

May 19, 2015

Erik Madsen, Vice President Sustainable Development, Health, Safety & Environment 2275, Middle Rd. East, Suite 300 Oakville, ON., Canada L6H 0C3

Via Email: erik.madsen@baffinland.com

Dear Mr. Madsen,

Re: Further Response to Request for Explanation of Amendment Application Process April 28, 2015

The Commission wishes to provide a further response to your letter of April 28, 2015. The Commission is pleased to assist Baffinland Iron Mines Corporation (BIMC) in understanding the amendment application process. We trust the information provided below answers your questions, and would be happy to elaborate further if anything remains unclear.

A. Specifics of Potential North Baffin Regional Land Use Plan (NBRLUP) Amendment

The Commission's negative conformity determination identified the project proposal as not being in conformity with the conformity requirements in section 3.2.1 and 3.3.1 of the NBRLUP. Reference should be made to that decision in considering amendment applications. The procedure for amending the NBRLUP, which may include a public review would be designed to answer the question posed and the Commission cannot predetermine the outcome of that process. Furthermore, I note the Commission is unable to give an advance conformity determination or otherwise prejudge a project proposal based on an amendment to the land use plan that has not yet been proposed.

B. Commission Amendment Process and Procedure

The Commission prepared an internal procedure for processing amendment applications titled *Amendments to Land Use Plans* in anticipation of the federal *Nunavut Planning and Project Assessment Act* (NUPPAA) coming into force. This procedure was approved in March 2015 and has not been used to date. Please find that internal procedure enclosed with this correspondence. The Commission would be happy to answer any questions you may have once you have reviewed the procedure.

C. Commission Information Requirements

Commission's internal procedure encourages a preliminary meeting to discuss information requirements with applicants. Also, note that NBRLUP does have specific information requirements for the development of a transportation corridor.

Once the Commission receives an application to amend a land use plan, it will determine if the application is complete. If the application is complete, the Commission will then consider the request and determine if a public review is required.

D. Anticipated Coordination with NIRB Process

The Commission suggests further discussion on this point, as we do not have enough information from BIMC to answer your question. The NBRLUP only contemplates a joint review by the NPC and the NIRB for a proposed amendment for the development of a transportation or communications corridor. Given the lack of clarity and information provided, the Commission is unable to answer the question of the NIRB's involvement if BIMC proposes both a transportation corridor amendment under the NBRLUP and an amendment to sections 3.2.1 and 3.3.1 of the NBRLUP under the NLCA.

E. Timelines

The attached internal procedure contains timelines that would apply to certain procedural steps. The Commission is also in receipt of other applications and is committed to processing all applications on a timely basis in the order in which they are received. Commission staff are prepared to work with BIMC on the specifics of this proposed plan amendment.

I note your letter closes with a restatement of your position on the Phase 2 proposal. BIMC had an opportunity to respond to the negative conformity determination recommendation (NCDR) and made submissions, which the Commissioners reviewed and considered when making their decision. For clarity, the "southern route" of shipping through ice, from Steensby Port where BIMC's proposed railway ends, is outside any approved land use plan, meaning a conformity determination for shipping through ice was never considered and the recent conformity determination on shipping through ice via Milne Port is not inconsistent with any previous conformity determination.

The Commission looks forward to working with you and your team on the Mary River file. Please contact me if you require any further information.

Respectfully,

Mr. Hunter Tootoo

Chairperson

CC: Sharon Ehaloak (NPC)

Brian Aglukark (NPC)

Navarana Beveridge (QIA)

Stephen W. Bathory (QIA)

Ryan Barry (NIRB)

Tara Arko (NIRB)

Ben Kogvik (NWB)

Phyllis Beaulieu (NWB)

Georgina Williston (DFO)

Catherine Conrad (AANDC)

Stephen Traynor (AANDC)

Tracey McCaie (AANDC)

Tom Paddon (Baffinland)

Oliver Curran (Baffinland)

Cathy Towtongie, President, NTI

Peter Taptuna, Premier, GN