



NEWS RELEASE

NIRB File No. 08MN053

January 14, 2013

Re: Baffinland Iron Mines Corporation's Request to Amend NIRB Project Certificate No. 005 for the Mary River Project

On Thursday, January 10, 2013 Baffinland Iron Mines Corp. (Baffinland) submitted a letter to the NIRB requesting an amendment to the recently issued Project Certificate for the Mary River Project. The NIRB has circulated this correspondence to all parties on its email distribution list, providing further direction and an opportunity for public comment regarding this amendment request. All materials associated with the Project Certificate for the Mary River Project can be accessed online at the following location:

<http://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER/01-PROJECT%20CERTIFICATE/>

Within the Draft Environmental Impact Statement (Draft EIS) for the Mary River Project, Baffinland had included a "Road Haulage Option" as an alternative means of developing the Project. This alternative proposed that during the initial years of project development, the company would construct all mine facilities and would begin mining and shipment of a smaller amount of iron ore through Milne Inlet during the open water period, prior to construction of a railway south to a port site at Steensby Inlet. This was presented by Baffinland as a means to generate revenue earlier in the project lifecycle allowing for more immediate development while to develop the larger project and railway would require additional partnering. Although the Road Haulage Option was included within the Draft EIS, it was subsequently withdrawn from consideration by Baffinland following consideration of the feasibility study for the Project released in January 2011 and amid concerns of creating potential process delays should the alternative become the preferred means of developing the Project.

Baffinland is now proceeding through licensing of the Mary River project as reviewed and approved by the NIRB, however it is also asking that consideration be given once again to an early revenue phase involving shipment of iron ore through Milne Inlet, to allow for earlier generation of revenue prior to full development of the Mary River Project. Although the NIRB issued the Project Certificate only recently this past December, the Board understands that development of large capital-intensive projects occasionally result in unforeseen changes and requirements for project amendments. The NIRB recognizes that it remains very important for

the company to proceed with licensing of the full Mary River Project as reviewed and approved by the NIRB while the proposed amendment is considered.

The NIRB is now required to give due consideration to Baffinland's request for a reconsideration of the Project Certificate pursuant to Section 12.8.2 of the Nunavut Land Claims Agreement. After allowing for a public commenting period, the Board will determine whether a reconsideration is necessary and, if so, will write to the Minister to seek his support to formally reconsider the Project Certificate terms and conditions. Should the Project Certificate be reopened, Baffinland would be required to update its Final Environmental Impact Statement and provide the NIRB with all relevant information related to the amended activities and associated effects assessments. The Board would then coordinate a public review of the application, including scheduling of technical meetings and written or oral hearings as deemed necessary, in accordance with the NIRB's Rules of Procedure.

The timelines associated with the reconsideration of the terms and conditions of a NIRB Project Certificate are significantly shorter than for the original review of the associated Project, however sufficient opportunity for public notice and participation is provided for in accordance with the NIRB's Rules of Procedure. At the conclusion of the process the Board would make another decision regarding the proposed amendment and implications to the Project Certificate, providing a report to the Minister for consideration. If the amendment was eventually approved the Project Certificate could contain new or amended terms and conditions specific to the amended activities; if the decision was made not to allow the amendment to proceed, this would have no effect on the approval of the original Mary River project and Baffinland would be permitted to continue development of the Project under the terms and conditions of the original Project Certificate.

The NIRB will continue its work to establish a monitoring program for the life of the Mary River Project which will provide oversight and ensure the Project complies with the specific terms and conditions of the existing Project Certificate. The Board invites the public to participate in the monitoring of the Project and the potential reconsideration of the Project Certificate terms and conditions; please call (1-866-233-3033) or email (info@nirb.ca) the NIRB office and request to be included on the email distribution list to receive regular updates on engagement opportunities.



Elizabeth Copland
Chairperson
Nunavut Impact Review Board

For more information, the media may contact: Ryan Barry, Executive Director
Nunavut Impact Review Board
1-866-233-3033 or rbarry@nirb.ca