

May 29, 2018

NPC File No: 148420

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Dear Ms. Lear, Ms. McCaie, Mr. Kharatyan, Mr. Gillis, Mr Williamson Bathory, Ms. Pirie-Dominix, Ms. Williston and Ms. D'Amours-Gauthier, Ms. Chisholm, Mr. Johnstone, Mr. Kunuk, Mr. Stubbing, Ms. Robinson, Mr. Chapple, Ms. Vaillancourt, and Ms. Lord-Hoyle:

RE: NPC File No 148420 [Mary River Phase 2 Expansion Project]

Associated NPC File Nos:

148193 [Mary River Project Land, Freshwater, and Marine Based Monitoring Program]; 148423 [Mary River 2017 Winter Sealift]; and 148841 [Production Increase, Fuel Tank and Milne Port Accommodations - Project Modification to Project Certificate No. 005 - 08MN053]

Location: North Baffin Region [Near the community of Pond Inlet]

The following works and activities have been proposed in the above-noted project proposal:

1. Increase in iron ore production and transportation from 4.2 Million tonnes per year under the Early Revenue Phase of the Mary River Project to 12 Million tonnes per year via the northern transportation corridor.

- 2. Construction and operation of a 110 km railway within the Mary River Transportation Corridor between the mine site and Milne Port, generally following the existing Tote Road. Once the railway is in place the Tote Road will remain operational, but its use by Baffinland will drop substantially and will be limited to moving personnel and key goods.
- 3. Expansion and improvement of the Milne Port facilities. A second ore dock to accommodate Cape sized vessels; a second ship loader, railway unloading and maintenance facilities, and additional support infrastructure will be developed in addition to an enclosed crushing facility.
- 4. Modification of the shipping season. The ore shipping season is proposed to be from July 01 to November 15, but would be adapted annually in consultation with the Pond Inlet Hunters and Trapper Organization (HTO) based on ice conditions and thickness. It is noted that winter sealift is not included in this proposal, because on October 24, 2017, due to concerns expressed by the communities regarding ice breaking, the proponent has removed the winter sealift component from the original application.
- 5. Expansion of the existing accommodation camp at the Mine site.

A complete description of the project proposal reviewed by the NPC can be accessed online using the link below.

The Nunavut Planning Commission (NPC) has completed its review of the above noted project proposal. It should be noted that the development of the Mary River Transportation Corridor to include a railway required an amendment to the North Baffin Regional Land Use Plan (NBRLUP), which was publically reviewed by the NPC and approved as Amendment No. 3 to the NBRLUP by the Federal Minister of Crown-Indigenous Relations and Northern Affairs, the Territorial Minister of Environment, and the President of Nunavut Tunngavik Incorporated and came into effect on May 8, 2018.

The NPC previously reviewed some of the works and activities associated with the current proposal, including mining and trucking iron ore, the development of the Milne Port facilities and the construction of camp facilities (conformity determination was issued on April 30, 2008, August 12, 2011, February 8, 2016, January 26, 2017 and on May 18, 2018). These conformity determinations still apply. In addition, associated activities were previously reviewed by the Nunavut Impact Review Board (NIRB FILE NO.: 08MN053 & 17UN012).

The NPC has determined that the above-noted project proposal is a significant modification to the project because it requires the reconsideration and revision of reconsideration of terms and conditions in the project certificate No. 005, as well as an amendment to the Type A Water License 2AM-MRY 1325. It conforms to the NBRLUP. The proponent has undertaken to comply with the applicable conformity requirements of Appendix C, H, I and P of the NBRLUP.

The above-noted project proposal requires screening by the NIRB under section 12.4.3 of the Nunavut Agreement as amended because it is for a component or activity that was not part of the original or previously amended proposal and its inclusion is a significant modification of the project. By way of this letter, the NPC is forwarding the project proposal with this determination to the NIRB for screening. Project materials, including the applicable conformity requirements, are available at the following address:

http://lupit.nunavut.ca/portal/project-dashboard.php?appid=148420&sessionid=

The regulatory authorities to which this letter is addressed are responsible under the Nunavut Planning and Project Assessment Act (NUPPAA) to implement any of the applicable requirements by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued.

This conformity determination applies only to the above noted project proposal as submitted. Proponents may not carry out projects and regulatory authorities may not issue licenses, permits and other authorizations in respect of projects if a review by the NPC is required. Regulatory authorities may consult with the NPC to obtain recommendations on their duties to implement the existing land use plans prior to issuing licenses, permits and other authorizations under subsection 69(6) of the NUPPAA.

My office would be pleased to discuss how best to implement the applicable requirements and to review any draft authorizations that regulatory authorities wish to provide for that purpose. If you have any questions, please do not hesitate to contact me at (867) 979-3444.

Sincerely,

Goump Djalogue, MCIP | RPP Senior Planner,

Nunavut Planning Commission