



NIRB File No.: 08MN053

April 29, 2011

Matthew Pickard
Director, EHS & Sustainability
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON M5H 1T1

Sent Via Email: matthew.pickard@baffinland.com

Re: BIMC's IR Response Package and Rejection of the Road Haulage Option Alternative

Dear Matthew Pickard:

On April 15, 2011 the Nunavut Impact Review Board (NIRB or Board) received an Information Request (IR) Response package submission from Baffinland Iron Mines Corp. (Baffinland, the Proponent) in support of the NIRB's review of the Mary River project (NIRB File No. 08MN053). A supplemental package containing attachments referenced in this IR Response Package was received by the Board on April 26, 2011. Given the large file size of the supplementary materials (~ 3 gigabyte), the NIRB is required to upload this information to its online registry from its host server in Yellowknife, NWT and, therefore, expects to have it made available to all parties next week.

The NIRB has conducted a preliminary completeness check of Baffinland's submission in an effort to ensure that an adequate response has been provided to facilitate commencement of the 60 day technical review period. Although the NIRB is unable to fully assess the technical adequacy of the responses and whether they will meet with reviewers' requirements, the Board is concerned that many of the requests appear to have been given a brief, cursory response only. The NIRB notes that a number of the IR Responses have also been deferred to a future submission, which Baffinland has indicated would be made available prior to the NIRB's Technical Meetings and Pre-Hearing Conference.

As you are aware, adequate responses to the IRs submitted by parties are necessary to facilitate the provision of technical review comments to the Board. Prior to commencing the 60 day technical review period the NIRB is requesting that, for the IR responses which have been deferred to a future time, Baffinland provide the NIRB with an indication as to when the outstanding information necessary to fully address IR submissions will be made available. Further, the NIRB requests that Baffinland provide a rationale for how the technical review can proceed despite the existing gaps in information and deferred IR responses. Please note that

depending upon the timing of the submission of outstanding information by Baffinland, the NIRB may be required to solicit advice from parties regarding the adequacy of the IR Response package solely as submitted.

In correspondence accompanying its IR Response package, Baffinland has also indicated that it will no longer be considering the “Road Haulage Option” alternative through the NIRB’s review process. In its correspondence to the NIRB dated April 15, 2011 the Proponent stated that *“NIRB has alerted the Company that prior to the Pre Hearing Conference the road haulage option must be scoped into the Project if the Company wishes to continue to pursue this alternative under the current environmental assessment process”*. This particular alternative was being considered by Baffinland as an alternative means of carrying out the Project and, at the request of the Proponent, the NIRB had previously issued an addendum to the Final EIS Guidelines to provide sufficient guidance to examine this alternative in detail.

To clarify, the NIRB has previously confirmed that, should the “Road Haulage Option” alternative become the preferred alternative (i.e. the Proponent’s desired method of carrying out the project rather than simply one of the alternative means), the applications submitted in support of the Project would have to be amended to reflect this. When this guidance was given, it was recognized that Baffinland had not yet completed a full feasibility analysis on the Road Haulage Option alternative at the time, and, as such, was not in a position to determine whether it would pursue amending the Project applications, as doing so would require a halt to the NIRB’s review process. It was, however, the Board’s expectation that the Draft EIS submission prepared by Baffinland would include a thorough description and effects analysis of the Road Haulage Option alternative, which would be separated from the description and effects analysis of the original project proposal as screened by the NIRB. As directed through the Final EIS Guidelines for the Project, Baffinland’s EIS submission was to include:

“...an explicit analysis of all alternative means of carrying out the Project components, including a “no-go” alternative, the identification and application of criteria used to determine the technical feasibility and economic viability of the alternatives to the Project (e.g. transportation, natural, social, economic and cultural environment). This analysis must be done to a level of detail which is sufficient to allow NIRB and the public to compare the Project with the alternatives in terms of the economic costs and the environmental, social and economic impacts and benefits. The Proponent must include reasons for selection of the Project as the preferred alternative, and the reasons for rejection of other alternatives.”¹

Had the Road Haulage Option been treated strictly as an alternative within the Draft EIS as anticipated by the NIRB, an appropriate level of justification would have to be supplied by Baffinland in order to demonstrate the alternative had been considered and subsequently rejected. The current Draft EIS submission, however, contains a comprehensive effects analysis of this alternative which appears to have been integrated throughout the various volumes of the document, often without clearly distinguishing it from the preferred alternative. As indicated by Indian and Northern Affairs Canada in correspondence to the NIRB dated March 21, 2011, this

¹ Section 6.1, Page 17 *Guidelines for the Preparation of an Environmental Impact Statement for Baffinland Iron Mines Corporation’s Mary River Project* (November 16, 2009)

may pose a significant challenge for parties seeking to review and evaluate the Draft EIS through the NIRB's review process, particularly if the Road Haulage Option has now been withdrawn from consideration by Baffinland. As it appears to the Board that the Road Haulage Option is integrated into many sections of the Draft EIS and it may be very difficult to separate it from the remaining information, the Board also requests that Baffinland respond to this concern and offer clarification on its intentions as to how best to facilitate the on-going technical review of the Draft EIS now that the Road Haulage Option alternative is no longer being considered.

The NIRB respectfully requests that Baffinland respond to the issues addressed in this correspondence, on or before **May 5, 2011**. Please ensure that any forthcoming correspondence is directed to the NIRB at info@nirb.ca.

If you have any questions or require additional clarification, please contact me directly at (867) 983-4608 or rbarry@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Ryan Barry
Director, Technical Services

cc: Mary River Distribution List