



# NEWS RELEASE

NIRB File No. 08MN053

November 6, 2014

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

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On Wednesday, October 29, 2014 Baffinland Iron Mines Corporation (Baffinland) submitted to the Nunavut Planning Commission (NPC) and the Nunavut Impact Review Board (NIRB or Board) a summary project description and covering letters in relation to a proposed amendment to the approved Mary River Project. In this correspondence Baffinland requested a conformity determination from the NPC for the proposed amendment under the North Baffin Regional Land Use Plan, as well as a request to the NIRB for reconsideration of the terms and conditions of the Mary River Project Certificate No. 005. The NIRB has circulated notice of this correspondence to all parties on its email distribution list and indicated that further direction and an opportunity for public comment regarding Baffinland's request will be provided following receipt of the NPC's conformity determination.

In 2012, the NIRB reviewed, approved and issued Project Certificate No. 005 to allow the development of the larger Mary River project which includes development of a railway from the mine site south to a port at Steensby Inlet, for shipment of up to 21 MT/a of iron ore to markets in Europe year-round, with associated ice-breaking. In the spring of 2014, the NIRB reviewed and approved amendments to the existing terms and conditions of Project Certificate No. 005 to allow for the "Early Revenue Phase" of the Mary River Project to proceed. The Early Revenue Phase involves the development of an open pit iron ore mine at Mary River with transport of crushed ore via truck north to a port site at Milne Inlet, for shipment of up to 4.2 MT/a of ore to markets in Europe during the open water season. The Proponent is now asking that consideration be given to a **new** phase of development involving increased production and additional shipment of iron ore through Milne Inlet for approximately 10 months of the year to allow for earlier generation of revenue prior to full development of the larger Mary River Project and associated railway construction:

"At this time, Baffinland recognizes that it will have to continue its planned phased development approach of the Mary River Project and continue to defer the construction of certain project components already approved under Project Certificate No. 005. In particular, the construction and operation of the railway and Steensby Port will be

delayed beyond 2015. The Company remains committed to the development of a railway and Steensby Port as authorized under Project Certificate No. 005. However, the capital investment necessary to initiate the railway phase of the Project exceeds \$5 billion. Under current market conditions, in order to obtain financing, lending institutions require that a proponent demonstrate the ability of their proposed project to generate cash flows and to demonstrate the quality and demand for their iron ore product.

In light of these market constraints, Baffinland has developed a plan for a second phase of development for its Mary River Project (“**Phase 2**”). Phase 2 will seek to optimize the use of infrastructure constructed for the ERP, and enable Baffinland to increase shipments of iron ore from Milne Port. The additional tonnage proposed for Phase 2 amounts to 7.8 mtpa to be transported from Milne Port along the northern shipping route.”

All materials associated with the Project Certificate for the Mary River Project can be accessed online from the NIRB’s public registry at the following location:

<http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/08MN053-BAFFINLAND%20MARY%20RIVER/2-REVIEW/11-PROJECT%20CERTIFICATE/>

Following receipt of a conformity determination from the NPC, the NIRB will process Baffinland’s request for a reconsideration of the Mary River Project Certificate No. 005 pursuant to Section 12.8.2 of the Nunavut Land Claims Agreement, including inviting public comment regarding whether a reconsideration of the Project Certificate is necessary. If the NIRB initiates a formal reconsideration, the Board would expect to issue guidelines and direction to Baffinland to update its Final Environmental Impact Statement and provide all relevant information related to the amended activities and associated effects assessments. The Board would then expect to coordinate a public review of the updated Final Environmental Impact Statement, including community meetings, technical sessions and written or oral hearings as the Board considers necessary and 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 a Project, however, the Board still requires that sufficient opportunity for public notice and participation be provided. After assessing the ecosystemic and socio-economic effects of the proposed project amendment, the Board would then decide whether or not it should be allowed to proceed and, if so, whether amendments or additions to the Project Certificate terms and conditions are required. The Board’s decision and, if applicable, recommended amendments to the existing Project Certificate terms and conditions would be provided in a report to the Minister of Aboriginal Affairs and Northern Development for approval. If the amended project proposal was eventually approved to proceed, the Project Certificate could contain new or amended terms and conditions specific to the amended activities. Alternatively, if the amendment to the project is not approved to proceed, the reconsideration process would have no effect on the

approval of the original Mary River project or the Early Revenue Phase and Baffinland would be permitted to continue development of the Project under the existing terms and conditions of Project Certificate No. 005.

The NIRB will continue its work to monitor the effects of the Mary River Project 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](mailto: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  
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