



NIRB File No.: 08MN053
QIA File No.: LUA-2008-008

January 22, 2015

Murray Odesse
Vice President, Human Resources
Baffinland Iron Mines Corporation
2275 Upper Middle Road East – Suite 300
Oakville, ON L6H 0C3

Sent via email: murray.odesse@baffinland.com

Re: Opportunity to Address Comments Received Regarding Baffinland Iron Mines Corporation's "Revised Labour Market Analysis" for the Mary River Project

Dear Murray Odesse:

On August 13, 2014 the Nunavut Impact Review Board (NIRB or Board) received a request from Baffinland Iron Mines Corp.'s (Baffinland or Proponent) to extend the deadline for submission of its revised Labour Market Analysis (LMA)¹ by 30 days, to September 26, 2014. On September 26, 2014 the NIRB received Baffinland's updated LMA submission.

On October 7, 2014 the NIRB distributed the LMA to the Mary River distribution list for the information of parties. On December 15, 2014 the NIRB received the enclosed correspondence from the Qikiqtani Inuit Association (QIA) providing comment regarding the updated LMA.²

The following provides a *summary* of the items raised by the QIA in respect of the LMA:

- The QIA noted concerns with respect to the methodology used as well as the practical application of the data contained within the LMA.
- The QIA outlined its interpretation of the intent behind Term and Condition 139 as being to obligate Baffinland to understand the local labour market, demonstrate how its hiring practices will prioritize training and employing the local workforce while reflecting the realistic demands of construction and operations, and the possibility that it will need to source labour outside of Nunavut.

¹ Required by Term and Condition 139 of the NIRB's Project Certificate [No. 005] for the Mary River Project, dated April 25, 2014

² All materials pertaining to Baffinland's LMA can be obtained 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/05-FOLLOW-UP/Condition%20139-LMA/>

- The QIA indicated that the data produced or utilized in the LMA should be valid and useful beyond fulfilling the most basic and explicit obligations of Condition 139, and in a manner to form the basis from which NIRB and other parties are able to monitor the extent to which the Project actually produces significant socio-economic benefits.
- The QIA noted concern that the LMA contains outdated data, that the analysis is based on a series of assumptions that call its validity into question, and that the conclusions drawn are therefore unreliable and ultimately of little utility.
- The QIA noted in conclusion that the omissions and limitations of the LMA were so extensive as to constitute a failure to comply with Condition 139, and further indicated that in its opinion, the LMA as submitted does not advance NIRB's understanding of the impact of the Project on Inuit with respect to employment opportunities, and is not useful to the QIA in working with Baffinland to ensure Inuit receive the associated benefits of the Project.
- The QIA recommended that the NIRB require Baffinland to revise the LMA according to a list of items provided within its comment submission and resubmit the updated LMA to the NIRB within 90 days.

The NIRB appreciates having received the QIA's comments and concerns and would like to provide Baffinland with an opportunity to respond to items pertaining to the methodology, data, analysis and conclusions contained within its revised LMA.

The NIRB would like to clarify, for the information of the Proponent and the QIA, that the requirements of the LMA as set out within revised Term and Condition 139 of the Mary River Project Certificate have, in the Board's opinion, now been met. Furthermore, while the NIRB does not have a mandate with regard to the establishment of socio-economic benefits, the details required within the LMA pursuant to Condition 139 are adequate to inform the NIRB's understanding of the labour market as it relates to the Mary River Project at present.

In considering the impact of the Project on Inuit with respect to employment opportunities, it is anticipated that further insight will be gained through the NIRB's monitoring framework currently undergoing development, as well as potentially through other initiatives and programs such as the Qikiqtani Socio-Economic Monitoring Committee. Where additional analysis or consideration of information related to the LMA or other aspects of the Mary River Project may be required or desired, interested parties are encouraged to provide comment through the NIRB's monitoring program to ensure that consideration is given to existing conditions and/or potential impacts. As noted, the NIRB is in the process of developing its monitoring framework for the Mary River Project which will provide further direction and clarification to Baffinland and parties regarding various monitoring and reporting requirements related to the Mary River Project. The NIRB will provide parties with an opportunity to comment on this framework and may make revisions to the framework based on advice it considers appropriate prior to its finalization.

As noted above, the NIRB requests that Baffinland provide a response to comments raised by the QIA with respect to its revised Labour Market Analysis for the Mary River Project via email at info@nirb.ca or by fax to (867) 983-2594, on or before **February 10, 2015**.

If you have any questions or require clarification regarding the NIRB's monitoring program, please contact the undersigned at (867) 983-4603 or via email at samuno@nirb.ca

Sincerely,



Tara Arko
Director, Technical Services
Nunavut Impact Review Board

cc: Mary River Distribution List
Stephen Bathory, Qikiqtani Inuit Association

Enclosed: QIA Letter to NIRB Re: Labour Market Report (*December 15, 2014*)