

NEWS RELEASE

NIRB File No.: 08MN053

The Nunavut Impact Review Board Issues Public Hearing Report Following Consideration of the Mary River Early Revenue Phase Proposal

CAMBRIDGE BAY, NU – March 17, 2014 – The Nunavut Impact Review Board (NIRB or Board) has completed the assessment and project certificate reconsideration of Baffinland Iron Mines Corporation's (Baffinland) Early Revenue Phase Proposal (ERP Proposal) and has submitted its Public Hearing Report, including recommendations, to the Federal Minister of Aboriginal Affairs and Northern Development for his review and decision. The release of the Board's Public Hearing Report marks the conclusion of a thorough process of assessing the potential ecosystemic and socio-economic effects of the ERP Proposal that included public technical review, community and technical meetings and a five day public hearing in Pond Inlet in January, 2014. As outlined in the Board's Public Hearing Report, the Board has concluded that the Early Revenue Phase Proposal can proceed, but in accordance with the Board's recommendations for including revised and additional terms and conditions into existing Project Certificate No.: 005 (issued in 2012 for the original Mary River Project Proposal).

As many Nunavummiut may remember, the original Mary River Project Proposal involved the development of an open pit iron ore mine on Northern Baffin Island and associated infrastructure, including a tote road, ports at Milne Inlet and Steensby Inlet, a railway connecting the mine to Steensby Port and all season shipping from Steensby Port. In September 2012, the Board recommended that the original Mary River Project Proposal be allowed to proceed in accordance with 182 recommended terms and conditions which became the basis for NIRB Project Certificate No.: 005.

In January 2013 based on significant changes to global economics, Baffinland asked the Board to reconsider the terms and conditions of Project Certificate No.: 005 under Article 12, Part 8, Section 12.8.2 of the Nunavut Land Claims Agreement in order to accommodate significant changes to the project under the ERP Proposal. The key changes proposed include the commencement of ERP Proposal activities prior to the construction and operation of the larger project, including mining an additional 3.5 million tonnes of iron ore at the Mary River mine site, truck transport of this ore from the mine site to a port at Milne Inlet and loading and shipping the ore from Milne Inlet during the open water season to markets in Europe. The Proponent indicated that the ERP Proposal would be developed approximately 5 years before the full development of the original Mary River Project Proposal (railway, Steensby Port and all season shipping) and would continue concurrently with the original Mary River Project Proposal throughout the projected 21 year life of the mine.

Phone: (867) 983-4600

Fax: (867) 983-2594

Although there is no specific process prescribed for the Board to conduct a reconsideration under this part of the Nunavut Land Claims Agreement, given the nature and scope of the proposed changes, the NIRB chose to undertake technical review, community consultation and conduct a public hearing in the community most likely to be affected by the ERP Proposal, Pond Inlet, to complete the Board's assessment of the ERP Proposal. The NIRB received information on the record from more than 70 people during the hearing, including Elders, parties, intervenors, representatives from seven potentially affected communities and members of the public who all shared their knowledge, vision, hopes, experiences and concerns.

The Board heard of cautious optimism for this development, mixed with concern about the potential to impact the land, the air, the water and a variety of animals, including caribou, marine mammals and fish. Questions were also raised about the potential for the ERP Proposal to have effects on the health and well-being of Baffinmiut and their culture. The Board considered extensive written submissions and information presented at the public hearing regarding key issues such as: the potential for effects on marine wildlife associated with increased shipping through Eclipse Sound; potential for changes to the marine environment in Milne Inlet arising from increased shipping, port construction and ballast water exchanges; potential effects on vegetation, wildlife, ice, surface water and human health as a result of increased dust emissions; and the potential for effects on Inuit harvesting activities on land and in marine areas due to increased shipping and intensification of use of the Milne Inlet Tote Road.

After carefully considering the input received and guided by our central objectives: protecting and promoting the existing and future well-being of the residents and communities of Nunavut and the protection of Nunavut's ecosystemic integrity; the Board is confident that the Early Revenue Phase Proposal may proceed to the regulatory phase if it is undertaken within the limits and mitigation measures included in the comprehensive additional and revised terms and conditions of Project Certificate No.: 005 recommended in the Board's Public Hearing Report. As discussed in our Report, for some potential effects the Board has determined it is appropriate to apply a more stringent version of the precautionary principle that is protective and preventative and that emphasizes a higher level of monitoring and management.

The Public Hearing Report, which includes an executive summary in English, Inuktitut and French and all documentation received by the Board during the NIRB's consideration of the ERP Proposal is available from the NIRB's online public registry at the following location:

http://ftp.nirb.ca/03-MONITORING/08MN053-MARY%20RIVER%20IRON%20MINE/01-PROJECT%20CERTIFICATE/04-AMENDMENTS/ERP/08-DECISION/

An Inuktitut translation of the Public Hearing Report is being prepared and will be posted to the NIRB's online public registry as soon as it is available.

For more information, contact: Ryan Barry, Executive Director

Nunavut Impact Review Board 1-866-233-3033 or rbarry@nirb.ca

P.O. Box 1360 Cambridge Bay, NU X0B 0C0 Phone:

Phone: (867) 983-4600 Fax: (867) 983-2594