

October 14, 2010

Li Wan Technical Advisor Nunavut Impact Review Board P.O. Box 1360 Cambridge Bay, NU X0B 0C0

via Email to: info@nirb.ca

RE: NIRB: 08MN053 - Comments regarding Baffinland's Mary River Project "Road Haulage Option".

Dear Mr. Wan:

Thank you for the opportunity to submit comments regarding Baffinland's new alternative (road haulage option) for the Mary River Project. The Government of Nunavut (GN) do have comments regarding additional information that should be included in the existing Draft EIS Guidelines to ensure that the proposed "road haulage option" can be adequately assessed. GN departments also have questions on a few aspects of the "road haulage option" and how this alternative modifies, or not, other project components. Specific comments and questions from Department of Culture, Language, Elders and Youth, Nunavut Research Institute, Department of Environment and Department of Economic Development and Transportation are included in Appendix 1.

We thank NIRB for providing the Government of Nunavut with the opportunity to review and provide comments regarding Baffinland's Mary River Project Road Haulage Option and we look forward to receiving further information on this project from NIRB. Please contact me at (867) 975-6026 or at mduchaine@gov.nu.ca if you have any questions or comments.

Thank you,

Marie Duchaîne Avatiliriniq Coordinator Executive and Intergovernmental Affairs

APPENDIX A

RE: NIRB: 08MN053 - Comments regarding Baffinland's Mary River Project "Road Haulage Option".

COMMENTS FROM GN DEPARTMENTS

Culture Language, Elders and Youth (GN-CLEY) has reviewed the new information concerning the license of Baffinland Iron Mines Corp., involving a road haulage option. The company indicated that the new haulage road would be directed to Milne Inlet.

The department does not object to the application. However, the proponent must appreciate that it is their responsibility to ensure that no heritage resources are directly or indirectly altered from their current state in the course of, or the result of, their activities.

All archaeological and palaeontological sites in Nunavut are protected by law. Should any site be encountered, the proponent must contact the Department of Culture, Language, Elders and Youth.

CLEY comments provided by Edward Atkinson

Nunavut Research Institute:

- 1) The proposed road haulage of 3 million tones annually would continue "for the life of the operation", meaning, I assume, that the road haul would occur simultaneously with the rail line operation which was explicitly designed to transport the full 18 million tones of annual ore production. The road haulage option might make sense for the period of time before the rail is operational. However, unless the mine's total annual ore production is to be increased above the 18 million tones to be carried by rail (which might significantly change the scope to the project and thus require an amended EIS), or unless some of the 18 million tones of annual production will be diverted from the rail to the trucks, the necessity of maintaining the road haul option for the life of the project seems doubtful, and the potential environmental impact of doing so may not be justified. If the plan is to increase annual production above 18 million tones, the option of modifying the rail line system to transport the increased production should be evaluated in addition to the road haulage option.
- 2) It is unclear whether any other projects components (e.g. rail transport) would be changed or modified as a result of the addition of the road haulage option; thus this option seems to comprise a new project component rather than an alternative.
- 3) The road haulage option would likely be bound by requirements of section 9.4.18 of the project EIS, "Roads Management Plan"; as such the feasibility analysis of this option should address these requirements explicitly.

NRI comments provided by Jamal Shirley

The DOE has reviewed the proposal from Baffinland Iron Mines Corp. (BIMC) to incorporate a road haulage option into the Mary River Draft Environmental Impact Statement (DEIS). Based on the *Environmental Protection Act* and the *Wildlife Act*, our comments are outlined below.

GENERAL

The DOE acknowledges that BIMC wishes to utilize the existing Tote Road for year-round haulage to Milne Inlet and subsequently to carry out open-water shipping from Milne Inlet. BIMC has stated that tonnage shipped via the rail line would remain at 18 million tonnes with an additional 3 million tonnes being transported via the Tote Road/Milne Inlet option. In DOE's opinion, this additional tonnage, in conjunction with an additional shipping route from Milne Inlet, and the associated additions to infrastructure, year-round haulage activity and personnel, constitutes a significant change in scope from the original proposal. DOE recommends that the Draft EIS Guidelines be amended to include an assessment of these activities.

The DOE would also like to acknowledge that the NPC has stated that they cannot confirm whether this proposal would constitute any changes that may require another conformity determination with the North Baffin Regional Land Use Plan and that this will not be able to be determined until a detailed design of the Road Haulage Option has been submitted. The DOE raises the question as to whether NIRB will be able to proceed without a positive conformity determination for this activity.

EIS GUIDELINES

- Section 6.5.1 (Milne Inlet) should be updated to include any additional infrastructure required for the Road Haulage Option, including ore storage and movement (i.e. ore stock piles, ore loading and conveyance systems, and port facilities), and the collection and management of leachate or acid generated from the ore piles.
- A new section should be inserted either directly prior to or directly following Section 6.5.7 and should be titled "Milne Inlet". DOE is proposing the following:

6.5.8 Milne Inlet

This section should duplicate the existing Section. 6.5.7 where appropriate and relevant and be adapted to Milne Inlet.

6.5.8.1 Milne Inlet Site Facilities

This section should duplicate the existing Section 6.5.7.1 where appropriate and relevant and be adapted to Milne Inlet.

6.5.8.2 Port Facilities

This section should duplicate the existing Section 6.5.7.2 where appropriate and relevant and be adapted to Milne Inlet

- Existing Section 6.5.8 (Marine Shipping including Ice Breaking Shipping)
 - o Point #10 should be updated to include the port site at Milne Inlet.

- Point #17 should be updated to include a discussion of proposed safety measures for Milne Inlet, Navy Board Inlet/Eclipse Sound, and Baffin Bay as well as the Pond Inlet, Clyde River, and Qikiqtarjuaq near-shore area.
- The information identified in Section 6.5.10 (Access Roads) is relevant to the Tote Road and should be identified in Section 6.5.2 (Tote Road).
- Section 8.1.13.2 (Impact Assessment Marine Wildlife and Marine Habitat)
 - Point #4 should be updated to include potential under water blasting and dredging and potential disposal of spoils within Milne Inlet.
 - Point #9 should be updated to include marine mammals that may congregate in Milne Inlet, Eclipse Sound/Navy Board Inlet, Baffin Bay and Davis Strait where shipping routes pass through.
 - o Point #11 should be updated to state "...polar bear habitat from open-water shipping based out of Milne Inlet and Steensby Inlet, particularly frequent...".
 - This section should also address cumulative impacts on marine wildlife as a result of shipping activities, harvesting, etc.
- Section 8.1.4.1 (Baseline Information Geology and Geomorphology)
 - Point #2 should be updated to include new infrastructure areas and earthworks at Milne Inlet.
- Section 8.1.12.1 (Baseline Data Marine Environment, Marine Water/Ice and Sediment Quality)
 - o Point #5 should be updated to include Milne Inlet in addition to Steensby Inlet.

TOTE ROAD

This section contains general questions regarding the use of the Tote Road for haulage.

- Will the Tote Road need to be widened to accommodate haulage trucks?
- If so, what additional amount of rock is estimated to be required for this upgrade?
- Will current borrow pits/quarries provide sufficient amounts or is there potential for requiring additional borrow pits/quarries?

MILNE INLET

BIMC has stated that shipping will only occur during the open water season. BIMC should define what they consider to be an open water season and whether they intend to use icebreakers in Milne Inlet to extend their shipping season.

WILDLIFE

DOE notes that during public scoping meetings in June of 2009, communities raised concerns for shipping out of Milne Inlet. "Milne Inlet is habitat to a variety of wildlife, whales, narwhals, seals, fish and the Projects potential impacts on them are a concern." Further, it was noted that concerns were expressed that there may have been a decrease in the number of marine

mammals in Milne Inlet since the project has started (Nunavut Impact Review Board, 2009). Recent studies confirm the sensitivity of the area for narwhals. Approximately 12,650 narwhals were documented during the summers of 2007-2008 (August – September) in Koluktoo Bay of Milne Inlet and 52.2% of those individuals were clusters of one female with a calf (Marcoux *et al.*, 2009). DOE recommends that BIMC addresses these important community concerns in their impact statement.

Section 8.1.10.2, point 1 must be expanded to include fragmentation of habitat, interference with range use, wildlife movement, and the direct and indirect loss of habitat due to infrastructure, dust, noise, contamination.

Section 8.1.10.2, point 3 must recognize all critical periods for wildlife, including for example, caribou late wintering areas.

Section 8.1.10.2, point 5 must be expanded to recognize increased hunting pressure as a result of improved and expanded access to wildlife range, due to Project Infrastructure and increased human presence in the area. The possibility of Baffinland Iron Mines personnel hunting while on-site must be discussed.

Section 8.1.10.2, point 6 must be expanded to include the frequent noise, activity, vibration, dust, and traffic associated with year-round road haulage to Milne Inlet.

Section 8.1.12, must be expanded to include Milne Inlet.

In general, the Road Haulage Option as presented by Baffinland Iron Mines constitutes a significant addition to the initial project proposal. The environmental impact (including direct and indirect impacts to terrestrial and marine wildlife and the biotic and abiotic components of their habitat) of the expanded infrastructure, activities, shipping routes, port facilities, storage and operating facilities, as well as additional personnel, must be evaluated in full.

References

Marcoux, M., Auger-Méthé, M., and Humphries, M.M. 2009. Encounter frequencies and group patterns of narwhals in Koluktoo Bay, Baffin Island. Polar Biology, 32(12): 1705-1716.

Nunavut Impact Review Board. 2009. NIRB Public Scoping Meeting Summary Report for Part 5 Review of Baffinland Iron Mines Corporation's Mary River Project.

DOE comments provided by Allison Loder, DOE

ED&T Comments: Baffinland Road Haulage Option

Baffinland is requesting that a road haulage option (hauling ore along Milne Tote Road and shipping ore out of Milne Inlet during the open water season) be added to the Alternatives section identified in the EIS guidelines for the Mary River Project (section 6.1). This proposed component is in addition to proposed rail and year round shipping out of Steensby Inlet. It is our understanding that the reason for including the road haulage option as an Alternative is due to the preliminary stage of Baffinland's assessment of this component.

The Alternatives section of the EIS Guidelines requires that the proponent identify possible alternatives to carrying out the project and to justify those options chosen for the project. During the alternatives assessment, the proponent is required to include an assessment on the economic viability of the alternative, as well as the potential for mine life extension and/or increased iron ore production rates – all this in addition to considering the vulnerability of the ecosystem and environmental/socio-economic (including cumulative) impacts.

NIRB has requested that parties with jurisdictional authority and/or technical expertise over any aspect of the proposed road haulage option provide comments. These comments should include whether the final EIS Guidelines will provide sufficient guidance so that the project can be adequately assessed and if there are any other concerns with including this additional component as an alternative.

The Department of Economic Development and Transportation has reviewed the final EIS guidelines for the Mary River project and the preliminary description of the road haulage option. The current project description for the Mary River project includes use of the Milne Tote road, upgrades to the road, and limited seasonal shipping out of Milne Inlet. The department notes that the proposed road haulage option includes ore loading activity at Milne Inlet, an increased duration and frequency of shipping out of Milne Inlet, larger ships, additions made to infrastructure to accommodate increased activities at Milne Inlet, further upgrades to the Tote road, and increased camp accommodations/ore handling at the Mary River site. The department notes that these activities are more intensive than what was originally proposed. However, the department suggests that with a few recommendations, the EIS Guidelines may adequately guide the proponent in completing an ecosystemic and socio-economic impact statement for these additional components. The department's Transportation division has reviewed the road haulage option and the department believes that this additional component will not add significantly different infrastructure to the area that is not already proposed or currently exists from the 2008 bulk sample. Expansions and upgrades will be necessary, but it is our understanding that the shipping techniques will be similar to those from the bulk sample.

The department makes the following recommendations:

- While the proponent is currently requesting the road haulage option be added to the project as an alternative, the department expects that if this option becomes a likely project component, any review of ecosystemic and socio-economic impacts and benefits will include all VECs, VSECs and an impact assessment as identified in the EIS guidelines. Therefore, if the road haulage option is economically feasible, the department recommends that the proponent include this component as part of the project description and completes an impact assessment following the EIS Guidelines, including the possibility of mine life extension (sections 6, 7, 8 and 9).
- The EIS guidelines require that a detailed project description be included and discussed (section 6.5). Section 6.5.1 requires a description of the Milne Inlet component of the project – the department recommends including 2 additional points: ore loading; methods of dust suppression.
- The department notes that the road haulage option was not taken to communities during the project scoping sessions, upon which the EIS Guidelines were developed. Thus, there is the potential for public concerns to exist with this option that may not be

mentioned and/or incorporated into project considerations until after the draft EIS has been submitted to NIRB. The department recommends consulting the public on the road haulage option in order to identify if there are other concerns which may not be currently captured in the EIS Guidelines.

One concern with the road haulage option itself is that this option was not viable until only recently when the price of iron ore increased to near record highs. If this is only now just feasible, the department is concerned with how likely will this option will remain feasible in the long term (over several years). A thorough assessment of the economic viability of this component for the life of the project (and any possible mine life extension) needs to be provided by the proponent in their draft EIS.

Conversely, a benefit to the road haulage option is that it will increase employment for the project during construction and production. In addition, employment for hauling ore along the road will be required earlier than the rail and Steensby route, thus more benefits will be felt more immediately.

ED&T comments provided by Dianne Lapierre