessment of the potential effects of the shipping to Milne Port.

IV. Conformity with the NBRLUP

As stated in the letter from Baffinland to the NPC on December 19, 2013 and restated during the Oral Hearings, the preliminary issue is whether the use of the transportation corridor under the ERP is in conformity with the NBRLUP such that an amendment is required. To put this another way, we submit that the NPC must first make a determination as to whether or not the ERP is in conformity, and whether or not an amendment is required. This determination has not yet been made by the NPC.

On August 2, 2013, Baffinland filed a submission with the NPC summarizing the position that the use of the Tote Road and the shipping route are in conformity with the NBRLUP and that no amendment is required. In Baffinland's submission, these are existing transportation corridors, and the NBRLUP only requires an amendment for the development of a "new" transportation corridor. Section 3.5.12 provides that:

"... the NPC may request the Ministers to amend the plan to include a new transportation corridor."

The August 2, 2013 submission is attached as Schedule 2 and forms part of this submission. We request that the NPC issue a determination that the ERP does not propose the development of a new transportation corridor, and therefore, that the ERP conforms with the NBRLUP and no amendment is required.

V. Recommendation for an Amendment

On August 6, 2013, the NPC wrote to Baffinland as follows:

"Before making a conformity determination, please file an application for amendment."

In response, Baffinland submitted on August 9, 2013 a revised response to the questions contained in the Application to Determine Conformity. Under Question 21 ("Does the proposal consider the development of a transportation and/or communications corridor?") the Yes/No answer section was left blank as that was the issue remained open for determination, and on that issue Baffinland referenced its submissions of August 2, 2013. Under Question 21, Baffinland also submitted an application for an amendment as requested by the NPC.

The following submissions address the application for an amendment. If an amendment is required, Baffinland submits that the application meets the requirements of Appendices J and K of the NBRLUP and requests that the NPC make a recommendation to the Ministers to amend the NBRLUP to include the Tote Road and shipping route transportation corridors, or the additional development of the Tote Road and shipping route transportation corridors, in the NBRLUP.

In response to a request from the NPC of September 27, 2014, Baffinland submitted its "Response to Information Request of NPC", on November 8, 2013 (the "Summary of Information"), which addresses each of the requirements of Appendices J and K of the NBRLUP and provides references to where those requirements are addressed in the FEIS and the FEIS Addendum. The Summary of Information is attached as Schedule 3 and forms part of this submission.

Baffinland submits that the application for an amendment, which includes the FEIS and the FEIS Addendum, meets the applicable requirements of Article 3.5.11 and 3.5.12 of the NBRLUP.

Baffinland's detailed submissions on conformity with Appendix J are contained in the Summary of Information. However some points to emphasize are as follows:

- The FEIS Addendum includes a detailed description of both the Milne Inlet Tote Road and the Northern Route. Its general routing is clearly mapped and described, seasonal considerations clearly stated and it includes a comprehensive summary of the possible environmental and social impacts arising from the use of these corridors.

- The FEIS Addendum includes a consideration of alternatives, as well as analysis of those alternatives which address environmental, social, technical and cost considerations.
- The FEIS Addendum confirms that the corridors are currently in use by Baffinland and others. Milne Port will be developed for the exclusive use of Baffinland. No other potential users of this facility have been identified. However the use of the Tote Road and the shipping corridor will remain open for use by others.

Baffinland's detailed submissions on conformity with Appendix K are contained in the Summary of Information. However some points to emphasize are as follows:

- The corridors meet requirements of Guideline 1.
- With respect to Guideline 2, Baffinland is confident that the use of the Tote Road meets these principles including minimizing impacts on community lifestyles, maintaining the shortest practicable distance between the mine site and Milne Port, and taking into account land use capability including topography, soil, permafrost and wildlife. Taking into account the adoption of comprehensive mitigation monitoring measures, Baffinland is confident that the shipping route will minimize negative impacts on community lifestyles. In accordance with Section 2 of the corridor guidelines of Appendix K to the NBRLUP the shipping route is the shortest practicable distance from Milne Port to Baffin Bay.
- With respect to Guideline 3, Baffinland is confident that, taking into account the information provided in the FEIS Addendum, and the assessment of potential environmental and social impacts, and in keeping with existing legal and legislative requirements including the Nunavut Land Claims Agreement, the ERP corridors along the Tote Road and the shipping route, will not negatively impact community business, residential and projected expansion areas, important fish and wildlife harvesting areas, key habitat for fish and wildlife species, especially areas used by endangered species, or areas of high scenic, historic, cultural and archaeological value.

VI. Application of General Principles

This section addresses considerations set out in Rules of the Nunavut Planning Commission for the Conduct of Public Reviews, section 7 and the NLCA.

In considering land use planning issues, we understand that the NPC is required to consider the principles set out in Section 11.2.1, 11.3.1, 11.3.2 and 11.4.1 of the NLCA. These requirements are also set out in the RPHPR, section 7.

1. The general principles set forth in section 11.2.1 of the NLCA

Baffinland submits that the information submitted to the NPC as well as the information gathered during the Oral Hearings provided the NPC with the information required for it to address all of the principles set out in section 11.2.1 of the NLCA. The FEIS and the FEIS Addendum contain the information which will enable the NPC to consider all of these guiding principles.

The following principles shall guide the development of planning policies, priorities and objectives:

- (a) people are a functional part of a dynamic biophysical environment, and land use cannot be planned and managed without reference to the human community; accordingly, social, cultural and economic endeavours of the human community must be central to land use planning and implementation;
- (b) the primary purpose of land use planning in the Nunavut Settlement Area shall be to protect and promote the existing and future well being of those persons ordinarily resident and communities of the Nunavut Settlement Area taking into account the interests of all Canadians; special attention shall be devoted to protecting and promoting the existing and future well-being of Inuit and Inuit Owned Lands;
- (c) the planning process shall ensure land use plans reflect the priorities and values of the residents of the planning regions;
- (d) the public planning process shall provide an opportunity for the active and informed participation and support of Inuit and other residents affected by the land use plans; such participation shall be promoted through recruitment and training of local residents to participate in comprehensive land use planning; various means, including ready access to all relevant materials, appropriate and realistic schedules,
- (e) plans shall provide for the conservation, development and utilization of land;
- (f) the planning process shall be systematic and integrated with all other planning processes and operations, including the impact review process contained in the Agreement; and
- (g) an effective land use planning process requires the active participation of both Government and Inuit.

Baffinland submits that the use of the transportation corridors for the ERP is consistent with Section 11.2.1 of the NLCA as follows.

2. The factors listed in section 11.3.1 of the NLCA

Baffinland submits that the information submitted to the NPC as well as the information gathered during the Oral Hearings provided the NPC and through the NIRB Reconsideration with the information required for it to carry out its responsibilities set out in section 11.3.1 of the NLCA, which states as follows:

A land use plan shall be a document containing text, schedules, figures and maps for the establishment of objectives and guidelines for short-term and long-term development, taking into account factors such as the following:

- (a) demographic considerations;
- (b) the natural resource base and existing patterns of natural resource use;
- (c) economic opportunities and needs;
- (d) transportation and communication services and corridors;
- (e) energy requirements, sources and availability;
- (f) community infrastructural requirements, including health, housing, education and other social services;

- (g) environmental considerations, including Parks and Conservation Areas, and wildlife habitat;
- (h) cultural factors and priorities, including the protection and preservation of archaeological sites and outpost camps; and
- (i) special local and regional considerations.

In particular, Baffinland submits that the information gathered supports findings with respect to:

- Existing patterns of natural resource use (as it was confirmed during the NPC's review that the Mary River area has been used for mining activity since the 1960s, and that there is an existing pattern of use of both the land and shipping transportation corridors which will be utilized during the ERP);
- Economic opportunities and needs (as it was confirmed by Baffinland and the communities during the Oral Hearings that there is a signed Inuit Impact Benefit Agreement with the QIA, as well as an expressed need by each of the communities of economic opportunities);
- Transportation and communication services and corridors (as it was confirmed during the Oral Hearings that Baffinland does not propose to establish any new roads or shipping routes for the ERP but instead will use existing corridors that have been used in the past for project activities, as well as by Inuit for their own uses);
- Community infrastructural requirements (as these matters were fully considered during the NIRB Reconsideration.);
- Cultural factors and priorities (as these matters were fully considered and addressed during the Oral Hearings and during the NIRB Reconsideration);
- Special local and regional considerations (as these matters were fully considered and addressed during the Oral Hearings and NIRB Reconsideration).

3. The purpose of land use plans as established by section 11.3.2 of the NLCA

As set out at 11.3.2, "The purpose of a land use plan shall be to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, taking into account the interests of all Canadians, and to protect, and where necessary, to restore the environmental integrity of the Nunavut Settlement Area."

In every community the NPC visited during the Oral Hearings, NPC heard that the economic benefits of the ERP are very important to the people in the North Baffin region. Even at the current early construction stage, the benefits of this project have been significant. Already, the Mary River Project has provided a significant increase in paid employment in Hall Beach, Igloolik, Arctic Bay, Pond Inlet and Clyde River – almost 200 people have already benefited. The economic benefits of the ERP are also important to the interests of Canada and all Canadians. The ERP represents a potential investment of over \$750 million in Nunavut and in the Canadian economy.

In making this determination, it is important to note the positive impacts that the ERP will have on the communities of the North Baffin and Nunavut. It is also important to note that during the

Oral Hearing, no member of the community in Clyde River, Grise Fiord, Resolute, Arctic Bay and Pond Inlet objected to the use of the Milne Inlet Tote Road or the use of the shipping route to support the ERP activities.

The ERP is essential to the continued development of the iron ore deposits at Mary River, and approval of the ERP is required if these benefits to the people of this region are to continue and to expand in the future.

All of the information presented in the FEIS and FEIS Addendum show how the ERP will proceed in a way that is protective of the environmental integrity of Nunavut, as well as the existing and future well-being of its residents and communities. Additionally, with reliance on a positive NIRB Reconsideration report, the NPC can proceed with confidence that the amendment of the NBRLUP to permit Baffinland to use existing land and shipping corridors for the purposes of the ERP will be protective of the environmental and socioeconomic integrity of Nunavut.

4. The major responsibilities of the NPC in section 11.4.1 of the NLCA

Baffinland submits that the information submitted to the NPC as well as the information gathered during the Oral Hearings provided the NPC with the information required for it to carry out its responsibilities set out in section 11.4.1 of the NLCA, which states as follows:

A Nunavut Planning Commission (NPC) shall be established with the major responsibilities to:

- (a) establish broad planning policies, objectives and goals for the Nunavut Settlement Area in conjunction with Government;
- (b) develop, consistent with other provisions of this Article, land use plans that guide and direct resource use and development in the Nunavut Settlement Area; and
- (c) generally, fulfill the objectives of the Agreement in the manner described, and in accordance with the general principles mentioned in Section [11.2.1](#), as well as such additional functions as may be agreed upon from time to time by Government and the DIO.

5. Any planning policies, priorities and objectives regarding the conservation, development, management and use of land applicable to the land to which the Amendment Application relates developed by the Commission under Article 11, Part 2 of the Agreement, as may be amended from time to time

In Baffinland's submission, amending the NBRLUP to permit the use of transportation corridors for the ERP is consistent with the NPC's Broad Planning Policies, Objectives and Goals approved November 10, 2007.

6. Any principles that guided the development of the applicable land use plan to which the Amendment Application relates that are contained in that land use plan, whether express or implied

As indicated in the Application for Conformity, Baffinland confirms that it will comply with any requirements of the NBRLUP applicable to the Mary River Project, including the ERP.

With respect to Appendix I ("DIAND Caribou Protection Measures"), Baffinland confirms that as per the *Joint Statement of QIA and Baffinland to the Nunavut Planning Commission and the*

Nunavut Impact Review Board Regarding Appendix I to the North Baffin Regional Land Use Plan, provided to the Nunavut Planning Commission on January 29, 2014 and submitted to the Nunavut Impact Review Board on January 31, 2014, caribou protection measures consistent with Appendix I have been agreed to with QIA. These are enclosed as Schedule 4.

(a) Chapter 1 of the NBRLUP

Chapter 1.2 of the NBRLUP sets out several principles used in the development of the plan, being a revision of the Lancaster Sound Regional Land Use Plan. These include planning principles under the NLCA, compliance with the NLCA, Land Use Planning on Inuit Owned Lands, Using Local and Traditional Knowledge, Relationship to Municipal Plans, and Sustainable Development.

Baffinland has reviewed Chapter 1 of the NBRLUP, which generally expands on the principles set out at 11.3.2 of the NLCA, and believes the ERP can proceed in accordance with its principles. Baffinland draws the NPC's attention to section (vi) Sustainable Development, in particular the following paragraph:

Residents would like to see the development of a stronger local and regional economy that would provide more business and employment opportunities, particularly for youth. At the same time they want to maintain, as far as possible, the traditional lifestyle of Inuit and would like to see more economic endeavors that combine traditional elements with wage employment and business opportunities.

As noted above, the negative economic impact of a negative decision by the NPC would be significant for the North Baffin, Nunavut and Canada. The NIRB Reconsideration process provides further comfort that the project can proceed in a way that is protective of the long term preservation and conservation of the land, wildlife and wildlife habitat.

(b) Chapter 3 of the NBRLUP

Chapter 3 also sets out three basic principles:

- Conserve: being the wise use of all resources;
- Communicate: where different activities compete for the same resources; and
- Develop: applying "sustainable development" to mean "the management of human relationships to the natural environment in such a way that economic, social and cultural needs are met, and ecological processes and natural diversity are maintained."

Chapter 3.5 of the Land Use Plan also sets out principles particular to marine and terrestrial transportation corridors. Baffinland has reviewed Chapter 3 of the NBRLUP, and believes the ERP is consistent with the principles set out.

As confirmed by the FEIS Addendum conclusion and during the NIRB Reconsideration, the ERP will proceed in a manner which is consistent with the principles of sustainable development and with the proposed mitigation and monitoring framework, ensures the renewable resource based lifestyle of the residents will be maintained. There is an expanded role for communities to have greater responsibility for decisions about land use, with the development of the various working groups that have been established in respect of the project in accordance with Project Certificate No. 5. Local people have been fully and continually consulted during the development of the ERP, both through direct consultation by Baffinland as well as through the formal regulatory processes administered by the NPC and NIRB.

With respect to section 3.4, “Conservation Areas”, it was confirmed by Parks Canada during the NIRB Reconsideration that while the Lancaster Sound area is currently under consideration as a “marine conservation area” pursuant to the Canada Marine Conservation Areas Act, it was expressly confirmed that such a designation would not prohibit shipping through that area. Furthermore, Parks Canada confirmed that they are relatively early in the designation process.

Baffinland also brings the attention of the NPC to section 3.5, “Marine and Terrestrial Transportation”:

Shipping is central to the economic wellbeing of the region. Apart from immediate regional considerations, shipping in the Arctic has national and international economic, defence, sovereignty and trade implications. The Government of Canada’s policy is to encourage commercial shipping in the waters of the Arctic Archipelago, subject to requirements ensuring Canada’s sovereignty and security, the preservation of the environment, and the well-being of the residents of the region. In accordance with international law, foreign-flag vessels enjoy the right of innocent passage in Canada’s territorial sea, and the right of freedom of navigation seaward of this 12-mile limit.

Ships navigating in Canadian Arctic waters must meet or exceed operating standards designed to ensure safe, pollution-free passage. Canada’s rules for such ships are unusual in that ships of all nations must meet Canadian standards for hull strength and engine power before entering the Arctic Zones, and these ships generally leave the Zones within the time period set for safe navigation. The Marine Safety Branch of Transport Canada enforces these standards through regular inspection. The Marine Safety Branch also requires proof of insurance coverage for ships carrying any form of pollutant in large quantities, whether as cargo or fuel. This insurance is in addition to the international regime that provides insurance coverage for laden tankers. ...

For safety and economic reasons, ships require the flexibility to respond to changing ice conditions and to have as long an operating season as safety permits. Reduced flexibility in routing and timing, due to environmental and community concerns, could mean greater risks and higher costs to both the industry and the communities.

Baffinland agrees with these statements. Shipping for the ERP is consistent with all of the applicable terms relating to shipping outlined at section 3.5.1 to 3.5.12 of the NBRLP, and no specific terms relating to shipping for the ERP should be required. The ERP shipping route is an established shipping corridor, as that term is used at 3.5.10.

With respect to section 3.6, “Mineral Exploration and Production”, Baffinland confirms that given the mitigation and monitoring plans described in the FEIS Addendum, the ERP is consistent with all of the applicable terms relating to mineral exploration and development outlined at sections 3.6.1 to 3.6.9 of the NBRLUP.

With respect to section 3.11, “Heritage Resources” the FEIS Addendum includes a detailed consideration of these matters and concludes that there will be no significant adverse effect on any heritage resources as a result of the ERP.

With respect to section 3.12, “Cumulative Effects and Ecosystems Monitoring,” the FEIS Addendum includes a detailed consideration of these matters and concludes there will be no significant adverse cumulative effects, and proposes comprehensive ongoing monitoring plans. These plans have been incorporated in Project Certificate No. 5.

With respect to section 3.13, “Clean up and Monitoring of Waste Sites,” the FEIS Addendum includes a detailed consideration of reclamation and closure matters, and the site will be fully

bonded by the QIA and AANDC in relation to these matters. Baffinland is committed to carrying out all ongoing and final reclamation relating to the ERP as required under its regulatory approvals and Inuit agreements.

VII. Conclusion

For all of these reasons, if the NPC determines that an amendment to the NBRLUP is required in order for the proposed use of the shipping corridor and Tote Road during the ERP, Baffinland requests that the NPC make a recommendation to the Minister to amend the NBRLUP to include the Tote Road and shipping route transportation corridors, or the additional development of the Tote Road and shipping route transportation corridors.

Schedule 1 - August 2, 2013 Submission of Baffinland to NPC

Schedule 2 – November 8, 2013 Submission from Baffinland to NPC

Schedule 3 – Commercial Production Lease of Inuit Owned Lands #Q13C301 Mary River Caribou Protection Measures

Appendix 1



August 2, 2013

Mr. Brian Aglukark, Director, Implementation
Nunavut Planning Commission
P.O. Box 2101
Cambridge Bay, NU X0B 0C0

Dear Mr. Aglukark:

Re: Application to Determine Conformity with the North Baffin Regional Land Use Plan in connection with the Mary River Project Early Revenue Phase – DFO File NU-07, NIRB File # 08MN053

This letter is in response to your Request for Submissions with respect to the conformity determination relating to the Early Revenue Phase.

In response to your request, please see the attached Submissions.

We trust that the Submissions are responsive to your request and we now look forward to your expeditious determination of conformity under the NBRLUP.

Sincerely,

A handwritten signature in black ink, appearing to read "Erik Madsen", with a stylized, flowing script.

Erik Madsen, Vice President
Sustainable Development, Health, Safety & Environment

cc: Mr. Ryan Barry, NIRB
Ms. Georgina Williston, DFO
Mr. Bernie MacIsaac, QIA
Ms. Phyllis Beaulieu, NWB
Ms. Tracey McCaie, AANDC



Nunavut Planning Commission

**Application to Determine Conformity of the
Early Revenue Phase of the Mary River Project
under the North Baffin Regional Land Use Plan**

**Submissions of Baffinland Iron Mines Corporation
in response to the Request for Submissions issued by
the Nunavut Planning Commission on July 30, 2013**

August 2, 2013



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Schedule 1 – January 22, 2007 Conformity Determination

Schedule 2 – NPC Interpretation

Schedule 3 – 2008 Nunavut Petroleum Workshop presentation

Schedule 4 – Appendix 1B-4 to Addendum to FEIS



I. Introduction

These submissions are made in response to the Request for Submissions on Possible Development of Transportation Corridor and the General Application of the North Baffin Regional Land Use Plan to the Mary River Project Early Revenue Phase, issued to Baffinland Iron Mines Corporation (Baffinland) by the Nunavut Planning Commission (the NPC) by letter dated July 30, 2013.

It is the general submission of Baffinland that the proposed Early Revenue Phase (ERP) of the Mary River Project (the Project) is in conformity with the North Baffin Regional Land Use Plan (NBRLUP). A determination of conformity for the ERP would be consistent with the following previous conformity determinations:

- the January 22, 2007 conformity determination for the bulk sampling program which involved mining of ore at the Mary River Mine Site, haulage of the ore over the Milne Inlet Tote Road to Milne Port, and ocean shipment of the ore through the Milne Inlet shipping lane (in addition to the long term use of the Milne Port and the Milne Inlet Tote Road) as a transportation corridor for equipment, materials and supplies to the Mary River Mine Site since the 1960s;
- the April 30, 2008 conformity determination with respect to the Mary River Project which included extensive use of Milne Port and the Milne Inlet Tote Road for transportation of equipment, materials and supplies, particularly during the four year construction period for the Mary River Project, and continuing for the 21 year expected operating life of that Project.

The following submissions provide further clarification of these positions and respond specifically to the questions posed by the NPC in its letter of July 30, 2013.

II. The Milne Inlet Tote Road and Marine Shipments Through Milne Inlet

As indicated in Section 1.1 of the Development Proposal for the Mary River Project, the Project history of the Mary River ore deposit goes back to the 1960s. Baffinland Iron Mines Ltd. was established in 1963 and undertook exploration programs from 1963 through 1966. This work



included the construction of the 100 kilometre Milne Inlet Tote Road and the establishment of a camp and other facilities at Milne Inlet. The current Baffinland Iron Mines Corporation was formed in early 2004 and continuous contemporary exploration work began in 2004 and continues to date.

The Nunavut Land Claims Agreement (NLCA) which was ratified in 1993, recognizes the Milne Inlet Tote Road in Part 4 of Article 21 as follows:

PART 4: MILNE INLET TOTE ROAD PUBLIC ACCESS EASEMENT

21.4.1 There shall be a public right of access, as described in Schedule 21-2, on the Inuit Owned Lands described in that Schedule.

Schedule 21-2 to the NLCA provides further particulars of the location of the Milne Inlet Tote Road from Milne Inlet to the Mary River mine. The Milne Inlet Tote Road, Milne Port and marine shipments through Milne Inlet have been used continuously for the transportation of supplies and materials to the Mary River Mine Site (a distance of approximately 100 kilometres).

III. Bulk Sampling Program at Mary River - 2007

NIRB File No. 07EN012 – On January 22, 2007, NPC provided Baffinland with a positive conformity determination on for its 2007/08 bulk sampling program (see letter attached as Schedule 1). This successfully completed program involved the following:

- expansion of exploration phase camp facilities at the Mine Site;
- the establishment of camp facilities at Milne Port;
- upgrade of the Milne Inlet Tote Road to all-season capability;
- the mining of up to 250,000 tonnes of ore;
- haulage of the ore by truck over the Milne Inlet Tote Road to Milne Port;
- ore stockpiling and ship loading facilities, and ocean shipment of ore from Milne Port, through Milne Inlet to markets.



In the January 22, 2007 conformity determination for the bulk sampling program, the NPC, after referencing Items 3.5.11 and 3.5.12 of the NBRLUP relating to transportation corridors, stated as follows:

“And, the proposed improvements of the existing tote road from Milne Inlet to the Mary River camp site does not fall with-in the terms of a proposal for a development of a transportation corridor”.

IV. Mary River Project Review and Approval – 2008-2013

The following is a summary of the major steps in the regulatory review process for the Mary River Project, with particular reference to the determination of conformity under the NBRLUP:

March 14, 2008

Baffinland submits the Mary River Project Development Proposal to the NPC, the Nunavut Impact Review Board and the Nunavut Water Board for consideration.

The main components of the Mary River Project include the following:

1. the Mine Site at Mary River;
2. transportation to and from the Mine Site from Milne Inlet along the Milne Inlet Tote Road, and along the Milne Inlet shipping lane (during open water), including the transportation of equipment, materials and supplies during construction and operation of the Mary River Project (four years of construction and 21 years of operation). All material, equipment and supplies required for the construction of the Mine Site, and the northern portion of the railway will be delivered at Milne Port and transported to the Mine Site over the Tote Road (expected 30 truckloads per day during construction, and continued use for the life of the Project). Development of Milne Port (freight dock, laydown areas, expanded camp and sewage treatment facilities, maintenance shops and warehouses) and the upgrade of the Tote Road (limited realignment, replacement of culverts, addition of bridges) are included in the Mary River Project;



3. establishment of a new 143 kilometre railway corridor from the Mary River Mine Site to port facilities at Steensby Inlet, for the purpose of year-round transportation of iron ore from the Mary River Mine Site to Steensby Port, and year-round shipment of ore from Steensby Port to Europe.

In the March 14, 2008 cover letter to the NPC, the NIRB, and the NWB, Baffinland highlighted the following:

- “Land Use Plan Conformity – A portion of the Project is located within the North Baffin Planning Region, which is subject to the North Baffin Regional Land Use Plan (the Plan). Accordingly, NPC conformity review is required, and the roadmap [referring to Baffinland’s regulatory roadmap] contemplates that this process will commence immediately.
- Land Use Plan Amendment – A portion of the proposed railway line (approximately 34 kilometres) is within the North Baffin Planning Region. We understand NPC views this as a proposed transportation corridor thereby requiring Plan amendment. The roadmap is consistent with Term 3.5.11 of the Plan, and the NPC’s “Interpretation – North Baffin Regional Land Use Plan Terms 3.5.10, 3.5.11 and 3.5.12”, both of which require that new corridors under the Plan be subject to a coordinated NPC and NIRB public review.”

April 7, 2008

The NPC wrote to Baffinland acknowledging receipt of the Mary River Project Development Proposal and enclosing an Application to Determine Conformity with the NBRLUP with questions to be answered by Baffinland.

Baffinland submitted responses to the Application Questionnaire. Of particular relevance is Question 21 of the Questionnaire and Baffinland’s response which reads as follows:

MARINE AND TERRESTRIAL TRANSPORTATION

21. Corridor: s3.5.11, s3.5.12 and appendix J & K: Does the proposal consider the development of a transportation and/or communications corridor?

Yes

No

A rail line is proposed within a portion of the North Baffin Planning Region



April 30, 2008

The NPC wrote to NIRB, the QIA, Indian and Northern Affairs, the NWB and DFO (with a copy to Baffinland) indicating as follows:

"The NPC has completed its review of the above noted project proposal. This project conforms with the North Baffin Regional Land Use Plan (NBRLUP) and we are forwarding it to NIRB for screening. We draw your attention to the provisions of sections 3.5.11 and 3.5.12 of Appendix "C" of the NBRLUP, a copy of which is enclosed, and note that a joint process to address the prospective transportation corridor is contemplated by those provisions. NPC looks forward to working with NIRB in accordance with those provisions."

May 2, 2008

NIRB writes to Baffinland (copies to the "Distribution List") confirming that NIRB had received the positive conformity determination from the NPC of April 30, 2008 and indicating that NIRB would screen the Project Proposal under the provisions of Article 12 of the NLCA. NIRB referenced the requirement for a joint review by the NPC and NIRB with respect to the proposed transportation corridor and sought comments from all parties respecting options for coordination with the NPC on that issue.

June 27, 2008

NIRB issues its Screening Decision for the Mary River Project and recommends to the Minister that the Project requires a review under Part 5 or 6 of Article 12 of the NLCA.

February 11, 2009

The Minister refers the Mary River Project Proposal to the Board for review under Part 5 of Article 12 of the NLCA, and encourages NIRB and the NPC to develop an arrangement to satisfy the requirements of the land use planning process "while not unduly encumbering the Board's Part 5 review process".



February 26, 2009

NIRB and the NPC issued a joint letter outlining the coordination between the NIRB Part 5 review of the Project and the joint review by NIRB and the NPC of the application to amend the NBRLUP to address the prospective transportation corridor proposed by the Project.

March 13, 2009

NIRB issues a "Draft Scope of the Mary River Project" for the purpose of the Part 5 review.

In its cover letter to the Mary River Distribution List (copied to the NPC and other agencies), NIRB indicates as follows:

"As outlined in previous correspondence to this distribution list (see NIRB/NPC letter dated February 26, 2009), NIRB's Part 5 Review of the Project will include public review to satisfy the requirements of Appendices J and K of the NBRLUP, and address the prospective transportation corridor proposed by the Project."

The Board also summarized the Mary River Project as follows:

"The proposed major project components associated with the Project include:

- Mine at Mary River
- Railway transportation of iron ore from Mary River Mine Site to Steensby Inlet all season deep sea port
- Operation of all-season deep sea port at Steensby Inlet
- Operation of open water shipping at Milne Inlet and Milne Inlet Tote Road
- Marine Shipping:
 - Open water shipping from Milne Inlet, through Eclipse Sound and Pond Inlet, via Baffin Bay and Davis Strait to south Canada and Europe.
 - Open water and year round shipping (ice breaking shipping) from Steensby Inlet through Foxe Basin and Hudson Strait, to Southern Canada, or cross Atlantic Ocean to Europe.
- Air traffic and ongoing exploration."

The Draft Scope refers to the joint process for the proposed railway corridor as follows:

"5. The Requirements of Northern Baffin Regional Land Plan

The Mary River Project includes a component of railway from Mary River to Steensby Inlet port site, which is partially located within Northern Baffin Land Plan Region. Pursuant to 3.5.11 and 3.5.12 under Appendix C of North Baffin Regional Land Use Plan (NBRLUP), a joint process to address the prospective transportation corridor is



contemplated by those provisions. Thus, in coordination with the Nunavut Planning Commission (NPC), the NIRB's scoping process will also reflect the requirements of the NBRLUP, and ultimately will be included in the EIS Guidelines to direct the proponent to the information required to satisfy the NPC's land use planning requirements, more specifically the information requirements to meet the provisions of Appendix J and K of NBRLUP (attached with this draft scope)."

March 16, 2009

NIRB and the NPC jointly issue a letter outlining the proposed process for the Part 5 review of the Mary River Project and the implementation requirements of the NBRLUP.

September 4, 2009

NIRB, the NPC, and the NWB issue a joint letter including Appendix B which provides a detailed description of the process to be followed for the NIRB/NPC joint review of the proposed transportation corridor.

Appendix B to the joint letter, which outlines the NIRB/NPC joint review process for the Mary River Project notes as follows:

"It has been noted that many issues pertaining to the NIRB's impact assessment of the railway and of the Project are closely related to the information requirements of the NBRLUP, and may also aid in the NIRB/NPC joint review of the prospective transportation corridor. Section 1.4.1 of the Revised Draft EIS Guidelines document speaks to the requirement of the Proponent's future Draft EIS (DEIS) submission to address the information required by Appendices J and K of the NBRLUP, with cross-referencing to relevant sections of the DEIS. The DEIS will then serve as the Proponent's formal application to the NPC for an amendment to the NBRLUP, minimizing unnecessary duplication."

November 16, 2009

NIRB issues the "Guidelines for the Preparation of an Environmental Impact Statement" for the Mary River Project.

The Guidelines confirm that NPC and NIRB "have made significant efforts to cooperate and coordinate their efforts in the NIRB's Part 5 review for the Mary River Project".



Section 1.4.1 of the Guidelines addresses the “Joint Review of Transportation Corridor” and states as follows:

“In keeping with the Minister’s direction and the provisions of the NBRLUP noted above, NIRB and the NPC have developed an arrangement to jointly review the transportation corridor (railway) proposed by the Project. The Proponent is required to include the project-specific information stipulated in Appendices J and K of the NBRLUP (see Appendix B), within its EIS. Given that much of the required information pertains directly to the impact assessment of the Project, the Proponent should cross reference where the required information can be found within the body of the EIS. It is recommended that an appendix be included in the EIS, with references to all the information required by Appendix B, which will then serve as the Proponent’s formal application for an amendment to the NBRLUP.”

October 12, 2011

NPC issues a letter indicating that it is preparing a draft Nunavut Land Use Plan which would replace the NBRLUP and indicates that “As such the NPC will not be seeking an amendment to the NBRLUP”.

October 25, 2011

Nunavut Tunngavik (NTI) writes to the NPC and NIRB asking the NPC to reconsider the October 12, 2011 letter.

October 31, 2011

Baffinland writes to the NPC requesting that it reconsider the October 12, 2011 letter and complete the joint review process established between NPC and NIRB respecting the railway transportation corridor.

November 5, 2011

The NPC writes to Baffinland confirming that the Commission remains committed to the joint review process with NIRB.

The NPC letter refers to the consideration of a plan amendment to “include the new transportation corridor”. The letter states as follows:



"To assist with Baffinland Iron Mines Corporation understanding of the Terms of the NBRLUP please note that the NBRLUP contains conformity requirements, actions and recommendations. These are identified in NBRLUP Chapter 3. Also see footnote 7 on Page 29 for additional clarity. Terms 3.5.11 and 3.5.12 contain both conformity requirements and actions which, although related, must be implemented independently. For instance the "actions" set out in Term 3.5.12 of the NBRLUP provides an option for the Commission to consider a plan amendment to *"include the new transportation corridor"*. It is important to consider that:

- an amendment to show the new transportation corridor means to add a map showing the final location of the corridor.
- the NBRLUP requires alternative routes to be considered as part of the plan amendment request. Therefore, it is conceivable that the final location of the bed of the railway could be altered prior to the final approval of the NIRB Hearing Report.
- The final decision on the location of the new transportation corridor will be based upon the final approved routing of the railway.
- The completion of the action component of Term 3.5.12 has no effect on the Commission's positive conformity determination of April 30, 2008, the current NLCA Part 5 review, or the issuance of any permit, licence or authorization."

September 14, 2012

NIRB issues its Final Hearing Report on the Mary River Project. Section 1.8 of the Final Hearing Report summarizes the "NPC/NIRB joint review of the transportation corridor" (Final Hearing Report, pp. 16-20).

The Final Hearing Report includes the following excerpt from the NPC presentation at the Final Hearing:

"The Commission concludes that any requests, whether to amend the north Baffin land use plan to include the new transportation corridor would not advance until the final location of the Railway is determined. The final decision on the location of the Railway will not be provided to the Commission until the minister accepts the Nunavut Impact Review Board final hearing report and a Nunavut Impact Review Board final certificate is issued."



December 3, 2012

The Minister accepts the recommendation of NIRB for the issuance of a Project Certificate.

December 28, 2012

NIRB issues the Project Certificate for the Mary River Project. Maps showing the proposed alignment of the railway corridor, provided to NIRB and to the NPC and filed as Exhibit #3 in the Final Hearing, are referenced in Section 2.0 Project Description of the Project Certificate. By copy of the December 28, 2012 correspondence to the NPC, NIRB indicated its wish to notify the NPC that the Project Certificate has now been issued and that the NPC may proceed with consideration of Baffinland's application to amend the NBRLUP to allow for construction of the railway corridor proposed for the Mary River Project.

Summary of Submissions for Consideration

- The 34 kilometre section of the proposed new railway corridor located in the North Baffin Region was identified as the development of a new transportation corridor requiring an amendment to the NBRLUP. (The remaining 109 kilometres of the railway from the boundary of the NBRLUP to Steensby Inlet covers a portion of southern Baffin Island which is not subject to any approved land use plan).
- The NPC confirmed that the Mary River Project was in conformity with the NBRLUP, subject to a requirement for an amendment under Items 3.5.10, 3.5.11 and 3.5.12 for the transportation corridor proposed for the railway. This is consistent with Item 3.5.12 of the NBRLUP which provides that the NPC "may request the ministers to amend the plan to include the new transportation corridor", and with the NPC's Interpretation (attached as Schedule 2 to this submission) which indicates that an amendment under the above items of the NBRLUP will be required for new transportation corridors.
- No question was raised respecting conformity with the NBRLUP in connection with the Tote Road or the shipping lane (both of which are existing transportation corridors and not new transportation corridors).



V. Early Revenue Phase

On January 10, 2013 Baffinland writes to the Nunavut Impact Review Board to advise of the intention to proceed with the Mary River Project in two phases – the Early Revenue Phase (ERP) and the Rail Phase (as approved in the Project Certificate).

The cost and shortened construction time under the ERP will enable production and revenue generation to commence sooner, with the objective of facilitating the second, larger, rail phase of the project at a later date. The ERP will allow for training, employment and business opportunities for the region to commence in 2013 and allow all parties to be in a stronger position to realize maximum benefits once the second larger phase development proceeds.

In the June 10, 2013 letter Baffinland noted that it remains committed to the Mary River Project as approved under the Project Certificate, but is reintroducing the concept of delivering iron ore to Milne Port (originally proposed and evaluated in the Draft Environmental Impact Assessment (DEIS) but subsequently removed prior to the submission of the FEIS).

The January 10, 2013 letter summarized as follows:

“The Early Revenue Phase (the proposed First Development Phase) will include development of a nominal 3.5 million tonne per annum (Mt/a) road haulage operation from Mary River to a small port facility at Milne Inlet for shipping of iron ore or during the open water season. The operation will be very similar in concept to the bulk sample program undertaken by Baffinland in 2008. Please refer to Appendix A for an overview of the Early Revenue Phase.”

The January 10, 2013 letter goes on to indicate the intention of Baffinland to provide, through an addendum to the FEIS, an updated environmental and socio-economic effect assessment for the activities proposed under the ERP.

Baffinland recognized that the ERP will require an amendment to the Project Certificate for the Mary River Project and potential amendments to other regulatory permits and licences.

Baffinland requested direction from the NIRB as to the review process required for consideration of the ERP.



The Project Proposal for the Early Revenue Phase describes the additional activities or infrastructure of the Early Revenue Phase not previously reviewed as part of the Mary River Project as follows:

1. Mine Site
 - (a) loading of ore into trucks;
 - (b) truck fleet and maintenance facilities.
2. Tote Road
 - (a) haulage of ore by trucks along the Tote Road (note: upgrades to the Tote Road were assessed as part of the Mary River Project).
3. Milne Port
 - (a) ore stockpiling at Milne Port.
4. Marine Shipping
 - (a) ore carrier loading at Milne Port;
 - (b) ore carrier shipping volume and timing.

The Early Revenue Phase Project Proposal is clear in describing the volume of the trucking traffic along the Tote Road. Table 1-2.1 to the Project Proposal indicates that during the ERP, 76 ore trucks will each make one roundtrip along the Tote Road per day and there will be 30 non-ore truck trips per day. (Note: the Approved Mary River Project includes 30 truckloads per day along the Tote Road during the four year construction period and continued use of the Tote Road over the life of the Project).

January 14, 2013

NIRB acknowledges that Baffinland requests to amend the Project Certificate, and refers to the process under Sections 12.8.2 and 12.8.3 of the NLCA for reconsideration of the Terms and



Conditions of a Project Certificate. NIRB indicated that it would seek direction from the Minister with respect to the proposed reconsideration.

NIRB requested comments on this process from the NPC and other agencies and parties.

February 7, 2013

Nunavut Planning Commission responds to the June 14, 2013 letter from NIRB and indicates that a conformity determination will be required for the ERP.

April 13, 2013

The NPC writes to Baffinland to summarize the procedure the NPC will perform to address conformity requirements of the NBRLUP in connection with the ERP.

June 12, 2013

Letter from Baffinland to the NPC to provide NPC with the project proposal for the ERP and other information requested by the NPC, to enable NPC to make any required conformity determinations relating to the ERP. The June 12, 2013 letter included:

- Early Revenue Phase Project Proposal for Nunavut Planning Commission conformity review,
- Links to the Mary River Project Certificate, the Type A Water Licence Application,
- Determinations for HADD Authorizations under the Fisheries Act, and
- Land Use Permit (section of Crown land along Tote Road).

June 20, 2013

Baffinland hand delivers a copy of the Addendum to FEIS to the NPC and walks through the submission with the Executive Director and staff from the NPC. The Addendum assesses the socio, economic and environmental aspects of additional activities not already assessed and approved under NIRB Project Certificate No. 005.



July 5, 2013

The NPC provides Baffinland with a questionnaire entitled "Nunavut Planning Commission Application to Determine Conformity with the North Baffinland Regional Land Use Plan".

July 9, 2013

Baffinland writes to the NPC enclosing the completed questionnaire (Application to Determine Conformity).

In response to question 21 of the questionnaire, the response that the ERP does not include "the development of a transportation and/or communications corridor" as contemplated under Items 3.5.11 and 3.5.12 of the NBRLUP. Baffinland describes the use of existing transportation corridors as follows:

"Terrestrial Transportation"

Terrestrial Transportation will take place along the existing Tote Road between the Mary River Mine Site and Mine Inlet. The Tote Road has been in existence as a transportation corridor for many years (back to the 1960s) and is recognised as a public access easement under Article 21, Part 4 (Section 21.4.1) of the Nunavut Land Claim Agreement. Accordingly, the Early Revenue Phase (ERP) does not include the development of a new transportation corridor. The Tote Road has previously been included as part of the bulk sampling program which received a positive conformity determination from the NPC on January 22, 2007, and continues to form part of the Mary River Project, which received a positive conformity determination from the NPC, on April 30, 2008.

As indicated in the Project Proposal for Early Revenue Phase, which is Attachment 1 to our letter of June 12, 2013, the ERP will result in increases in the volume of traffic along the Tote Road. Under the Mary River Project, the Tote Road traffic included vehicles for equipment and supplies between Milne Inlet and the Mary River Mine Site. Under the ERP, additional traffic will include ore trucks transporting ore from the Mine Site to Milne Inlet. The addendum to the FEIS for the ERP includes an assessment of the potential effects of the increase in traffic along the existing Tote Road transportation corridor, for review by the Nunavut Impact Review Board.

Marine Transportation Corridor

The Marine Transportation Corridor to Milne Port has been used since the establishment of the port at Milne Inlet and the Tote Road. The Marine Transportation Corridor is shown on Figure 1-1.1 in both the FEIS and the Addendum to the FEIS for the ERP



(Attachment 2 to this correspondence). This Marine Transportation Corridor has been established for many years and will not be changed under the ERP. As indicated in the Project Proposal for Early Revenue Phase which is Attachment 1 to our letter of June 12, 2013, the number of ship transits to and from Milne Port will increase. The Mary River Project included transits to and from Milne Port for ships bringing supplies and equipment. Under the ERP, shipping will also include ore carriers. This shipping will take place during the open water season, which Baffinland understand is in conformity with the North Baffin Regional Land Use Plan.

The shipping route into Milne Port was a component of the bulk sampling program which received a positive conformity determination from the NPC on January 22, 2007, and was also included as part of the Mary River Project, which received a positive conformity determination from the NPC on April 30, 2008.

The Addendum to the FEIS for the ERP includes an assessment of the potential effects of the shipping to Milne Port for review by the Nunavut Impact Review Board.”

In the July 9, 2013 letter, Baffinland submits its belief that the ERP is in conformity with the NBRLUP for the following reasons:

- The ERP works and activities are a modification of the works and activities outlined in Baffinland’s previous project activities that received positive conformity determinations from the NPC; and
- The ERP uses the existing Milne Inlet Tote Road, which is recognized as a public access easement under Article 21, Part 4 (Section 21.4.2) of the Nunavut Land Claim Agreement and includes shipping of ore from Milne Port during the open water season only, and along the currently established shipping route through Milne Inlet and Eclipse Sound.

July 18, 2013

Baffinland writes to the Nunavut Planning Commission to further summarize the request for a conformity determination, emphasizing that the Tote Road, Milne Port, and the Shipping Corridor have been recognized as existing corridors and in conformity with the NBRLUP, in the Positive Conformity Determination issued on January 22, 2007 by the NPC in connection with bulk sampling program, and in the Positive Conformity Determination issued by the NPC on April 30, 2008 for the Mary River Project. Both the Bulk Sampling Program and the Mary River



Project involved extensive use of the Tote Road and Milne Port. The Bulk Sampling Program involved hauling ore by trucks via the Milne Inlet Tote Road to Milne Port and ocean shipment of ore along the shipping route. The Mary River Project involves extensive use of the Tote Road and Milne Port during the four year construction period for the Mary River Project, and continuing use of the Tote Road and Milne Port as a route for the transportation of certain equipment, supplies and materials. It is emphasized that under the ERP shipping from Milne Port will only be done during the open water season (shipping during the open water season is specifically supported by the NBRLUP in Section 3.5).

July 24, 2013

Baffinland emails the NPC to include reference to the NPC "Interpretation – North Baffin Regional Land Use Plan – Terms 3.5.10, 3.5.11 and 3.5.12" which indicates that these items relate ". . . to the application and review of project proposals that involve the establishment of new transportation or communications corridors . . .", and submits that this Interpretation is consistent with the previous correspondence of Baffinland respecting the conformity determination for the ERP.

July 30, 2013

The NPC writes to Baffinland respecting the conformity determination for the ERP and requests further information from Baffinland.

VI. Provisions of the NBRLUP Respecting Transportation Corridors

Item 3.5 of the NBRLUP addresses Marine and Terrestrial Transportation.

Under the heading "Background" in Item 3.5, the NBRLUP notes that shipping is central to the economic well-being of the region and that present shipping activity usually occurs between June and November. The ships navigating in Canadian arctic waters must meet or exceed operating standards designed to ensure safe, pollution-free passage.

Baffinland wishes to emphasize that the shipping to Milne Port under the ERP (as under the Mary River Project) will meet or exceed operating standards designed to ensure safe, pollution-free passage.



Under the heading “Issues” under Item 3.5, the NBRLUP lists a number of concerns respecting potential effects of shipping on wildlife and on harvesting activities.

Baffinland wishes to emphasize that all of these potential effects, where appropriate, have been considered in the Addendum to the FEIS with respect to the ERP, and Baffinland expects that each of these concerns will be carefully considered and reviewed by NIRB in its consideration of the potential environmental and socio-economic effects of the ERP.

Items 3.5.1 to 3.5.9 of the NBRLUP set out a number of guidelines for shipping.

Baffinland wishes to emphasize that it will give careful consideration to these guidelines, as appropriate, in connection with shipping related to the ERP.

Items 3.5.10, 3.5.11 and 3.5.12 specifically address the issue of transportation and/or communications corridors as follows:

3.5.10. While ensuring the respect of applicable Canadian international obligations in the region, the NPC shall implement the concept of a transportation and/or communications “corridor” as a land use policy having general application, and applying to land and water routes throughout the region, based on the processes outlined in Appendices J and K.

3.5.11. All parties wishing to develop a transportation and/or communications corridor shall submit to the NPC a detailed application for an amendment. This application must include an assessment of alternative routes, plus the cumulative effects of the preferred route. It shall provide reasonable options for other identifiable transportation and utility facilities.

3.5.12. The NPC, and either NIRB or a panel acting under section 12.4.7 of the NLCA, shall publicly review the proposed corridor to determine whether the proposal adequately meets the guidelines set out in Appendices J and K. Once it is determined that a proposal does meet the guidelines, the NPC may request the ministers to amend the plan to include the new transportation corridor.

In addition to the above items, the NPC has issued the “Interpretation – North Baffin Regional Land Use Plan - Terms 3.5.10, 3.5.11 AND 3.5.12”.

It is Baffinland’s submission that in Item 3.5.11, the term “develop a transportation and/or communications corridor” means development of a new transportation or communications corridor. This interpretation is confirmed by the remaining terms of Item 3.5.11 which refer to

the consideration of “alternate routes” and the effects of “the preferred route”. This interpretation is also supported by the terms of Item 3.5.12 which indicates that after the “proposed corridor” is reviewed, the NPC may request the ministers to amend the plan “to include the new transportation corridor”.

The Interpretation of Terms 3.5.10, 3.5.11 and 3.5.12 issued by the NPC also confirms that these items relate to project proposals that involved the establishment of new transportation or communications corridors. Some excerpts from the interpretation are as follows:

“Specifically relating to the application and review of project proposals that involve the establishment of new transportation or communications corridors the NBRLUP contains: Terms 3.5.10; 3.5.11; 3.5.12; Appendix J – Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment; and Appendix K – Marine and Terrestrial Transportation / Communications Corridor Guidelines.”

After quoting Terms 3.5.10, 3.5.11 and 3.5.12, the interpretation goes on to state:

“According to these Terms, all project proposals that involve the establishment of new transportation or communications corridors will trigger two processes under the NBRLUP.” [Emphasis added]

This interpretation of Terms 3.5.10, 3.5.11 and 3.5.12 is consistent with the approach taken by the NPC in connection with the previous conformity determinations for the bulk sampling program on January 22, 2007 and for the Mary River Project on April 30, 2008, both of which involved the use of the existing Milne Inlet Tote Road and the shipping corridor through Milne Inlet and Eclipse Sound. Under the Mary River Project, the new transportation corridor proposed for the railway from the Mary River Mine Site to Steensby Inlet was identified by the NPC as a “proposed corridor” requiring an amendment to the NBRLUP (for the 34 kilometres of the railway corridor within the North Baffin Region).

VII. Response to Commission Question #1

Q – If a new project proposal or an application to extend a project is made for an existing project, whether a previous positive conformity determination precludes the need for additional conformity determinations or an amendment of an approved land use plan where a party wishes to develop a transportation or communications corridor.



A – Baffinland recognizes that a conformity determination is required for the ERP, and Baffinland has filed an application for this conformity determination with the NPC, along with accompanying materials relating to the ERP, including the Project Proposal for the ERP, the Addendum to FEIS, which assesses the potential environmental and socio-economic effects of the ERP, and copies of regulatory certificates, approvals, licences and permits relating to the Mary River Project and those requiring amendments for the ERP.

NIRB has identified a process to reconsider the Terms and Conditions of the Mary River Project Certificate under the provisions of Article 12, Part 8, Section 12.8.2(b) of the NLCA (see the NIRB letter to the Minister dated February 11, 2008). In the letter of February 11, 2008, NIRB referenced the NPC letter of February 7, 2013 and indicated that it would require confirmation from the NPC that the Project amendment conforms to the requirements of the NBRLUP. By his letter of March 28, 2013, the Minister agreed with the comprehensive reconsideration process proposed by NIRB and confirmed that this proposed process is appropriate in light of the scale and nature of the ERP.

The previous positive conformity determinations issued by the NPC in relation to the bulk sampling program (2007) and in relation to the Mary River Project (2008), do not preclude the conformity determination requested for the ERP.

It is Baffinland's position, however, that the previous positive conformity determinations provide a basis for consistency in issuing a positive conformity determination for the ERP for the following reasons (as stated in our letters of June 12, 2013, July 9, 2013 and July 18, 2013):

- both the bulk sampling program and the Mary River Project included use of the Milne Inlet Tote Road and Milne Port, and shipping through Milne Inlet and Eclipse Sound;
- the Milne Inlet Tote Road and the shipping route through Milne Inlet and Eclipse Sound have been existing transportation corridors since the 1960s. They pre-date the NLCA and the NBRLUP, and the Milne Inlet Tote Road is expressly recognized as a public right of access under Article 21.4.1 of the NLCA;
- the bulk sampling program of 2007/08 involved major upgrades and increased use of the existing Tote Road, Milne Port and shipping corridor, and the approved Mary



River Project will also involve the increased use of the existing Tote Road, Milne Port and shipping corridor (estimated 30 trucks per day delivering from Milne Port during construction;

- the proposed increased use of the existing Tote Road, Milne Port and shipping corridor under the ERP should, to be consistent, receive a positive conformity determination.

VIII. Response to Commission Question #2

Q – NPC welcomes any submissions Baffinland may wish to make on the definition of “develop” as it appears in section 3.5.11 of the NBRLUP and whether the ERP project proposal should be considered a “development”.

A – It is the submission of Baffinland that the term “develop” under Section 3.5.11 with respect to transportation and/or communications corridors, does not apply to additional use of an existing corridor, but applies to the development of a “new” corridor.

This interpretation is supported by the following considerations:

- under Item 3.5.11, reference is made to the assessment of “alternative routes” and the cumulative effects of “the preferred route”. These terms support the interpretation that Item 3.5.11 is applicable to the proposed development of a new transportation corridor;
- Item 3.5.12 specifically uses the terms “proposed corridor” and “new transportation corridor”. In particular, Term 3.5.12 specifies as follows:

“Once it is determined that a proposal does meet the guidelines, the NPC may request the ministers to amend the plan to include the new transportation corridor”. [Emphasis added];

- Appendix J to the NBRLUP requires information including a description of the “proposed corridor” and its “general routing” and a comparison of the “proposed

route with alternative routes". Again, these terms suggest the consideration of a new transportation corridor;

- Appendix K to the NBRLUP states as follows:

"The following planning guidelines will be used in the assessment of a new transportation/communications corridor proposal". [Emphasis added];

- the NPC "Interpretation – North Baffin Regional Land Use Plan – Terms 3.5.10, 3.5.11 and 3.5.12" confirms that the above terms and appendices apply to proposals involving the establishment of new transportation or communications corridors. The following are excerpts from the Interpretation:

"Specifically relating to the application and review of project proposals that involve the establishment of new transportation or communications corridors the NBRLUP contains: Terms 3.5.10; 3.5.11; 3.5.12; Appendix J – Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment; and Appendix K – Marine and Terrestrial Transportation / Communications Corridor Guidelines."

"According to these Terms, all project proposals that involve the establishment of new transportation or communications corridors will trigger two processes under the NBRLUP."

"In closing the approach provided in the NBRLUP respecting the establishment of new transportation or communications corridors is distinct from the standardized practices of both the NPC and NIRB."

Again, the NPC Interpretation of Items 3.5.10, 3.5.11 and 3.5.12 of the NBRLUP indicates that those items relate to the application and review of project proposals that involve the establishment of new transportation or communications corridors;

- In a 2008 presentation of the NPC to the Nunavut Petroleum Workshop (a copy of the presentation is attached as Schedule 3 to these submissions), the NPC stated the following questions and answers in connection with the NBRLUP:

"Q –Would year round shipping be considered as a 'new' transportation corridor and be subject to 3.5.10 – 3.5.12?

A – Depends. If the route is an existing marine shipping route [i.e. the Northwest Passage (NWP)] then it would be grandfathered. If a new route is proposed to connect to the NWP then the portion that is new would be a new corridor. New corridors are assessed under NLCA 12.4.7 as part of the NIRB Environmental Assessment (EA) process.”

“Q – Would a pipeline corridor on Melville Island be considered as a ‘new’ transportation corridor and be subject to 3.5.10 – 3.5.12?

A – If there is no pipeline existing in the location proposed on Melville Island then yes it would be a new corridor. Corridors are assessed under NLCA 12.4.7 as part of the NIRB EA process.”

These responses of the NPC to questions relating to transportation corridors are also consistent with the application of Items 3.5.10, 3.5.11 and 3.5.12 of the NBRLUP to new transportation corridors, and reflect the understanding that existing transportation corridors are grandfathered.

It is Baffinland’s submission that the use of the term “development” in Articles 6.1.1, 6.2.2 and 6.2.3 of the NLCA relate to different issues and are not relevant to the interpretation of Items 3.5.10, 3.5.11 and 3.5.12 of the NBRLUP.

It is Baffinland’s submission that the definition of the word “development” under the Nunavut *Planning Act* is not relevant. The Nunavut *Planning Act* applies to municipal planning and zoning bylaws. The *Planning Act* is not applicable to the NLCA or to the NPC, or the NBRLUP.

Baffinland submits that, while the development of a new transportation corridor (such as the railway corridor under the Mary River Project), may require an amendment to the Land Use Plan, the proposed use of pre-existing transportation corridors, such as the Tote Road and the shipping corridor through Milne Inlet and Eclipse Sound, does not require a review or an amendment.

As indicated above, the bulk sampling program of 2007/08 involved a change in the intensity of use of the Tote Road and the shipping corridor, and the Mary River Project involved a further change in the intensity of use of the Tote Road and the shipping corridor for the transportation of all materials, equipment and supplies for the construction of the Mary River Mine Site and the northern part of the railway corridor in particular, and for continued use as required during the 21 year mine life. In contrast, the proposed railway corridor from the Mine Site to Steensby Inlet



involved the establishment of a new transportation corridor which required an application for amendment of the NBRLUP.

For all of the above reasons, it is Baffinland's submission that the ERP does not involve a proposal to develop a new transportation corridor, and therefore Baffinland submits that Items 3.5.10, 3.5.11 and 3.5.12, and an application to amend the NBRLUP is not applicable to the ERP.

IX. Response to Commission Question #3

Q – Is the definition of “project proposal” in the NLCA as including a “physical work” or “physical activity” relevant to determining whether a transportation corridor, whether new or existing, is being developed; in the alternative does an existing transportation corridor wholly exempt all project proposals relating to that corridor from land use planning.

A – Baffinland acknowledges that the ERP contemplates physical works and physical activities that were not assessed in the FEIS of the approved Project.

These activities are referenced in the Project Proposal and in the Application to Determine Conformity.

The reconsideration process to be undertaken by NIRB in connection with the ERP, under Article 12, Part 8 of the NLCA is described above in our response to Question 2. As noted in the response to Question 2, both NIRB and Baffinland have requested that the NPC provide a determination of conformity of the ERP with the NBRLUP.

It is Baffinland's submission that the definition of “project proposal” is very general and does not alter our submissions above that the ERP does not propose to develop a new transportation corridor. The ERP does propose increased trucking activities on the Milne Inlet Tote Road and increased shipping activities through Milne Inlet. It is Baffinland's submission that existing transportation corridors do not exempt the ERP from the consideration of conformity under the NBRLUP.

As indicated above, an Application for a Conformity Determination has been submitted to the NPC for the ERP.



We recognize that the NPC has the authority and responsibility under the NBRLUP, to review the proposed ERP for conformity with the NBRLUP and to make a determination accordingly.

It is the submission of Baffinland that the works and activities proposed under the ERP are in conformity with the NBRLUP. Baffinland is not aware of any provision of the NBRLUP with respect to which the works and activities of the ERP would not be in conformity. Attached as Schedule 4 to this submission is a copy of Appendix 1B-4 to the Addendum to FEIS, showing concordance with the EIS Guidelines, including the content related to Appendices J and K of the NBRLUP.

Subject to the requirement for an amendment for the new railway corridor, the Mary River Project itself, which includes the Mine Site, extensive use of the Milne Inlet Tote Road, Milne Port, and shipping through Milne Inlet, was found to be in conformity with the NBRLUP. The ERP, which proposes to use the Milne Inlet Tote Road, Milne Port and open water shipping, as an early phase of the Mary River Project, in order to enable the Project, along with its benefits for training, employment, business opportunities and royalties to the people of Nunavut, to proceed.

Baffinland submits that the ERP (like the previous bulk sampling program, and the Mary River Project), meets the conformity criteria referred to in the NBRLUP, including the conformity requirements identified in Chapter 3, and involves land use of a type previously contemplated in the North Baffin region, and/or consistent with the principles identified under Item 6.3 of the NBRLUP.

Baffinland submits that the ERP, like the Mary River Project, is consistent with the well-being of Nunavut residents, the protection of, and where necessary, restoration of environmental integrity, compliance with the NLCA, the principle of sustainable development, support for regional economic development, and encouragement of multiple land uses subject to the principle of sustainable development (see NBRLUP Item 6.3, and the Summary of Conformity Requirements under Appendix C to the NBRLUP).

As indicated above, Baffinland knows of no conformity criteria, or conformity requirements, under the NBRLUP, that were not met or addressed by the Mary River Project, or that are not met or addressed under the ERP.



In particular, the above issues are addressed in detail in the Addendum to FEIS which includes a detailed assessment of potential environmental and socio-economic impacts of the ERP. As indicated in the letter from NIRB to the Minister dated February 11, 2013, and the response of the Minister dated March 28, 2013, NIRB is proposing a comprehensive reconsideration of the Terms and Conditions of the Project Certificate for the Mary River Project, in consideration of the ERP, pursuant to Section 12.8.2(b) of the NLCA. The detailed consideration and assessment of potential environmental and socio-economic effects of the ERP, under the Addendum to FEIS is indicative of compliance with the conformity requirements of the NBRLUP referenced above.

Baffinland does not submit that the works and activities proposed by the ERP “are entirely a matter for environmental screening and are exempt from the land use planning process established in the NLCA”.

However, for all of the reasons given above, Baffinland submits that, in considering its conformity determination, the NPC should take into account that NIRB will conduct a detailed consideration of the ERP under the provisions of Article 12 of the NLCA, including a detailed consideration of any potential environmental and socio-economic impacts of the ERP before determining whether or not the ERP should be allowed to proceed under amendments to the Project Certificate for the Mary River Project. If NIRB does determine that the ERP should proceed, it is expected that NIRB will include appropriate terms and conditions for the mitigation of environmental and socio-economic impacts, before submitting a report to the Minister respecting any amendment to the Project Certificate. Baffinland submits that this process for a comprehensive assessment of the ERP by NIRB should be a significant factor which would support the NPC in reaching a positive conformity determination for the ERP.

X. Response to Commission Question #4

Q – Whether the Milne Inlet Tote Road easement or existing transportation corridors mean the changes proposed by the ERP do not constitute the “development” of a transportation corridor.

A – Baffinland submits that the Milne Inlet Tote Road and the shipping corridor through Milne Inlet are existing transportation corridors and therefore, based on the responses to Questions 1, 2 and 3 above, Baffinland submits that the ERP does not include a proposal to “develop” a



transportation corridor as that term is used in Items 3.5.10, 3.5.11 and 3.5.12 of the NBRLUP, and the NPC Interpretation document for those items. Baffinland submits that Items 3.5.10, 3.5.11 and 3.5.12 of the NBRLUP and the requirement for an amendment are not applicable, since there is no proposal to develop a new transportation corridor.

The ERP does propose additional use of the Tote Road for the transportation of ore, and shipments of ore from Milne Port. Baffinland submits that these activities are in conformity with the NBRLUP (as discussed under Question 5 below).

XI. Response to Commission Question #5

Q – Whether increased intensity of use of Milne Inlet Tote Road and shipping from Milne Inlet conforms with NBRLUP.

A – Baffinland has filed an Application for a Conformity Determination for the ERP with the NPC, and assumes that the NPC will consider the conformity determination in accordance with the conformity requirements of the NBRLUP. As submitted above (in particular, see the response to Question 3), Baffinland is confident that the ERP meets the conformity criteria of the NBRLUP.

Baffinland submits that the ERP, like the Mary River Project as a whole, meets the conformity requirements of the NBRLUP. Baffinland is not aware of any conformity requirement that is not met by the ERP.

Your letter of July 30, 2013 requests clarification in relation to public safety interactions that might result from increased vehicle traffic on the Milne Inlet Tote Road. Safety issues relating to traffic along the Tote Road were considered in the FEIS at Section 10.5.2 and Baffinland has developed a Road Management Plan (Appendix 10D-8). Key components of that plan in relation to the safety of land users include:

- speed control and signage;
- speed limited to 60 kilometres per hour on all Project roads;
- signs warning of hazards and blind road curves or intersections;



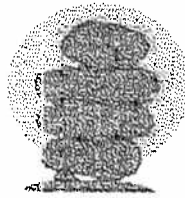
- kilometre markers used to radio in wildlife and non-Project individual sightings;
- vigilance of truck operators for non-Project individuals;
- reporting of non-Project individuals to other drivers and the Superintendent of Sustainable Development.

A further consideration of these mitigation measures is contained in the Revised Roads Management Plan attached as Appendix 10D-8 to the Addendum to FEIS. The issue of public safety along the Tote Road will be reviewed in detail in the NIRB assessment process, and in particular, under Volume 4 of the FEIS (and Addendum to FEIS) relating to effects of the Project on the human environment.

XII. Conclusion and Request for Conformity Determination

In conclusion, Baffinland submits that the ERP is in conformity with the NBRLUP, and requests that the NPC issue a positive conformity determination.

Schedule 1



January 22, 2007

Jeffrey Howell
A/Manager
Indian and Northern Affairs Canada
P.O. Box 100
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Phyllis Beaulieu
Manager of Licensing
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Terry Audla
Executive Director
Qikiqtani Inuit Association
Iqaluit, Nunavut X0A 0H0

Fax # (857) 979-3238

Dear Mr. Howell, Ms. Beaulieu and Mr. Audla,

Re: INAC # N2006C0036, NWB # 2BE-MRY 0406, QIA # Q05L2C14, DFO- Mary River Project, Study of Port location and possible transportation corridor & Bulk Sampling Proposal

The NPC has completed its review of the above noted project proposal. It conforms to the North Baffin Regional Land Use Plan (NBRLUP), subject to the attached conformity requirements.

The NBRLUP has specific terms in regards to a development of a transportation corridor where a request for amendment to the NBRLUP must be requested;

s3.5.11 – All parties wishing to develop a transportation and/or a communications corridor shall submit to the NPC a detailed application for amendment. This application must include an assessment of alternative routes, plus the cumulative effects of the preferred route. It shall provide reasonable options for other identifiable transportation and utility facilities.

S3.5.12 – The NPC, and either NIRB or a panel acting under 12.4.7 of the NLCA, shall publicly review the proposed corridor to determine whether the proposal adequately meets the guidelines set out in Appendices J and K. Once it is determined that a proposal does meet the guidelines, the NPC may request the Ministers to amend the plan to include the new transportation corridor.

By this letter and additional enclosures, the NPC is forwarding the project proposal with this determination to NIRB for screening.

Note-This project proposal includes research on options relating to alternative transportation / communications routes. As a proposal to conduct research, it does not constitute a proposal to *develop* a transportation and / or communications corridor. This positive conformity determination for research activities does not constitute a positive conformity determination with respect to development of a corridor.

And, the proposed improvements of the existing tote road from Milne Inlet to the Mary River camp site does not fall within the terms of a proposal for a development of a transportation corridor.

The applicant has undertaken to comply with the attached requirements. The authorizing agencies to which this letter is addressed are responsible under the *Nunavut Land Claims Agreement* to implement any of the attached requirements that fall within their respective authorities.

This may be accomplished by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued. My office would be pleased to discuss with these agencies how best to implement these requirements and to review any draft authorizations that the agencies wish to provide for that purpose.

This conformity determination applies only to the above noted project proposal as submitted. Please notify the NPC immediately if any material change to the project proposal is made before authorizations are issued.

Yours truly,



Ronnie Suluk
Regional Planner

Attachment

cc. Leslie Payette, NIRB
Mr. Rod Cooper, Baffinland Iron Mines Corporation

Application # N2006C0036/2BE-MRY 0406/Q05L2C14/DFC)

NUNAVUT PLANNING COMMISSION
APPLICATION TO DETERMINE CONFORMITY
WITH THE NORTH BAFFIN REGIONAL LAND USE PLAN

NUNAVUT PLANNING COMMISSION
BOX 419, Arviat, Nunavut
N0C-0E0

All applicants for a project proposal shall comply with the requirements listed below. The relevant sections of the plan are noted in each requirement.

GENERAL

2. **Environmental Protection:** s3.3.11.8: The applicant undertakes to prevent any new occurrences of pollution, garbage and contamination at the site of the development.

Yes

No

3. **Removal of Fuel Drums:** s3.3.11.8: The applicant undertakes to remove all drums safely from the site and dispose of the drums in a safe manner.

Yes

No

4. **New Site Restoration and Clean Up:** s3.3.11.1 and Appendix C, s1: The applicant undertakes to clean up the site and restore the site to its natural condition to the greatest extent possible.

Yes

No

5. **Old Site Restoration and Clean Up:** s3.3.11.2: The applicant undertakes to clean up the site and restore the site to its original condition to the greatest extent possible, including any work required due to the applicant's action prior to this application.

Yes

No

Application # N2006C0036/2BE-MRY 0406/Q05L2C14/DFO

6. Low-Level Air Flights: Appendix C, s3: Will the applicant avoid all low-level flights?

☒ Yes

☐ No

- i. If not, explain why such flights are or may be absolutely necessary.

- ii. If such flights are or may be absolutely necessary, will they avoid disturbance to people and wildlife?

- iii. If not, explain why it is not possible to avoid such disturbance.

7. Caribou Protection Measures s3.3.1.7 and Appendix D: Will the applicant comply with the Caribou Protection Measures outlined in section 2.4.6 and in Appendix D?

☒ Yes

☐ No

Application # N2006C0036/2BE-MRY 0406/Q05LZC14/DFO

7. **Polar Bear Denning Areas and Walrus Haul-outs:** s3.3.1.8: Will the applicant keep its activities away from any polar bear denning area or walrus haul-out?

Yes

No

HERITAGE RESOURCES

10. **Reporting of Archaeological Sites:** s3.3.9.3 and Appendix C, s2 and s8: Will the applicant immediately report the discovery of all suspected archaeological sites to the Department of Culture, Language, Elders and Youth (GN)?

Yes

No

MINING

11. **Mining Development:** s3.3.4.4 & s3.3.4.5: Is the proposal for mining development?

Yes

No

If yes, include with the application a mine closure and restoration plan and the proof of complete financial guarantees for the abandonment and restoration of the site.

12. **Negative Effects:** s3.3.4.6: Has the applicant planned to minimize the negative effects of its activity on the environment?

Yes

No

Include with the application the mitigative measures developed.

13. **Hunting Restrictions:** s3.3.4.9: The applicant is informed of any special hunting restrictions that may apply to the area and will strictly enforce them at its mine sites and along transportation routes.

Yes

No

Application # N2006C0036/2BE-MRY 0406/Q25L2C14/DFO

14. **Carving Stone Deposits:** Appendix C, s9. Will the applicant report any discoveries of carving stone deposits to the Qikiqtani Inuit Association?

Yes

No

MARINE AND TERRESTRIAL TRANSPORTATION

21. **Marine and Terrestrial Transportation:** (s 3.5.11 and s 3.5.12): Is this a proposal to develop a transportation and/or communications corridor? (Note: Research on options relating to alternative routes does not in itself constitute a proposal to develop a transportation and / or communications corridor. Further, a positive conformity determination with respect to research activities related to alternative routes and cumulative effects does not constitute a positive conformity determination with respect to development of a corridor.)

Yes

No

If yes, please forward to the NPC a detailed application for an amendment to the *North Baffin Regional Land Use Plan*. This application for amendment must include an assessment of alternative routes, plus the cumulative effects of the preferred route. It shall provide reasonable options for other identifiable transportation and utility facilities.

22. **Code of Good Conduct for Land Users:** Appendix C: The applicant undertakes to adhere to the code of Good Conduct at all times.

Yes

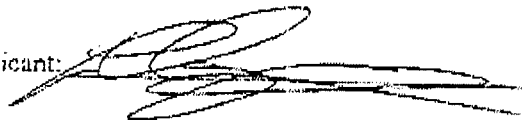
No

I, Rodney Cooper Baffinland IRON MINES (name of applicant), certify that the information I have given in this application is true and correct and hereby make the above undertakings which form part of my application for a project proposal within the meaning of the Nunavut Land Claims Agreement.

Date:

Jan 22 / 07

Signature of Applicant:



Application // N2006C0076/213E-MRY 0406/Q05L2C14/DFO

North Baffin Regional Land Use Plan
Appendix H
Code of Good Conduct for Land Users

1. The landscape of each camp and other land use sites will be restored to its original condition to the greatest degree possible. Water quality will be preserved and no substances that will impair water quality will be dumped in water bodies. When possible and feasible, old sites will be restored to the natural state.
2. All land users shall assist communities and government(s) in identifying and protecting archaeological sites and carving-stone sites, as required by law.
3. Generally, low-level flights by aircraft at less than 300 metres should not occur where they will disturb wildlife or people. If such flights are necessary, they should only take place after consultation with the appropriate communities. All land users are responsible for reporting to the land managers any illegal or questionable low-level flight.
4. All activities on the land will be conducted in such a fashion that the renewable resources of the area in question are conserved.
5. Whenever practicable, and consistent with sound procurement management, land users will follow the practice of local purchase of supplies and services.
6. Land users will establish working relationships with local communities and respect the traditional users of the land.
7. During the caribou calving, post-calving and migrating seasons, land use activities should be restricted to avoid disturbing caribou, in general, and activities will be governed more specifically by caribou protection measures such as those contained in Appendix I.
8. Artifacts must be left where they are found. All land users are responsible for reporting the location of, or any removal or disturbance of artifacts, to CLEY.
9. The mining industry is encouraged to assist in identifying local carving-stone deposits and report any discoveries to the QIA. Industry is also encouraged to identify and report old waste sites that need to be cleaned up.
10. All land users shall obey the laws of general application applying to land use.

APPENDIX D: CARIBOU PROTECTION MEASURES⁴⁷

MBRLUP

DIAND⁴⁸

1. (a) The Permittee shall not, without approval, conduct any activity between May 15 and July 15 within the North Baffin region.

(b) A Permittee may, upon approval by the Land Use Inspector (DIAND) or Land Manager (QIA), operate within the North Baffin region beyond the May 15 deadline set out in 1(a), provided that when caribou cows are approaching the area of operation, the Permittee will implement 1 (c).

(c) During the period of May 15 to July 15, the Permittee will suspend all operations, particularly blasting, overflights by aircraft at any altitude of less than 300 metres above ground level, and the use of snowmobiles and ATV's (all-terrain vehicles) outside the immediate vicinity of the camp, and all personnel will remain quietly in camp or, upon advice from the Land Use Inspector (DIAND) or Land Manager (QIA), the Permittee will remove all personnel from the site who are not required for the maintenance and protection of the camp facilities and equipment.

(d) The Permittee may resume activities prior to July 15 if the caribou cows have ceased to use the area for calving or post-calving.
2. (a) During migration of caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion to migrating caribou.

(b) The Permittee shall cease activities that may interfere with migration, such as airborne geophysics surveys or movement of equipment, until the migrating caribou have passed.
3. The Permittee shall not, between May 15 and September 1, construct any camp, cache any fuel or conduct blasting within 10 km, or conduct any diamond drilling operation within 5 km, of any "Designated Crossing" as outlined on the map annexed to a Land Use Permit.
4. Concentrations of caribou should be avoided by low-level aircraft at all times.

⁴⁷ Caribou Protection Measures (Qamanirjuaq and Beverly Herds) 1988. DIAND

Schedule 2



Interpretation

North Baffin Regional Land Use Plan

Terms 3.5.10, 3.5.11 and 3.5.12

This plan interpretation is necessary as the procedure required under the North Baffin Regional Land Use Plan (NBRLUP) for proposed projects involving transportation and/or communications corridors diverges from the standard operational practices of both the Nunavut Planning Commission (NPC) and the Nunavut Impact Review Board (NIRB).

Under Part 3.5, Marine and Terrestrial Transportation, of the NBRLUP there are a number of issues, objectives and terms associated with the management of transportation and communications corridors. A "corridor" is considered to be any linear development, public or private, established for transportation or communication purposes.

Specifically relating to the application and review of project proposals that involve the establishment of new transportation or communications corridors the NBRLUP contains: Terms 3.5.10; 3.5.11; 3.5.12; Appendix J - Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment; and Appendix K – Marine and Terrestrial Transportation / Communications Corridor Guidelines.

Term 3.5.10 states that:

While ensuring the respect of applicable Canadian international obligations in the region, the NPC shall implement the concept of a transportation and/or communications "corridor" as a land use policy having general application, and applying to land and water routes throughout the region, based on the processes outlined in Appendices J and K.

Term 3.5.11 states that:

All parties wishing to develop a transportation and /or communications corridor shall submit to the NPC a detailed

application for an amendment. This application must include an assessment of alternative routes, plus the cumulative effects of the preferred route. It shall provide reasonable options for other identifiable transportation and utility facilities.

Term 3.5.12 states that:

The NPC, and either NIRB or a panel acting under section 12.4.7 of the NLCA, shall publicly review the proposed corridor to determine whether the proposal adequately meets the guidelines set out in Appendices J and K. Once it is determined that a proposal does meet the guidelines, the NPC may request the ministers to amend the plan to include the new transportation corridor.

According to these Terms, all project proposals that involve the establishment of new transportation or communications corridors will trigger two processes under the NBRLUP. The first process is the submission of a formal application to amend the NBRLUP including an assessment of alternative routes and cumulative impacts. The information required is set out under Appendix J. The second process is a joint public review of the information required under Appendix J and Appendix K of the NBRLUP by the NPC and NIRB or an appropriate panel to determine that the proposal meets the designated guidelines.

In summary, the Term 3.5.10 establishes, as a broad land use planning policy, the concept of a corridor which applies special terms to certain Transportation and Communications land use activities. These special terms are contained in NBRLUP Appendices J and K.

Term 3.5.11 requires that any proposal for a transportation or communications corridor include an application for a formal plan amendment. This application must provide all information required by Term 3.5.11 and Appendix J of the plan. This application would be provided to the NPC as part of NIRB's Nunavut Land Claims Agreement (NLCA) 12.4.7 information requirements.

Term 3.5.12 requires that the corridor will be reviewed publicly by NPC and either NIRB or a panel as set out under NLCA 12.4.7. The NPC and NIRB will review the proposal to ensure the project proponent has provided the information required by Appendix J and that the planning guidelines provided in Appendix K have been met. Once the NPC and NIRB determine the proposal meets the designated requirements the

NPC would then process the amendment in accordance with NLCA 11.6.3.

In closing the approach provided in the NBRLUP respecting the establishment of new transportation or communications corridors is distinct from the standardized practices of both the NPC and NIRB. Plan amendments are approached in a unique manner and project reviews of “corridors” will be conducted jointly by the NPC and NIRB. Project proponents are advised to make their applications in accordance with the special processes and terms set out in the NBRLUP and as described in the this plan interpretation.

APPENDIX J

Marine and Terrestrial Transportation/Communications Corridor Alternative Route Assessment

Applicants wishing to develop a transportation and/or communications corridor in the North Baffin region are required to provide the NPC with the following information:

1. A description of the proposed corridor, including its use, its general routing, the possible environmental and social impacts, and any seasonal considerations that may be appropriate.
2. A comparison of the proposed route with alternative routes in terms of environmental and social factors as well as technical and cost considerations.
3. An assessment of the suitability of the corridor for the inclusion of other possible communication and transportation initiatives (roads, transmission lines, pipelines, etc.). This assessment should include:
 - the environmental, social and terrain engineering consequences, and the cumulative impacts of the project, and
 - the environmental and social impact of the project on nearby settlements or on nearby existing and proposed transportation systems.

APPENDIX K

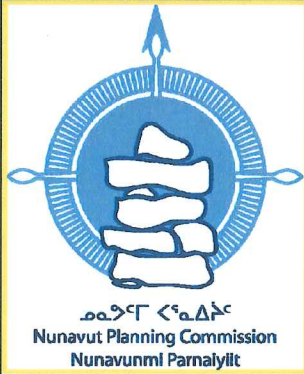
Marine and Terrestrial Transportation/Communications Corridor Guidelines

The following planning guidelines will be used in the assessment of a new transportation / communications corridor proposal:

1. The corridor width shall be a function of:
 - the number and type of identified facilities within the corridor;
 - physical and biophysical conditions;
 - availability of detailed engineering data for one or more transportation modes within the corridor;
 - safe distances between different facilities within the corridor; and
 - aesthetics.
2. Corridors shall:
 - minimize negative impacts on community lifestyles;
 - improve access to other resources having high potential for development, while still maintaining the shortest practicable distance between the primary resource areas and the trans-shipment location;
- be designed in accordance with existing and prospective land use capability including topography, soil, permafrost and wildlife; and
- be designed in accordance with the availability of granular supplies.
3. In keeping with existing legal and legislative requirements, including the NLCA, corridors shall not negatively impact:
 - community business, residential and projected expansion areas;
 - important fish and wildlife harvesting areas;
 - key habitat for fish and wildlife species, especially areas used by endangered species;
 - areas of high scenic, historic, cultural and archaeological value.

Schedule 3

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Nunavut Petroleum Workshop
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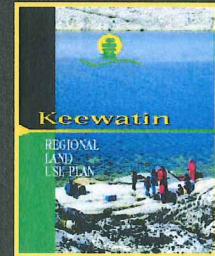
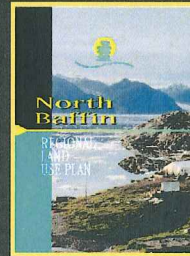


Due to previous commitments it is with regret that the Nunavut Planning Commission (NPC) is unable to attend this important workshop.

The NPC looks forward to working with the petroleum sector over the coming months.

The Nunavut Planning Commission has two approved regional land use plans

Both the North Baffin and Keewatin plans were prepared during the late 1980s. The plans were updated to reflect the provisions of the Nunavut Land Claims Agreement (NLCA) and approved in June 2000.



Nunavut Land Use Plan

- Article 11.5.1 of the NLCA requires that the NPC develop a single land use plan for the Nunavut Settlement Area.
- The NPC is working with Indian and Northern Affairs Canada (INAC), Government of Nunavut (GN) and Nunavut Tunngavik Incorporated (NTI) to accelerate the planning process to implement the NLCA 11.5.1 obligation.



Funding Challenge



The NPC is working with INAC, GN and NTI in hopes of acquiring additional funding to accelerate the NLUP planning process.



Nunavut Land Use Plan

- Once the Nunavut Land Use Plan (NLUP) is complete it will replace both the North Baffin and Keewatin Regional Land Use Plans.
- The NLUP will reflect the current goals of Nunavummiut and take into account changing economic trends and opportunities.



Accelerated Land Use Planning Process



- The NPC is proposing that, under an accelerated process, a draft NLUP could be completed within a 2 year period.



Until the Nunavut Land Use Plan is approved

North Baffin Land Use Plan

- Does the North Baffin Land Use Plan place a prohibition on year round shipping in the planning region?

No. Although there is a general statement in the plan to the contrary there are no terms implementing a prohibition on year round shipping.



North Baffin Land Use Plan

- Would year round shipping be considered as a "new" transportation corridor and be subject to 3.5.10 – 3.5.12?

Depends. If the route is an existing marine shipping route [i.e the Northwest Passage (NWP)] then it would be grandfathered. If a new route is proposed to connect to the NWP then the portion that is new would be a new corridor. New corridors are assessed under NLCA 12.4.7 as part of the NIRB Environmental Assessment (EA) process.



North Baffin Land Use Plan

- Would a pipeline corridor on Melville Island be considered as a "new" transportation corridor and be subject to 3.5.10 – 3.5.12?

If there is no pipeline existing in the location proposed on Melville Island then yes it would be a new corridor. Corridors are assessed under NLCA 12.4.7 as part of the NIRB EA process.



Keewatin Regional Land Use Plan

- What would be the process for lifting the moratorium on hydrocarbon exploration in the area encompassing southern Southampton Island and Coats Island?

continued



The NPC received a request from the Hamlet of Coral Harbour to amend the Keewatin Regional Land Use Plan to remove the moratorium.

The NPC has advised the Hamlet that the moratorium will be addressed as part of the Nunavut Land Use Plan process.



Keewatin Regional Land Use Plan

- What is the status of the National Wildlife Area envisioned for Coats Island?

The Term 2.4 is related to the Canadian Wildlife Service (CWS). If the CWS proceeds with the establishment of a conservation area on Coats Island the proposal will require the approval of the people of Coral Harbour.

Questions regarding the status of this proposal will need to be directed to the CWS.



Summary

- The NPC has proposed that with additional funding the NLUP planning process could be accelerated.
- Completion of the NLUP within 2 years will also require cooperative relationships and a shared vision to complete land use planning in Nunavut.
- The NPC is working with INAC, GN and NTI to develop an accelerated land use planning process.
- The Nunavut Land Use Plan will replace the North Baffin and Keewatin Land Use Plans.
- The Nunavut Land Use Plan will contain the current goals of Nunavummiut and reflect changing economic trends and opportunities.



Thank you



**For Additional Information Contact
Nunavut Planning Commission
Sharon Ehloak, Executive Director
1-867-983-4625**

Schedule 4



Appendix 1B-4 - Concordance with EIS Guidelines (Appendices J and K of the North Baffin Regional Land Use Plan)

Guideline Section	Guideline Section Reference	Guideline Content	EIS Volume Reference	EIS Section / Appendix Reference	Addendum to FEIS
Appendix J	Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment - Applicants wishing to develop a transportation and/or communications corridor in the North Baffin region are required to provide the NPC with the following information:				
Appendix J 1	Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment	• A description of the proposed corridor, including its use, its general routing	Vol 3	Sec 2.5, Sec 3.5	Vol 3, Sec 2.2, 2.3 and 2.4
		• the possible environmental and social impacts,	Vol 4 to Vol 7 inclusive and Vol 9	All sections	Vol 1, Sec 12; Vol 4 to Vol 9
		• any seasonal considerations that may be appropriate.	Vol 3	Sec 3.5.3.4	Vol 3, Sec 2.4
Appendix J 2	Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment	• A comparison of the proposed route with alternative routes in terms of environmental and social factors as well as technical and cost considerations.	Vol 3	Sec 6.5.3, Sec 6.7.3	No Change
			Vol 3, Appendix 3E	Railway Information	No Change
Appendix J 3	Marine and Terrestrial Transportation / Communications Corridor Alternative Route Assessment	An assessment of the suitability of the corridor for the inclusion of other possible communication and transportation initiatives (roads, transmission lines, pipelines, etc.). This assessment should include:			
		• the environmental, social;	Vol 4 to Vol 7 inclusive and Vol 9	All sections	Vol 4 to Vol 9
		• and terrain engineering consequences;	Vol 3	Sec 6.5.3 - 6.5.6	Vol 3, Sec 2.2, 2.3 and 2.5
			Vol 6	Sec 2.0	Vol 6, Sec 2.0
			Vol 9	Sec 2.0	Vol 9, Sec 2.0
		• and the cumulative impacts of the project; and,	Vol 9	Sec 1.0	Vol 9, Sec 1.0
		• the environment and social impact of the project on nearby settlements, or;	Vol 4 to Vol 7 inclusive and Vol 9	All sections	Vol 4 to Vol 9 All sections
• on nearby existing and proposed transportation systems.	Not applicable - see Note 1		N/A - See Note 1		
Note 1. There are no nearby or proposed transportation systems other than those related to Baffinland's activities.					

Appendix 1B-4 - Concordance with EIS Guidelines (Appendices J and K of the North Baffin Regional Land Use Plan)

Guideline Section	Guideline Section Reference	Guideline Content	EIS Volume Reference	EIS Section / Appendix Reference	Addendum to FEIS	
Appendix K	Marine and Terrestrial Transportation / Communications Corridor Guidelines - The following guidelines will be used in the assessment of a new transportation / communications corridor proposal:					
Appendix K 1	Marine and Terrestrial Transportation / Communications Corridor Guidelines	The corridor width shall be a function of:				
		• the number and type of identified facilities within the corridor;	Vol 3	Sec 2.5, Sec 3.5	Vol 3, Sec 2.2 and 2.3; Appendix 3C	
		• physical and biophysical conditions;	Vol 3	Sec 2.5	Sec 2.2	
			Vol 3 Appendix 3E	All	Vol 3, Sec 2.2 & Appendix 3C	
		• availability of detailed engineering data for one or more transportation modes within the corridor;	Vol 6	Sec 2.0	Vol 6, Sec 2.0	
			Vol 3, Appendix 3E	All	Vol 3, Appendix 3C	
		• safe distances between different facilities within the corridor; and	Vol 3, Appendix 3B	Attachement 7		
• aesthetics.	Vol 3, Appendix 3E	alignment drawings				
		Vol 6	Sec 2.4.3	Vol 6, Sec 2.0		
Appendix K 2	Marine and Terrestrial Transportation / Communications Corridor Guidelines	Corridors shall:				
		• minimize negative impacts on community lifestyles;	Not applicable - see Note 1		No Change	
		• improve access to other resources having high potential for development, while still maintaining the shortest practicable distance between the primary resource areas and the trans-shipment location;	Vol 3	Sec 6.5.3 - 6.5.6	Vol 3, Sec 2.2 and 2.3; Appendix 3C	
		• be designed in accordance with existing and prospective land use capability including topography, soil, permafrost and wildlife; and,	Vol 3, Appendix 3B	Attachement 12	Vol 3, Sec 2.2 and 2.3; Appendix 3C	
		• be designed in accordance with the availability of granular supplies.	Vol 3	Sec 2.5	Vol 3, Sec 2.2 and 2.3; Appendix 3C	
			Vol 6, Appendix 6B-3	Railway Quarries	No Change	
Appendix K 3	Marine and Terrestrial Transportation / Communications Corridor Guidelines	In keeping with existing legal and legislative requirements, including the NLCA, corridors shall not negatively impact:				
		• community, business, residential and projected expansion areas;	Not applicable - see Note 1		No Change	
		• important fish and wildlife harvesting area,	Vol 6	Sec 5.0 & 5.1	Vol 6, Vol 7 and Vol 8	
			Vol 7	Sec 4.4		
		• key habitat for fish and wildlife species, especially areas used by endangered species; and,	Vol 3, Appendix 3B	Attachment 7	Vol 6, Vol 7 and Vol 8	
			Vol 6	Sec 5.2		
			Vol 7	Sec 4.0		
		• areas of high scenic, historic, cultural, and archaeological value.	Vol 3, Appendix 3B	Attachment 7	Vol 6, Vol 7 and Vol 8	
			Vol 6	Sec 2.4.3 & 2.4.4		Sec 2.0
			Vol 4	Sec 9.0, Supporting Figures, Figure 4-9.6 to 4-9.9		
Note 1. There are no nearby or proposed transportation systems other than those related to Baffinland's activities.						

Appendix 2



November 8 2013

Brian Aglukark
Director Implementation
Nunavut Planning Commission
PO Box 2101
Cambridge Bay, NU, X0B 0C0

Re: Joint Review of Transportation Corridor under North Baffin Regional Land Use Plan

Dear Mr. Aglukark,

Thank you for your letter of October 11, 2013, which requests additional information concerning the Early Revenue Phase ("ERP") in relation to the transportation corridor joint review.

In response to your request for a concise submission which addresses only the specific requirements of the North Baffin Regional Land Use Plan ("NBRLUP"), we are enclosing a "Summary of Information" (the "Summary") which summarizes the information provided in the ERP Addendum in accordance with the specific requirements of Appendices J and K of the NBRLUP. Baffinland notes that no new information regarding the NBRLUP is included within the Summary, but that it provides a "roadmap" which directs the reader to the considerations included in Appendices J and K of the NBRLUP. We hope the Summary will facilitate the joint review process.

In your request for additional information you make reference to the concordance table at Appendix 1B-4 of the ERP Addendum. The attached Summary supersedes the concordance table and should provide a response to your specific requests for further information.

Baffinland notes that on September 23, 2013, the NIRB invited parties to provide their insights into whether the requirements of NBRLUP Appendix J and K have been met by the ERP Addendum and NBRLUP application. In response, several interveners (including Parks Canada and AANDC) referenced the NBRLUP in their technical comments on the ERP Addendum. Baffinland will be including responses to these comments in its submissions due November 17, 2013. No additional information requests were made by any of the parties with respect to Appendices J and K of the NBRLUP.

Baffinland requests that the NPC inform us if any further information is required by the NPC in making its determination with respect to the information required by Appendices J and K of the NBRLUP. Please do not hesitate to contact us should you have any questions with respect to the enclosed.

Yours truly,

A handwritten signature in dark ink, appearing to read 'O. Curran', with a stylized flourish at the end.

Oliver Curran
Director Sustainable Development

cc. Amanda Hanson (NIRB)



EARLY REVENUE PHASE

SUMMARY OF INFORMATION PROVIDED TO THE NPC IN ACCORDANCE WITH

APPENDICES J AND K OF THE NBRLUP

November 8, 2013



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Schedule A – Specific References to Milne Inlet Tote Road included in ERP Volumes 5-9

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Schedule C – Specific References to Milne Port included in ERP Volumes 5-9

Schedule D – Specific References to Socio-Economic Factors included in ERP Volumes 3, 4 and 9

A. Introduction

Baffinland Iron Mines Corporation ("Baffinland") has proposed an Early Revenue Phase (the "ERP") as a change to the development to the Mary River Project. The ERP will enable the Mary River Project to advance in a phased approach.

The Nunavut Impact Review Board ("NIRB") has commenced a reconsideration of the terms and conditions of Project Certificate No. 005 authorizing the Mary River Project, to take into account the proposed ERP. The reconsideration is being conducted by NIRB under Article 12, Part 8, and Section 12.8.2 (b) of the Nunavut Land Claims Agreement ("NLCA"). As part of the reconsideration, NIRB is assessing the environmental and socio-economic impacts associated with the proposed Project amendment for the ERP.

At the request of NIRB, Baffinland prepared a comprehensive addendum ("the ERP Addendum") to the Final Environmental Impact Statement ("FEIS") describing all aspects of the proposed ERP, including updates to relevant baseline data, impact predictions and proposed mitigation measures and monitoring plans. Baffinland filed the ERP Addendum with the Nunavut Planning Commission ("NPC") and the Nunavut Impact Review Board ("NIRB") on June 20, 2013.

The Early Revenue Phase includes the following additional activities:

- a. Mine Site:
 - i. Loading of ore into trucks; and
 - ii. Ore haulage truck fleet and maintenance facilities.
- b. Tote Road:
 - i. Haulage of ore at an average of 76 ore truck transits from the Mine Site to Milne Port per day along the Tote Road.
- c. Milne Port:
 - i. Ore stockpiling and loading into ships.
- d. Marine shipment of ore from Milne Port:

- i. 55 approximate transits of ore carriers (Panamax, Supramax, and Post Panamax) from Milne Port per year during the open water season.

It is anticipated that these activities will continue for the life of the Mary River Project. As stated in Volume 1, Section 2.1, "Based on the iron ore reserves currently defined and under exploration in Deposit No. 1, the Project will operate for about 21 years." With regards to construction and operation of the ERP, Volume 1, Section 2.3 explains that construction is anticipated to commence in 2014 with shipping operations beginning in Q3 2015 for an approximate 21-year operations phase. This 21-year operations phase for the ERP is also described in Table 1-2.1 of Volume 1.

On August 13, 2013, the Nunavut Planning Commission issued a determination that the ERP project proposal conditionally conforms to the NBRLUP, and indicated that the ERP transportation corridor requires joint review under Section 3.5.12 of the NBRLUP. Section 3.5.12 of the North Baffin Regional Land Use Plan ("NBRLUP") provides for a joint review to determine whether a proposed transportation corridor meets the guidelines set out in Appendices J and K of the NBRLUP. Appendix J includes information requirements and Appendix K sets out planning guidelines to be used in assessment.

On August 15, 2013 NIRB confirmed that it will engage with the NPC to discuss the requirement for a joint review of the ERP transportation corridor in accordance with Section 3.5.12 of the NBRLUP.

As indicated above, the ERP Addendum is comprehensive. It describes all aspects of the ERP, and includes the information requirements and the assessment issues set out in Appendices J and K of the NBRLUP. By its letter of October 11, 2013, the NPC requested that Baffinland prepare a more concise submission of the information required by Appendices J and K of the NBRLUP for the purposes of the joint review process.

This Summary of Information has been prepared by Baffinland to respond to that request. The Summary of Information addresses each of the components of Appendices J and K of the NBRLUP and provides references and links to the relevant information contained in the ERP Addendum to the FEIS. We hope that this Summary of Information will be of assistance to the NPC and to other parties participating in the review of the ERP.

While this Summary of Information attempts to provide a helpful reference to the relevant information in the ERP Addendum, it should be remembered that the Summary of Information may omit to refer to some relevant information. For the purposes of the ERP review, by NIRB and by the NPC, Baffinland relies on all of the information in the ERP Addendum, and any additional supplementary information which may be presented at technical meetings, the final hearing and at any other stage of the review.

B. Information Provided in Accordance with Appendix J

Appendix J of the NBRLUP is entitled, “Marine and Terrestrial Transportation/ Communications Corridor Alternative Route Assessment”, and sets out the NPC’s information requirements for applicants wishing to develop a transportation and/or communications corridor in the North Baffin region.

The specific information requirements of Appendix J to the NBRLUP are:

1. A description of the proposed corridor, including its use, its general routing, the possible environmental and social impacts, and any seasonal considerations that may be appropriate.
2. A comparison of the proposed route with alternative routes in terms of environmental and social factors as well as technical and cost considerations.
3. An assessment of the suitability of the corridor for the inclusion of other possible communication and transportation initiatives (roads, transmission lines, pipelines etc.). This assessment should include:
 - The environmental, social and terrain engineering consequences, and the cumulative impacts of the project, and
 - The environmental and social impact of the project on nearby settlements or on nearby existing and proposed transportation systems.

The following sections of this Summary of Information address each of the above information requirements of Appendix J, with references to the relevant sections of the ERP Addendum to the FEIS.

1. A description of the corridor

(a) Description of the ERP Corridor, its use and its General Routing

Within the North Baffin Region, the transportation corridor for the ERP includes the Tote Road from the Mine Site to Milne Port (the “Tote Road”) and the marine shipping route from Milne Port through Eclipse Sound to Baffin Bay (the “Northern Shipping Route”). The facilities at Milne Port will receive the ore transported by truck along the Tote Road year round, and the ore dock will load vessels for shipment of the ore along the Northern Shipping Route during the open water season.

Tote Road

The Tote Road between the Mary River Mine Site and Milne Inlet was established in the 1960s and has been used and operated since that time. The Tote Road is recognised in Part 4, Section 21.4.1 of the Nunavut Land Claims Agreement (“NLCA”) as follows:

PART 4: MILNE INLET TOTE ROAD PUBLIC ACCESS EASEMENT

21.4.1 There shall be a public right of access, as described in Schedule 21-2, on the Inuit Owned Lands described in that Schedule.

Schedule 21-2 to the NLCA provides further particulars of the location of the Milne Inlet Tote Road from the Mary River Mine to Milne Inlet.

Volume 3, Section 2.2 of the ERP Addendum provides details of upgrades to the Tote Road previously approved as part of the Mary River Project (to reduce hazards and risks and to improve stream crossings), and new bridges designed for ore trucks.

The alignment of the Tote Road is shown in the ERP Addendum, Volume 3, Figure 3 – 2.8, with additional Tote Road drawings shown in Appendix 3C. The Tote Road is approximately 100 kilometres long.

Northern Shipping Route

The Northern Shipping Route from Milne Port through Eclipse Sound to Baffin Bay has been used for the transportation of supplies and materials to Milne Port for transport by truck along the Tote Road to the Mary River Mine Site.

As part of the 2007/2008 bulk sampling program, the Tote Road was used for hauling ore by truck from the Mine Site to Milne Port, where the ore was loaded on ships for transport along the Northern Shipping Route.

The alignment of the Northern Shipping Route is shown in Figure 1-1.1 of Volume 1 of the ERP Addendum.

(b) Use of the ERP Corridor

Tote Road

The volume of traffic along the Tote Road as part of the ERP is summarised in the ERP Addendum, Volume 3, Appendix 3B – Key Facts Table. The number of ore trucks trips per day on average is estimated at 76 (152 ore truck transits per day). Non-ore truck vehicle traffic per day is estimated at 30 vehicles.

Additional details of the road haulage equipment are provided in ERP Addendum, Volume 3, Section 2.1.8.

Northern Shipping Route

Under the ERP the volume of vessel traffic along the Northern Shipping Route will include approximately 55 vessels per year carrying ore, and two vessels delivering fuel. Reference: ERP Volume 3, Section 2.4.3 and Appendix 3B. To date, up to 9 vessels per year have delivered freight to Milne Port, and three fuel tankers per year have delivered fuel, while an estimated 23 vessels arriving at Milne Port were assessed and approved under Project Certificate No. 005. Additional details on vessel sizes (Supermax, 55,000 DWT, Panamax, 70,000 DWT and Post-Panamax, 110,000 DWT) is provided at ERP Addendum, Volume 3, Section 2.4.3.

(c) Possible Environmental and Social Impacts

Tote Road

The ERP Addendum addresses the possible environmental impacts of the increased use of the Tote Road for ore shipments under the ERP. Schedule A to this Summary of Information includes references to the assessment of environmental impacts related to the Tote Road, in the ERP Amendment. The references include assessment of the environmental impacts related to the Tote Road in ERP Volume 5 – Atmospheric Environment, Volume 6 – Terrestrial Environment, Volume 7 – Freshwater Environment and Volume 9 – Cumulative Effects and Other Assessments.

Northern Shipping Route

The ERP Addendum addresses possible environmental impacts of the use of the Northern Shipping Route by ore carriers and other vessels related to the ERP. Schedule B to this Summary provides references to the assessment of environmental impacts related to the Northern Shipping Route. The assessment of possible environmental impacts related to the Northern Shipping Route is found in ERP Addendum Volume 8 – Marine Environment and ERP Volume 9 – Cumulative Effects and Other Assessments.

Shipping is subject to extensive federal laws and regulations including the *Canada Shipping Act*, the *Arctic Waters Pollution Prevention Act*, the *Marine Liability Act* and the *Marine Transportation Security Act*. Project Certificate No. 005 for the Mary River Project also includes extensive terms and conditions relating to shipping, including detailed requirements relating to issues such as ballast water, spill prevention and measures for the protection of marine mammals. The Mary River Project also includes mitigation and management plans reflected in the ERP Addendum, Volume 8 and 9, and in the Emergency Response and Spill Contingency Plan (Appendix 10C-1), the Oil Pollution Emergencies Plan – Milne Port (Appendix 10C-2), the Shipping and Marine Wildlife Management Plan (Appendix 10D-10) and the Environmental Effects Monitoring Framework (Appendix 10D-13). Each of these legislative and regulatory requirements will apply, as appropriate, to the ERP. In addition, the Marine Environment Working Group (MEWG) required under the Project Certificate, will act as a forum for the discussion of ongoing cooperation, communication, reporting and proactive review of environmental effects monitoring, mitigation measures and adaptive management processes in relation to the marine environment.

The ERP Addendum concludes that, with the incorporation of the management and mitigation plans and environmental effects monitoring, the ERP is not predicted to have a significant residual effect on the marine environment.

Milne Port

The ERP Addendum addresses possible environmental impacts arising from the Milne Port operations of the ERP. Schedule C to this Summary lists references to the assessment of possible environmental impacts in the ERP Addendum, including Volume 5 – Atmospheric Environment, Volume 6 – Terrestrial Environment, Volume 7 – Freshwater Environment, Volume 8 – Marine Environment, and Volume 9 – Cumulative Effects and Other Assessments.

v. Assessment of Possible Social Impacts

The ERP Addendum at Volume 3 – Project Description, Section 6.0 – Human Resources addresses issues such as workforce numbers, compensation, training and employee relations in relation to the ERP.

The ERP Addendum addresses potential impacts of the ERP in relation to social impacts, in Volume 4 – Human Environment. As indicated in the ERP Addendum Volume 4, Section 1.0 – Introduction, the focus of the ERP assessment is to identify how interactions between the ERP components and the Valued Socio-Economic Components (“VSECs”) may vary from the Approved Project and to assess the degree of any potential resulting effects. The incremental activities considered for the ERP assessment include the construction period for the ERP, and the operating period including haulage of ore along the Tote Road, activities at Milne Port and marine shipping from Milne Port.

Schedule D to this Summary of Information provides references to the Sections of the ERP Addendum Volume 4, which assess potential changes to the impact assessment of the human environment related to the components and activities of the ERP. Schedule D also provides reference for the Consideration for Cumulative Effects Assessment on Valued Social and Economic Components (VSECs) and Culture, Resources and Land Use which are contained in Volume 9 of the ERP Addendum.

vi. Seasonal Considerations

Tote Road

Road haulage of ore will take place throughout the year. A total of 20 road haulage trucks will be required to be in operation to deliver 3.5Mt/a in 330 operating days per year. 35 days are assumed lost for weather and road maintenance. The haul period will allow road maintenance activities during the spring freshet in May/June plus any lost days due to poor visibility during high winds and drifting snow during the winter (see ERP Addendum, Volume 3, Section 2.0, and in particular Sections 2.1.7, and 2.1.8).

Northern Shipping Route

Shipping from Milne Inlet will be limited to the open water season. The open water shipping window in Milne Inlet is 90 days, July 15 to October 15 (see ERP Addendum, Volume 3, Section 2.4.1).

Milne Port

The infrastructure at Milne Port will operate year round except for the ship loading activities which are limited to the shipping window in Milne Inlet of approximately July 15 to October 15 in each year (see ERP Addendum, Volume 3 – Project Description, Sections 2.3-2.6).

2. A comparison of the proposed route with alternative routes

The FEIS for the Mary River Project included, in Volume 3, Section 6.0 – Alternatives, a consideration of a number of transportation route alternatives. These included transportation of ore by rail to Steensby Port, and a consideration of trucking of 3 Mt/a via Milne Inlet (see reference: FEIS Volume 3, Sections 6.7.2 and 6.7.3). Of the several potential port locations identified, only the Steensby Inlet port site and the Milne Inlet port site were identified as technically, environmentally and economically feasible. It was determined that trucking of approximately 3 Mt/a to Milne Inlet could be feasible, where shipping would be limited to the open water season. Consideration was given to the alternative of rail transport to Milne Port (reference: FEIS Volume 3, Section 6.7.3). However, it was determined that the large capital investment required for the construction of a railway (approximately \$15 million per km) could not be justified on the basis of seasonal shipping of 3Mt/a.

As the Tote Road has been established and in operation since the 1960s, consideration of alternative routes (the construction of a new road, rather than using the existing Tote Road) between the Mine Site and Milne Port would not be practical or reasonable, taking into account environmental and social factors as well as technical and cost considerations.

The location of Milne Port means that the Northern Shipping Route from Milne Port through Eclipse Sound to Baffin Bay is the only feasible shipping route. Accordingly, the consideration of alternative shipping routes would not be practical or reasonable, taking into account environmental and social factors as well as technical and cost considerations.

3. An assessment of the suitability of the corridor for the inclusion of other possible communication and transportation initiatives

Baffinland is not aware of any other possible communication and transportation initiatives along the Tote Road corridor or the Northern Shipping corridor.

As noted in the ERP Addendum Volume 3, Section 2.3.8, Milne Port will be developed for the exclusive use of Baffinland. No other potential users of this facility have been identified.

As indicated above, the ERP Addendum does include assessment of environmental, social and terrain engineering effects, and the cumulative impacts of the Project (see above under Assessment of Possible Environmental Impacts and Schedules A, B and C attached). As well, the ERP Addendum includes assessment of the environmental, social and economic impacts of the Project on nearby settlements and the use, by hunters and others of the land and water for travel and camps and wildlife harvesting (see above under Assessment of Possible Social Impacts and Schedule D attached).

C. Guidelines to Be Used in Assessment of Corridors under Appendix K

Appendix K of the NBRLUP is entitled, “Marine and Terrestrial Transportation/ Communications Corridor Guidelines” and sets out the planning guidelines to be used in the assessment of a new transportation/ communications corridor proposal.

The guidelines are:

1. The corridor width shall be a function of:
 - The number and type of identified facilities within the corridor;
 - Physical and biophysical conditions;
 - Availability of detailed engineering data for one or more transportation modes within the corridor;
 - Safe distances between different facilities within the corridor; and
 - Aesthetics.
2. Corridors shall:
 - Minimize negative impacts on community lifestyles;
 - Improve access to other resources having high potential for development, while still maintaining the shortest practicable distance between the primary resource areas and the trans-shipment location;
 - Be designed in accordance with existing and prospective land use capability including topography, soil, permafrost and wildlife; and
 - Be designed in accordance with the availability of granular supplies.
3. In keeping with existing legal and legislative requirements, including the NLCA, corridors shall not negatively impact:
 - Community business, residential and projected expansion areas;
 - Important fish and wildlife harvesting areas;
 - Key habitat for fish and wildlife species, especially areas used by endangered species;
 - Areas of high scenic, historic, cultural and archeological value.

The following sections of this Summary of Information address the above guidelines with reference to the relevant sections of the ERP Addendum.

1. Corridor width

Tote Road

The alignment of the Tote Road corridor is shown in Figure 3 – 2.8 of the ERP Addendum. As indicated in the ERP Addendum at Volume 3, Section 2.2, upgrades to the Tote Road were an integral part of the FEIS for the Approved Project.

With reference to guideline 1 of Appendix K, the width of the Tote Road corridor is a function of its use, physical and biophysical conditions, the transportation mode (trucking) and safety. The ERP Addendum considers aesthetics in Volume 6 – Section 2.4.3.

Northern Shipping Route

The alignment of the Northern Shipping corridor is shown in the ERP Addendum Volume 3 at Section 2.4.2, Figure 3 – 2.11. As indicated in Section 2.4.2, bathymetric work has been completed by the Canadian Hydrographic Service (“CHS”) throughout Eclipse Sound and Milne Inlet and shown on charts. The charts show water depths in Milne Inlet ranging from 100 metres to 400 metres, with 50 metres of water depth less than 50 metres from shore at the head of the inlet. Baffinland is confident that the Northern Shipping Corridor meets the principles of Guideline 1 of Appendix K to the NBRLUP, as appropriately applicable to a shipping corridor.

2. Corridor design

Tote Road

Truck traffic on the Tote Road corridor under the ERP will be subject to the Road Management Plan (ERP Addendum, Volume 10, Appendix 10D-8) which includes mitigation measures relating to construction and operation and includes measures for dust control, speed limits, wildlife protection and use of the road by the public and by non-Project individuals. Assessment of environmental impacts are referenced in Schedule A, and assessment of social impacts are referenced in Schedule D. Ongoing monitoring of the use of the Tote Road, and the monitoring of impacts, will be addressed under the terms of the Terrestrial Environment Working Group (TEWG) established as a condition of the Project Certificate. Taking into account these mitigation and monitoring measures, Baffinland is confident that the use of the Tote Road meets the principles of guideline 2 of Appendix K of the NBRLUP including minimising impacts on community lifestyles, maintaining the shortest practicable distance between the mine site and Milne Port, and taking into account land use capability including topography, soil, permafrost and wildlife. Granular supplies from existing quarry and borrow location sites are available for maintenance of the Tote Road.

Northern Shipping Route

The ERP Addendum includes an assessment of the potential impacts on the human environment (ERP Addendum, Volume 4) as referred to above. Shipping activities will be subject to extensive statutory and regulatory provisions for the protection of the environment. In addition, shipping activities will be subject to the Shipping and Marine Wildlife Management Plan (Appendix 10D-10) to the ERP Addendum, which has been updated to include provisions for shipping through the Northern Shipping Route. The Shipping and Marine Wildlife Management Plan includes mitigation measures to minimise impacts on marine mammals and marine birds, and to provide for the safety of persons travelling by snowmobiles and boats along the shipping route (see Section 4.6 of the Shipping and Marine Wildlife Management Plan). The Shipping and Marine Wildlife Management Plan also includes in Section 6.0 performance indicators and thresholds, in Section 7.0 monitoring and reporting requirements, and in Section 8.0 adaptive strategies.

The ERP Addendum assesses potential impacts of shipping on the environment and the human environment as referred to above and in Schedules C and D attached.

In addition, ongoing review and monitoring of potential impacts will be addressed under the terms of the Marine Environment Working Group.

Taking into account the adoption of these mitigation monitoring measures, Baffinland is confident that the Northern Shipping Route will minimise negative impacts on community lifestyles. In accordance with Section 2 of the corridor guidelines of Appendix K to the NBRLUP the Northern Shipping Route is the shortest practicable distance from Milne Inlet to Baffin Bay.

3. Corridor impacts

The ERP provides a comprehensive assessment of the potential impacts of the ERP on the human environment, fish and wildlife harvesting, and other values reflected in guideline 3 of Appendix K.

Baffinland is confident that, taking into account the information provided in the ERP Addendum, and the assessment of potential environmental and social impacts, and in keeping with existing legal and legislative requirements including the Nunavut Land Claims Agreement, the ERP corridors along the Tote Road and the Northern Shipping Route, will not negatively impact community business, residential and projected expansion areas, important fish and wildlife harvesting areas, key habitat for fish and wildlife species, especially areas used by endangered

species, or areas of high scenic, historic, cultural and archaeological value. ERP Addendum references to impact assessment are listed in Schedules A, B, C and D.

Each of these environmental and social components have been addressed in the ERP Addendum and are the subject of a detailed environmental and socio-economic assessment by the Nunavut Impact Review Board, and in the joint review of the ERP transportation corridor by the Nunavut Impact Review Board and the Nunavut Planning Commission.

Schedule A

Specific References to Milne Inlet Tote Road included in ERP Volumes 5-9¹

ERP Volume 5, “Atmospheric Environment” and related appendices:

- Air quality is addressed in Section 2.0.
 - Consideration of potential air quality effects from construction activities at Milne Inlet Tote Road can be found in Section 2.3.
 - Sources of air emissions for operations phase at Milne Inlet Tote Road can be found in Section 2.4.
 - Potential effects and proposed mitigation during construction phase at Tote Road upgrades can be found in Section 2.6.2.2.
 - Potential effects and proposed mitigation during operations phase at Tote Road can be found in Section 2.6.3.2.
 - Assessment of residual effects can be found in Section 2.6.5.
- Noise and vibration is addressed in Section 3.0,
 - Baseline data for noise relating to Tote Road can be found in Section 3.1.
 - The updated estimate of noise effects for Milne Inlet Tote Road can be found at section 3.3.3.4.
 - The updated assessment of residual effects relating to Milne Inlet Tote Road is found at section 3.4.6.

ERP Volume 6, “Terrestrial Environments”:

- Landforms, soils and permafrost impacts are considered in Section 2.0.
 - Geochemistry for Milne Inlet Tote Road is found in Section 2.1.4.2.
 - Site specific potential effects and proposed mitigation measures relating to the Milne Inlet Tote Road is found in Section 2.3.2.

¹ Note these materials are generally available on the NIRB public registry at the following link:
<ftp://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER%20IRON%20MINE/01-PROJECT%20CERTIFICATE/04-AMENDMENTS/ERP/03-ADDENDUM>

- Aesthetics of natural environment on the Tote Road are found in Section 2.4.3.
- Vegetation was considered in Section 3.0.
 - Changes to vegetation abundance and diversity arising from the construction of improvements to the Tote Road can be found in Section 3.2.2.1.
 - Consideration of potential impacts on culturally valued vegetation arising from Tote Road can be found in Section 3.2.2.3.
 - Assessment of residual effects is found within Section 3.2.3.
 - Follow up is addressed at Section 3.2.5.
- Migratory birds and habitat was considered in Section 4.0.
 - Raptor habitat near Milne Port and Milne Inlet Tote Road is found within Section 4.5.1.
 - Snow goose habitat near Milne Inlet Tote Road is found within Section 4.6.1.
 - Red-throated loon habitat near Milne Inlet Tote Road is found within Section 4.8.1.
- Potential impacts on caribou from trucking on the Tote Road and the port are considered within Section 5.0.

ERP Volume 7, “Freshwater Environment” and related appendices:

- Freshwater quality is generally considered in section 2.0.
 - Milne Inlet Tote Road LSA residual effects assessment described in Section 2.3.3.5.
- Water and sediment quality is generally considered in section 3.0.
- Section 4.0 considers effects on freshwater aquatic biota and habitat as the approved project evaluated in the FEIS.
 - Key issues relating to the Milne Inlet Tote Road LSA are described in section 4.5.4.

ERP Volume 9, “Cumulative Effects and Other Assessments” and related appendices:

- Engineering hazard assessment of ERP components are considered in Section 2.3.
- Accidents and malfunctions are considered in Section 3.0.
- Section 3.1 generally identifies risk and methodology.

- Specific discussion related to ERP is included at Section 3.9.
- Transboundary effects assessment is included at Section 4.0.

Schedule B

Specific References to Northern Shipping Route included in ERP Volumes 8-9²

ERP Volume 8, “Marine Environment” and related appendices:

- Appendix 8B-3: Ballast Water Dispersion.
- Appendix 8B-4: Risk Assessments.
- Appendix 8C: Underwater Noise Modelling.
- Section 1.0 describes the revised port and shipping routes.
- Section 3.0 considers potential for changes to water and sediment quality.
- Section 4.0 considers potential for impacts on marine habitat and biota.
- Section 5.0 considers potential for impacts on marine mammals.

ERP Volume 9, “Cumulative Effects and Other Assessments” and related appendices:

- Appendix 9F: Marine Spill Sensitivity Assessment
- Revised shipping routes are considered in Section 1.3.2.9.
- Summary of forecasted shipping activities in Milne Inlet, Lancaster Sound, Baffin Bay included in Section 1.3.3.
- Potential for changes to marine water and sediment quality are considered in Section 1.4.4.2
- Engineering hazard assessment of ERP components are considered in Section 2.3.
- Accidents and malfunctions are considered in Section 3.0.
- Appendix 9D: Oil Tanker Spills Statistics.
- Appendix 9E: Shipping Hazard Assessment Workshop Meeting Minutes.
- Section 3.1 generally identifies risk and methodology.

² Note these materials are generally available on the NIRB public registry at the following link:
<ftp://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER%20IRON%20MINE/01-PROJECT%20CERTIFICATE/04-AMENDMENTS/ERP/03-ADDENDUM>

- Specific discussions related to ERP are included at Section 3.9.
- Transboundary effects assessment is included at Section 4.0.
- Changes to navigation of water ways are considered at Section 5.0.

Schedule C

Specific References to Milne Port included in ERP Volumes 5-9³

ERP Volume 5, “Atmospheric Environment” and related appendices:

- Air quality is addressed in Section 2.0.
 - A brief overview of the ambient air quality monitoring program and a discussion of potential air quality effects from construction activities at Milne Port can be found in Section 2.3.
 - Sources of air emissions for operations phase at Milne Port can be found in Section 2.4.
 - Potential effects and proposed mitigation during construction phase at Milne Port can be found in Section 2.6.2.1.
 - Potential effects and proposed mitigation during operations phase at Milne Port can be found in Section 2.6.3.1.
 - Potential effects and proposed mitigation during operations phase at Ship in Transit Milne Port can be found in Section 2.6.3.3.
 - Assessment of residual effects can be found in Section 2.6.5.
- Noise and vibration is addressed in Section 3.0,
 - Baseline data for noise relating to Milne Port can be found in Section 3.1.
 - The updated estimate of noise effects for Milne Port can be found at section 3.3.2.2
 - Noise mitigation measures and operational noise levels for Milne Port can be found at section 3.3.3.2.
 - The updated assessments of residual effects relating to Milne Port are found at section 3.4.6.

ERP Volume 6, “Terrestrial Environments”:

- Landforms, soils and permafrost impacts are considered in Section 2.0.

³ Note these materials are generally available on the NIRB public registry at the following link:
<ftp://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER%20IRON%20MINE/01-PROJECT%20CERTIFICATE/04-AMENDMENTS/ERP/03-ADDENDUM>

- Site specific potential effects and proposed mitigation measures relating to the Milne Port is found in Section 2.3.2.
- Aesthetics of natural environment on Milne Inlet are found in Section 2.4.3.
- Vegetation was considered in Section 3.0.
 - Changes to vegetation abundance and diversity arising from the construction of Milne Port can be found in Section 3.2.2.1.
 - Consideration of potential impacts on culturally valued vegetation arising from Milne Port can be found in Section 3.2.2.3.
 - Assessment of residual effects is found within Section 3.2.3.
 - Follow up is addressed at Section 3.2.5.
- Migratory birds and habitat was considered in Section 4.0.
 - Raptor habitat near Milne Port is found within Section 4.5.1.
 - Snow goose habitat near Milne Port is found within Section 4.6.1.
 - Common and king eider habitat near Milne Port is found at section 4.7.1.
 - Red-throated loon habitat near Milne Port is found within Section 4.8.1.
 - Thick-billed murre habitat within the marine RSA is found within Section 4.8.1.
- Potential impacts on caribou from the port are considered within Section 5.0.

ERP Volume 7, “Freshwater Environment” and related appendices:

- Freshwater quality is generally considered in section 2.0.
 - Changes to freshwater quality as a result of the Milne Port camp as well as the stockpile area is summarized within Section 2.0.
 - Changes to surface water quantity at Milne Port are described in Section 2.3.2.3.
 - Milne Port residual effects assessment described in Section 2.3.3.1.
- Water and sediment quality is generally considered in section 3.0.
 - Dustfall monitoring for Milne Port is described at Section 3.4.4.5.
 - Section 3.5 summarizes the impact statement
- Section 4.0 considers freshwater aquatic biota and habitat

- Key issues relating to the Milne Port LSA are described in section 4.5.3.

ERP Volume 8, “Marine Environment” and related appendices:

- Section 1.0 describes the revised port and shipping routes.
- Section 3.0 considers potential for changes to water and sediment quality
- Section 4.0 considers potential for impacts on marine habitat and biota.
- Section 5.0 considers potential for impacts on marine mammals.

ERP Volume 9, “Cumulative Effects and Other Assessments” and related appendices:

- Appendix 9F: Marine Spill Sensitivity Assessment
- Revised shipping routes are considered in Section 1.3.2.9.
- Summary of forecasted shipping activities in Milne Inlet, Lancaster Sound, Baffin Bay included in Section 1.3.3.
- Potential for changes to marine water and sediment quality are considered in Section 1.4.4.2
- Engineering hazard assessment of ERP components are considered in Section 2.3.
- Accidents and malfunctions are considered in Section 3.0.
- Section 3.1 generally identifies risk and methodology.
- Specific discussion related to ERP is included at Section 3.9.
- Transboundary effects assessment is included at Section 4.0.
- Changes to navigation of water ways are considered at Section 5.0.

Schedule D

Specific References to Socio-Economic Factors included in ERP Volumes 3, 4 and 9⁴

ERP Volume 3, “Project Description” and related appendices:

- Section 6.0 (Human Resources) addresses issues such as workforce numbers, compensation, training and employee relations.

ERP Volume 4, “Human Environment” and related appendices:

- Section 1.0 Introduction addresses the focus of the ERP assessment, to identify how interactions between ERP and VSECs may vary from Approved Project and to assess the degree of any potential resulting effects.
- Section 4.0 (Livelihood Employment) – describes changes in the overall labour demand profile during the construction phase
- Section 5.0 (Economic Development and Self Reliance) – describes potential effects on the “wilderness experience” of tourists
- Section 6.0 (Human Health and Well Being) – change to dust disposition at Milne Camp
- Section 10.0 (Potential changes to resources and land use) – potential changes to resource and land use, with reference to the effects on harvesting, travel and camping.

ERP Volume 9, “Cumulative Effects and Other Assessments” and related appendices:

- Section 1.3.2 identifies other Projects and Activities of Consideration.
- Section 1.3.3 provides a summary of other Projects and Activities
- Section 1.3.4 provides a screening of VEC and VSECs for Potential Cumulative Effects
- Section 1.4.6 makes reference to the assessment completed for Culture, Resources and Land Use effects

⁴ Note these materials are generally available on the NIRB public registry at the following link:
<ftp://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER%20IRON%20MINE/01-PROJECT%20CERTIFICATE/04-AMENDMENTS/ERP/03-ADDENDUM>

Joint Statement of QIA and Baffinland
to the Nunavut Planning Commission and the Nunavut Impact Review Board
regarding Appendix I of the North Baffin Regional Land Use Plan

Further to the correspondence of the Qikiqtani Inuit Association to the Nunavut Planning Commission dated January 10, 2014, “*Re NPC Public Hearing, North Baffin Regional Land Use Plan, Baffinland Iron Mines Corporation’s Proposed Early Revenue Phase Project*”, as well as the related submissions referenced in that letter addressing requirements of the North Baffin Regional Land Use Plan QIA and Baffinland wish to provide the Nunavut Planning Commission (“NPC”) and the Nunavut Impact Review Board (“NIRB”) with the following update regarding caribou protection measures applicable to the project.

As the NIRB and NPC will recall, in that correspondence the QIA indicated that QIA and Baffinland have been engaged in a process to develop project-specific Caribou Protection Measures. These measures were also developed in the context of the Commercial Production Lease of Inuit Owned Lands (#Q13C301) in the project area. Pursuant to #Q13C301, QIA and Baffinland are required to enter into an agreement on caribou protection measures within six months of the Commercial Lease date (Sept. 6, 2013).

QIA is pleased to report that project-specific Caribou Protection Measures have now been developed in collaboration with Baffinland. The Mary River Caribou Protection Measures (the “Mary River CPM”) draw from the North Baffin Regional Land Use Plan (NBRLUP) (and in particular, Appendix I) and incorporate refinements to address project specific application. The Mary River CPM will generally apply to the Mary River Project Area (as that term is defined at section 3.6 of the IIBA).

Both QIA and Baffinland agree that the Mary River CPM, integrated into the Terrestrial Environment Management and Monitoring Plan (TEMMP), are appropriate measures to take in respect of the protection of caribou.

Further to its January 10th correspondence, QIA wishes to now confirm to the NPC that the ERP fully complies with the requirements of Appendix I of the North Baffin Regional Land Use Plan.

Commercial Production Lease of Inuit Owned Lands

#Q13C301

Mary River Caribou Protection Measures

January 29, 2014

What follows provides an overview of supplemental caribou protection measures (“Mary River CPM”) developed by QIA for application to the Mary River Project Area (as defined at section 3.6 of the IIBA). These measures have been developed and agreed upon through collaboration between QIA and Baffinland. These Mary River CPM incorporate significant roles for the Terrestrial Environment Working Group (“TEWG”), which currently includes representatives from QIA, Baffinland, Environment Canada, and the Government of Nunavut, and may subsequently add more representatives in the future.

In developing these Mary River CPM, QIA and Baffinland have fully considered all provisions of the NBRLUP and in particular those set out in Appendix I, entitled “*DIAND Caribou Protection Measures*”. They were further informed by Baffinland’s Final Environmental Impact Statement for the Mary River Project, as well as the Final Environmental Impact Statement ERP Addendum and participation in NPC and NIRB processes related to the ERP proposal.

The Mary River CPM will be included as part of the Terrestrial Environment Management and Monitoring Plan (“TEMMP”) and further managed by the TEWG.

Mary River CPM Working Principles

The Mary River CPM are based on the same principles as the current TEMMP. Further details will continue to be developed in discussion with the QIA, Baffinland and the community hunter and trapper organizations, other management agencies, the Terrestrial Environment Working Group and other interested parties.

The Mary River CPM working principles also include a recognized need to implement based on caribou presence as well as a recognized need to adapt based upon herd size.

These project-specific caribou protection measures may be updated from time to time to take into account any relevant amendments to the North Baffin Regional Land Use Plan.

Item	Mary River CPMs
1	It is noted that the “Caribou Protection Map” (as referred to in the North Baffin Land Use Plan (NBRLUP)) has not to date been incorporated in the NBRLUP. As a result, there is no defined North Baffin region “Caribou Protection Area” (as that term is described in the NBRLUP).

	<p>Consistent with the provisions of the NBRLUP the development of a Caribou Protection Map, including monitoring of its effectiveness of caribou protection measures (“CPMs”) is the responsibility of the Nunavut Planning Commission, Nunavut Wildlife Management Board, the Nunavut Impact Review Board, Aboriginal and Northern Affairs Canada, Government of Nunavut and Qikiqtani Inuit Association, land users that may be impacted by the Caribou Protection Map (including Baffinland), and other relevant stakeholders.</p> <p>Any Caribou Protection Map developed to guide the application of CPMs within the NBRLUP should be informed by the following pieces of information:</p> <ul style="list-style-type: none"> i. Relevant Inuit Qaujimatuaqangit related to North Baffin Caribou ii. Relevant scientific research and literature related to North Baffin Caribou iii. Other relevant up-to-date sources related to defining caribou habitat within the North Baffin <p>It is noted these CPM generally apply to the Mary River Project Area (as that term is defined at section 3.6 of the IIBA).</p> <p>The Caribou Protection Map, once developed, may identify areas where mitigation measures shall apply consistent with these Mary River CPMs. If in the future, a “Caribou Protection Map” or a specific “Caribou Protection Area” is included in the NBRLUP, and if either of those areas include parts of the Mary River Project Area, Baffinland and QIA will revisit these Mary River CPM and incorporate any relevant measures.</p>
2	<p>If required based on monitoring results, the Permittee shall work with TEWG to identify Project Protection Zones within the Mary River Project Area. Project Protection Zones shall be based upon the predictability of project encounters with caribou through identification of low, moderate or high probability areas for caribou encounters based on available information. Thresholds for each category shall be developed, taking herd size into consideration.</p> <p>If established, the Project Protection Zones shall be reviewed in consultation with the TEWG from time-to-time based upon results of project monitoring.</p>
3	<p>The Permittee shall work with the TEWG to identify any “Designated Crossings” (which are understood to be equivalent to “water crossings” as described under the NBRLUP). Designation of these areas should take seasonality into consideration, i.e. periods of frozen conditions.</p> <p>Based upon the presence of caribou, intensifying CPMs may be considered reasonable for areas identified as “Designated Crossings”. Monitoring thresholds shall be developed in consultation with the TEWG, taking herd size into consideration.</p> <p>The Permittee and QIA in consultation with the TEWG will develop objective criteria to be applied by the QIA Land Use Inspector and/or QIA On-Site Environmental Monitor in order to release the Permittee from any additional CPMs applicable to the Designated Crossings (e.g. for the reason that caribou are not expected to use those areas identified as “Designated Crossings”).</p>
4	<p>Measures to reduce dust fall onto surrounding vegetation (including caribou forage, especially lichens and mosses) which affects caribou habitat shall be linked to management and operational plans based upon monitoring results and application of thresholds. Thresholds should be subject to modification based upon herd size.</p> <p>Options to be considered for mitigation measures shall include:</p> <ul style="list-style-type: none"> i. Capping ore trucks using a roll on tarp ii. Avoidance of blasting during high winds iii. Speed restrictions to minimize road dust; and iv. Dust suppression, through watering or other methods. <p>The development of thresholds and, modification of applicable mitigation measures should be identified in consultation with the</p>

	TEWG, taking relevant legislation into consideration.
5	<p>Based upon monitoring results, including the application of thresholds, the Permittee may intensify mitigation within the Mary River Project Area during pre-calving, calving and post-calving seasons (15 May – 15 July). Application of mitigation measures shall take the presence of caribou and herd size into consideration. Mitigation measures shall include the possibility of temporary suspension.</p> <p>Baffinland and QIA will in consultation with the TEWG develop objective criteria to be applied by the QIA Land Use Inspector and/or QIA On-Site Environmental Monitor in order to allow the Permittee to commence or resume activities prior to July 15 in the event that caribou cows are not expected to use those parts for calving or post-calving.</p>
6	<p>Based upon monitoring results, including the application of thresholds, the Permittee may intensify mitigation within the Mary River Project Area during pre-calving, calving and post-calving seasons (15 May – 15 July), including consideration of measures such as modifying or restricting traffic on roads and railway if cow-calf pairs or groups with calves are observed within proximity of the road or railway. A distance of 100m from roads and railway is selected as the initial basis from which modifications or restrictions shall apply. Thresholds should be subject to modification based upon herd size.</p> <p>Mitigation measures specific to traffic modifications shall consider inclusion of the following options:</p> <ul style="list-style-type: none"> i. reducing vehicle speed; ii. convoying trucks; iii. using pilot vehicles; <p>Consideration of these and additional measures shall be discussed and identified in consultation with the TEWG from time-to-time, including assessment and potential modification of distance thresholds.</p> <p>Baffinland and QIA will in consultation with the TEWG develop objective criteria to be applied by the QIA Land Use Inspector and/or QIA On-Site Environmental Monitor in order to permit the Permittee to commence or resume activities in the Mary River Project Area prior to July 15 (e.g. for the reason that caribou cows are not expected to use those parts for calving or post-calving.)</p>
7	<p>In the event that any Project Protection Zones are established in accordance with the principles set out at Section 2 above, the following mitigation measures could be considered for application in “high probability” areas:</p> <ul style="list-style-type: none"> i. Applying lower slope road and rail bed berms, and lower embankment heights where possible. ii. Design and modify the road and rail bed configuration to maximize sightlines for drivers and avoid blind spots (corners and angle of approach up the berm onto the road/rail surface); iii. Managing snow clearing and height of snow berms so that they do not restrict vision for drivers and caribou to see each other. iv. Design and modify the road (and rail bed) configuration to maximize sightlines for caribou approaching the road and rail bed and avoid blind spots; v. Ensure that escape routes are conspicuous off the road surface, especially in zones rated as high probability encounter areas; vi. During snow-clearing ensure that snow banks are maintained at less than 1 m (and preferably at less than 0.5 m based on research at the Ekati diamond mine (Rescan 2011) and are broken into sections with gaps so caribou are not ‘trapped’ on the road or railway; vii. Signage for known caribou crossings throughout Project infrastructure. <p>Application of mitigation measures, including consideration for additional measures shall be identified in consultation with the TEWG.</p>

	Additional mitigation measures may include those measures specifically described in Appendix I of the North Baffin Regional Land Use Plan.
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