



NIRB File No. 08MN053

May 30, 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: Update Request and Next Steps for NIRB's Review of the Mary River Project

Dear Matthew Pickard:

On May 10, 2011 the Nunavut Impact Review Board (NIRB or Board) requested responsible authorities and interested parties provide the Board with their comments or concerns regarding the adequacy of the Information Request (IR) responses provided by Baffinland Iron Mines Corp. (Baffinland) to date¹, in support of the NIRB's review of the Mary River Project (the Project). In particular, parties were asked to comment on the degree to which their respective IRs had been satisfied and any other outstanding issues which might significantly hamper the fulfillment of parties' respective mandates should the technical review period commence.

On or before May 20, 2011 the Board received comment submissions from the following parties:

- Qikiqtani Inuit Association
- Government of Nunavut
- Canadian Transportation Agency
- Environment Canada
- Fisheries and Oceans Canada
- Parks Canada
- Indian and Northern Affairs Canada

All comment submissions received by the Board can be accessed online at the NIRB's public registry using the link: <http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/08MN053-BAFFINLAND%20MARY%20RIVER/2-REVIEW/06-CONFORMITY%20TECH%20REVIEW/04-COMMENTS/>

¹ Baffinland has responded to IRs with an IR Response package received by the NIRB on April 15, 2011 and supplementary materials received on April 26, April 29 and May 13, 2011

Following a review of the comment submissions received, it appears that there are three general areas of concern, as follows:

- The manner in which the “Road Haulage Option” alternative has been integrated into certain sections of the Draft EIS makes it difficult for reviewers to assess the analyses and conclusions in key sections of the document. Further clarification and/or revision of these sections is required.
- Insufficient information has been provided to address some IRs to the satisfaction of reviewers. Several parties have prioritized their requests and indicated a willingness to assist Baffinland in putting forward the necessary information during the technical review period as necessary.
- Insufficient information has been provided to satisfy the Coordinated NWB/NIRB Process. Clarification is required regarding Baffinland’s intentions moving forward.

“Road Haulage Option” alternative

In response to a request by the NIRB, on May 5, 2011 Baffinland provided the Board with clarification regarding which sections of the Draft EIS would be affected by removal of the Road Haulage Option alternative from consideration. Baffinland indicated that *“the removal of the Road Haulage Option has resulted in changes in the frequency, duration, and magnitude of certain project interactions which will decrease the potentially negative residual effects and thus make predictions more conservative in nature. Similarly, the positive effects of some of the socio-economic and economic aspects will also be of lower magnitude as a result of the change.”* While the removal of this alternative from consideration may in fact reduce the potential for impacts to the environment, more clarification is required to support the associated analyses and allow for a thorough and accurate technical assessment by the NIRB and reviewers.

Prior to commencing the technical review period, the NIRB requests that Baffinland provide a more comprehensive submission which addresses changes to the Draft EIS caused by removal of the Road Haulage Option alternative, with reference to the specific volumes, sections, and page numbers where the updated information supplements sections of the current Draft EIS. This information is to include:

- An appropriate level of justification to demonstrate that this alternative has been considered and subsequently rejected, consistent with section 6.1 of the Final EIS Guidelines for the Project;
- An updated project description including, where relevant, with revised maps and drawings of proposed development areas which have been affected by the removal of the Road Haulage Option (e.g. Milne Inlet port site, Milne Inlet Tote Road, and Mary River mine site);
- Description of changes to significance determinations, including presentation of analyses which have been reassessed to reach these determinations – it is not sufficient to present conclusions stating changes are negligible or non-significant;
- Quantification of the potential impacts and residual effects that are now predicted for Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) affected by the exclusion of Road Haulage Option. Where numerical modeling or quantitative analysis was used in formulating predictions (e.g. air quality modeling,

noise modeling, and economic analysis), the update should include the revised inputs, outputs, and graphic presentations; and,

- Description of any changes to monitoring plans, values and data that may now be relevant.

Adequacy of IR Responses

It is in Baffinland's best interest to satisfy outstanding IRs and concerns related to its submitted responses to the various responsible authorities, to ensure parties fully understand the proposed project, its potential for impacts and the proposed mitigation and management measures. Given the breadth and volume of information that must inform the review process, it is inevitable that there will be differences in opinion between Baffinland and reviewers regarding the level of detail required or the required timing for the provision of specific information. The NIRB appreciates the efforts made by parties to provide further clarification to Baffinland on their priority concerns and information gaps that must be addressed at this stage in the review process.

The NIRB strongly encourages Baffinland to engage responsible authorities throughout the review process to ensure that expectations and information needs are being met. In particular, the Board expects that the issues deemed as priority IRs requiring further response from Baffinland be addressed prior to commencement of the technical review period. Where useful, the NIRB is prepared to facilitate further discussions between the proponent and responsible authorities in order to resolve outstanding issues. The NIRB is aware that the Northern Project Management Office has also offered its assistance with facilitating coordination among federal government departments and arranging opportunities for continued dialogue with Baffinland to avoid potential delays. The Board is supportive of all such dialogue and requests that the outcome of any such meetings or dialogue is reported back to the NIRB so that the transparency and integrity of the review process is maintained.

NIRB/NWB Coordination

It is the NIRB's understanding that Baffinland intended for its Draft EIS submission to serve as its Draft Water Licence Application to the Nunavut Water Board (NWB). Through the Detailed Coordinated Process Framework developed by the NWB and NIRB², this application would be assessed through the technical review period to determine what information might need to be supplied to render it complete, in addition to allowing for consideration of requested pre-development activities. Reviewers would be asked to comment on these points within their respective technical review comments to the NIRB and/or the NWB. The NWB would then issue a conformity determination applicable to the Draft Water Licence related to the water license application and pre-development activities as an Appendix to the NIRB's Pre-Hearing Conference Report, including identification of the outstanding information to be supplied in the Final EIS. The NIRB would appreciate receiving clarification from Baffinland regarding its intentions for proceeding with the NWB/NIRB Coordinated Process moving forward.

Next Steps in the Review Process

² Available at: <http://ftp.nirb.ca/02-REVIEWS/NIRB%20NWB%20COORDINATION/>

Following receipt of the requested update from Baffinland regarding the removal of the Road Haulage Option alternative from consideration within the Draft EIS, the NIRB intends to commence the 60 day technical review period and will proceed with scheduling a Technical Meeting and Pre-Hearing Conference (PHC). The Board will solicit input from parties prior to fixing the dates for the Technical Meeting and PHC and must ensure it meets its 60 day public notice requirement for the scheduling of the PHC for this Review.

The next steps in the NIRB's review process are as follows:

- Submission of requested update from Baffinland
- Commencement of 60 day technical review period
- Scheduling of Technical Meeting and PHC by NIRB
- Submission of technical review comments from parties
- Circulation of draft agenda for Technical Meeting by NIRB
- Submission of response to technical review comments by Baffinland
- Technical Meeting, to be held in Iqaluit
- Pre-Hearing Conference and community roundtables to be held in Pond Inlet and Igloolik
- PHC Report issued by NIRB with additional direction from NWB regarding water licensing

Recognizing that several responsible authorities have expressed concern for sufficient time being made available for consideration of all required information prior to the provision of technical review comments to the NIRB, the Board will consider extending the technical review period if a clear need is demonstrated and supported with an appropriate rationale. The NIRB endeavours to adhere to its established review timelines and would suggest that extensions may not be necessary if Baffinland takes sufficient time to develop a comprehensive update as requested, and endeavours to satisfy the outstanding information requirements of responsible authorities in a timely manner.

The NIRB appreciates the continued active participation of Baffinland and parties throughout the Review process for this Project. Should you have any questions or require clarification moving forward, please contact Li Wan, Technical Advisor, at (867) 983-4606 or lw@nirb.ca.

Sincerely,



Ryan Barry
Director, Technical Services

cc Mary River Distribution List
Manik Duggar, Northern Project Management Office