



June 4, 2008

NRCan File #NT-056

Leslie Payette
Manager, Environmental Administration
Nunavut Impact Review Board
Cambridge Bay, Nunavut

By email: lpayette@nirb.ca

Subject: NRCan's Comments on the Part 4 Screening of Baffinland Iron Mine Corporation's proposed Mary River Project

Dear Ms. Payette,

Thank you for your letter of May 2, 2008, requesting comments from parties on the Nunavut Impact Review Board's (NIRB) Part 4 Screening under the Nunavut Land Claims Agreement (NLCA) of Baffinland Iron Mine Corporation's proposed Mary River Project. Natural Resources Canada (NRCan) has reviewed aspects of the submitted documents and has determined that it is likely a regulatory authority for this proposed project through the issuance of a licence(s) for the manufacture and/or storage of explosives (par. 7(1)(a) of the *Explosives Act*) to allow the proposal to be carried out.

All previous mining projects in Nunavut have been referred to Part 5 Reviews under Article 12 of the NLCA. Given the nature of this proposal, an iron ore mine with an estimated production capacity of 18 million tonnes per annum, related mine infrastructure, a railway, port facility and a requirement for year-round marine shipping, there will be elements of the project that would be new to this northern environmental setting. Adverse environmental impacts may be predictable and adequately mitigated through known technologies but this cannot be determined without the detailed impact assessment information and rigorous technical scrutiny afforded by a review. Also, the project's proponent has acknowledged that a review is necessary given the potential for adverse socio-economic effects and possible impacts on the ecosystem, wildlife habitat and Inuit harvesting activities. Consequently, NRCan recommends that the Mary River project warrants a review under Part 5 or Part 6 (12.4.4 (b)) of the NLCA.

NRCan has no specific comments at this time with regard to options for the coordinated review of the transportation corridor component of the project, as required by the North Baffin Land Use Plan, by the NIRB and the Nunavut Planning Commission. However, it will be important to clearly identify information and consultation requirements during any public review process used to inform decisions of a potential amendment to the land use plan.



With respect to the suitability of a coordinated effort between NIRB and the Nunavut Water Board (NWB) during a review, NRCan suggests that a discussion paper or detailed process framework be jointly prepared by NIRB and NWB staff to allow interested parties to fully examine and comment on the merits and possible limitations of this approach. Preliminary water licensing functions by the NWB could be initiated during a review by NIRB but the entire NWB process does require highly detailed water license applications and specific technical information and review requirements. These requirements could, if integrated, overly complicate environmental impact statements and technical reviews during an environmental assessment.

If you have any questions concerning our comments, or if I may be of further assistance, please call me at (613) 995-3153.

Sincerely,

Andrew McAllister

Senior Environmental Assessment Officer
Science and Policy Integration
Natural Resources Canada

cc: Rob Johnstone, Minerals and Metals Sector, NRCan