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Ministère de l'Exécutif et des Affaires Intergouvernementales

Department of Executive & Intergovernmental Affairs

June 4, 2008

Leslie Payette
Manager, Environmental Administration
Nunavut Impact Review Board
P.O Box 1360
Cambridge Bay, NU X0A 0H0

Via email to: lpayette@nirb.ca

Dear Ms. Payette:

**RE: NIRB FILE # 08MN052 – BAFFINLAND IRON MINES CORP. – NIRB
SCREENING ON MARY RIVER MINE PROJECT PROPOSAL**

On May 2, 2008, the Government of Nunavut (GN) received correspondence from the Nunavut Impact Review Board (NIRB) requesting comments on the Mary River mine project proposal from Baffinland Iron Mines Corp. (Baffinland) pursuant to Section 12.4.4 of the *Nunavut Land Claims Agreement* (NLCA).

If developed, the Mary River Project would be the largest in Nunavut's history. As the proponent has indicated in its March 14, 2008 *Mary River Project Development Proposal*, this project will require four years of construction and the mine will be operational for 21 years. Components of the proposal include a new and existing marine shipping routes, a deep water port, year-round marine shipping, a 143 km railway, a 2680 person construction camp, two roads, and other facilities.

Due to the magnitude of the project and the potential for significant environmental, archaeological and socio-economic impacts (as outlined below), the GN believes that a full public review is required. Furthermore, as this project is one which will not require any regulatory approvals or oversight outside Nunavut and will be undertaken wholly within Nunavut, a Part 5 review under Article 12 of the NLCA (as amended May 29, 2008) is appropriate.

Potential Environmental Impacts

Given the massive scale of the project, the environmental impacts could be substantially negative if the project is not properly designed, the mine site is not properly managed, and the potential impacts are not mitigated, avoided and monitored. The GN intends to provide a detailed assessment of the proponent's environmental impact statement should the project go to review. At this stage we would mention concerns about the following potential environmental impacts: the potential impact of project components (i.e., port, year-round marine shipping, air traffic, mine wastes, facilities and



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infrastructures etc.) on wildlife, wildlife habitat and the environment; introduction of exotic species through shipping; potential acid drainage, metal leaching, degradation of water quality and air quality, increase of noise of level, and destruction to vegetation.

Potential Socio-economic Impacts

The project is already having significant local and regional socio-economic impacts, for instance in the form of increased employment and pressure on Nunavut's limited labour market. Judging from the experience of other, much smaller mining projects, further significant socio-economic impacts are to be expected and will need to be carefully assessed.

Public Concerns

Significant public concerns have already been expressed at public meetings, in the Legislative Assembly and in the media about the project, particularly the railway's potential to limit caribou migration and the impact of intensive marine shipping on walrus and caribou.

Technological Innovations

The GN has concerns about the large volume of diesel and year-round fuel that will be used and the technology to clean up fuel spills along the shipping routes in broken or solid ice or to contain spills and prevent their flow under solid ice. Additionally, management of the docks and port areas appears largely experimental.

Coordinated Review

The NIRB and the Nunavut Planning Commission (NPC) have sent correspondence about a proposed joint review of Mary River's proposed transportation corridor, as required under the North Baffin Regional Land Use Plan (NBRLUP) conformity requirement 3.5.12. The GN supports an efficient regulatory process and believes that a joint review of the corridor would be a way to ensure a thorough and holistic public review of the corridor occurs in an expeditious manner.

However, the GN notes that a certain amount of information about the proposed amendment is lacking. First, the information requirements of Appendices J and K of the NBLUP have not yet been met, and it is unclear at what stage the proponent plans to submit this material. Furthermore, the GN is signatory to the NBRLUP and asks that NIRB and NPC provide details on how they plan to carry out their responsibilities for the coordinated review under conformity requirement 3.5.12. For example, when and how will the NPC participate in the NIRB review process and at what stage during the review process does NPC propose the NBRLUP will be amended to include the new corridor?



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Regarding the NIRB and the Nunavut Water Board (NWB) joint review proposal for environmental assessment and water licensing review, the GN supports in principle the coordinated review consistent with NLCA Section 13.5.2. However, detailed procedures associated with this joint review are not currently outlined in the NIRB's *Rules of Procedure* nor have such procedures been developed by the NWB. Development of these procedures prior to implementing a joint review will provide clarity to parties and the proponent, and provide assurance that this joint review can be successfully carried out in a timely manner while ensuring opportunities exist for meaningful public involvement.

The issue of NPC-NIRB-NWB coordination in joint reviews has far reaching implications for the GN's participation in the review process, and we therefore suggest that discussions between the Boards, regulators and other relevant parties begin as soon as possible to clarify the proposed process and associated timelines.

In the project proposal, the proponent assumes that a public review will be necessary and proposes that certain pre-development activities be exempt. The GN looks forward to reviewing the application for exemption once a detailed request is submitted to NIRB by the proponent.

We thank NIRB for the opportunity to review and provide comments on this project proposal, and we look forward to receiving further information on this project from NIRB. Please contact us if you have any questions or comments.

Yours truly,

Original signed by:

Pauloosie Suvega
Assistant Deputy Minister
Department of Executive and Intergovernmental Affairs

CC: Sharon Ehaloak, Executive Director, Nunavut Planning Commission
Dionne Filiatrault, A/Executive Director, Nunavut Water Board