

NIRB File No.: 08MN053

INAC File No.: N2008T0014 QIA File No.: LUA-2008-008

DFO No.: 2008 MR NWB File No.: 2AM - MRY

May 2, 2008

Baffinland Iron Mines Corporation c/o Derek Chubb VP – Sustainable Development Suite 1016, 120 Adelaide Street West Toronto, ON M5H 1T1

Via email: Derek.chubb@baffinland.com

Re: Notice of Part 4 Screening for Baffinland Iron Mines Corporation's "Mary River"
Project Proposal

Dear Derek Chubb:

On March 20, 2008 The Nunavut Impact Review Board (NIRB or Board) received Baffinland Iron Mines Corporation's (Baffinland) Development Proposal for the Mary River Project. Later, on April 30, 2008, the NIRB received a positive conformity determination for the North Baffin Regional Land Use Plan (NBLUP) from the Nunavut Planning Commission (NPC) noting the provisions of requirements 3.5.11 and 3.5.12 of the NBRLUP. NIRB has assigned this project proposal file number **08MN053**.

The proposed Mary River project is located on Baffin Island, geographically straddling the North Baffin and South Baffin Regions of Nunavut. The nearest communities to the proposed project areas include Pond Inlet, Igloolik, Hall Beach, Arctic Bay, Clyde River, Resolute, Cape Dorset, and Iqaluit:

This project involves the construction, operation, closure, and reclamation of an 18 million tonne-perannum (Mt/a) open pit mine. High-grade iron ore will be mined and shipped to international markets after crushing and screening processes. A railway system will transport the ore from the mine site to an allseason deep-water port and ship loading facility at Steensby Inlet where the ore will be loaded into ore carriers for overseas shipment through Foxe Basin. A dedicated fleet of cape-sized ore carriers, capable of breaking ice, will be chartered from a consortium of ship owners organized by Fednav. Shipping will be year-round. Some non-icebreaking ore carriers and conventional ships will also be used during the open water season.

In this project proposal, the construction phase is expected to be conducted from 2010 through 2014. The operating life of the proposed project is expected to be about 21 years. However, it is stated that the mining operation could either be extended by increasing mine operational life or the annual ore production volume, or both, which is subject to additional successful exploration results.

With regards to the temporal and spatial scale, the proponent has conceded in the submitted *Development Proposal for the Mary River Project* that a further Review is necessary for this project proposal. The potential concerns acknowledged by the proponent include:

- The Project may have significant adverse effects on the ecosystem, wildlife habitat, or Inuit harvesting activities
- The Project may have significant adverse socio-economic effects on northerners
- The Project will cause significant public concern
- The Project involves technological innovations for which the effects are unknown

All documents received and pertaining to this project proposal can be obtained from NIRB's ftp site at

http://ftp.nirb.ca/SCREENINGS/ACTIVE%20SCREENINGS/08MN053-Baffinland%20Iron%20Mines%20Corporation/1-SCREENING/01-APPLICATION/ including:

- NPC Conformity Determination
- Covering Letter
- Development Proposal for the Mary River Project
- Figures
- Tables
- Appendices A-G

Pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA), NIRB will now screen the Project Proposal. NIRB may request additional information at any time during the process. NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for public access.

As noted in the conformity determination from the NPC, the NBLUP, in conformity requirement 3.5.12 requires the NIRB and the NPC to jointly review the proposed transportation corridor associated with this project proposal in accordance with the guidelines set out in Appendices J and K of the NBLUP. This public review exercise conducted jointly by the NIRB and NPC seems necessary to guide a potential amendment to the NBLUP.

Also, should a Review be required for this project proposal, in order to avoid unnecessary duplication of effort, the NIRB and the Nunavut Water Board (NWB), at the initial suggestion of the proponent, are prepared to formally coordinate their efforts in processing and reviewing this file from both an impact assessment and water licensing perspective as envisioned in section 13.5.2 of the NLCA. Cooperation with the NPC as outlined in the previous paragraph is consistent with Article 13.6.1 of the NLCA.

NIRB is copying interested Parties and municipalities most affected by Mary River project with this letter, and we invite all to comment directly to the NIRB by <u>May 23, 2008</u> regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socioeconomic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures);
- Any comments related to NIRB's options for coordination with the NPC as per the requirements of the NBLUP, specifically conformity requirement 3.5.12 which requires that NIRB and the

NPC publicly review the transportation corridor component of the project to address a potential amendment to the Plan,

- Any concerns regarding the suitability of a coordinated effort, as envisioned in Section 13.5.2 of the NLCA, with the NIRB and NWB in the review and processing of this application; and
- Any other matter of importance to the Party related to the project proposal.

Please send your comments to the attention of NIRB's Manager of Environmental Administration Leslie Payette by email at lpayette@nirb.ca or via fax at (867) 983-2594.

If you have any questions or concerns, feel free to contact the NIRB's Technical Advisor Li Wan at (867) 983-4606 or wan@nirb.ca.

Sincerely,

Li Wan - Technical Advisor Nunavut Impact Review Board

Cc: Distribution List

Attachments: Comment Form