

NIRB File No.: 08MN053

NWB File No.: 2AM-MRY1325 - Amendment No. 1/G1

September 13, 2017

Todd Burlingame VP, Sustainable Development Baffinland Iron Mines Corporation 2275 Upper Middle Road East, Suite 300 Oakville, ON L6H 0C3

Sent via email: todd.burlingame@baffinland.com

Re: <u>Mary River Project – Mine Site Accommodations Camp Upgrade Request for Project Certificate Review</u>

Dear Todd Burlingame:

On August 24, 2017, the Nunavut Impact Review Board (NIRB or Board) received the enclosed "Mary River Project – Mine Site Accommodations Upgrade" project proposal from Baffinland Iron Mines Corporation (Baffinland or the Proponent). The project proposal described how Baffinland is currently experiencing high turnover rates with its site workforce due to the poor accommodation conditions at the Mary River Project, and included justification to commission a new 800 man hardwall accommodations camp facility to replace the existing Weatherhaven camp and associated tents at the Mary River Mine Site. In submitting its Mine Site Accommodations Upgrade project proposal to the NIRB, the Proponent requested that the NIRB complete a review of the proposal, and indicate to Baffinland and the Nunavut Water Board (NWB) if the proposed upgrades are consistent with the NIRB Project Certificate (No.005) in order to enable Baffinland carry out a modification under the existing Type "A" Water Licence (2AM-MRY1325) for the Mary River Project. All materials related to this modification request can be obtained from the NIRB's online public registry at www.nirb.ca by using any of the following search criteria:

Project Name: Mary River Project

NIRB File No.: 08MN053Application No.: 123910

SUMMARY OF THE MODIFICATION REQUEST

In its request to the NIRB, Baffinland indicated that it proposes to replace and decommission the existing Weatherhaven softwall camp and associated tents at the Mine Site with an 800 man

hardwall accommodations camp facility in order to provide better accommodation conditions to its workers and increase the overall site workforce capacity to achieve full production (4.2 million tonnes per annum) as approved under the Early Revenue Phase. Baffinland also outlined that the proposed camp is a used, three storey camp in good condition and would feature 800 single rooms, each with their own bathroom and shower. The proposal also clarified that Baffinland would be occupying a maximum of 75 percent (600 beds) of the available beds (800) in the new accommodation facility based on the Mine Site water withdrawal limits stipulated in the Type "A" Water Licence (2AM-MRY1325) following the camp's construction and commissioning. Further, Baffinland indicated that the expected bed space at the Mine Site provided in the Early Revenue Phase Addendum to the Final Environmental Impact Statement for the Mary River Project anticipated to have up to 1200 workers on site, thus the proposed increase from the current 330 beds to 810 beds with the new camp facility falls within the previously reviewed scope of the approved project. Finally, the anticipated domestic water use at the Mine Site would remain significantly below the permitted 203.8 cubic metres per day limit following the construction and operation of the new camp facility and as a result changes to the Type "A" Water Licence Terms and Conditions would not be required for this proposed upgrade. In addition, Baffinland has also indicated the following additional project components/activities:

- Construction and assembly of a new permanent 800 person three-story camp facility with its associated infrastructure, including a dedicated potable water treatment plant, sewage treatment plant, parking areas and refrigerated food storage (seacans);
- Sourcing rock fill materials (bulk fill and crusher produced aggregates) required for the new accommodation camp pad from the existing Mine Site QMR2 Quarry;
- Construction of foundation pad for the new camp facility and an entrance from the existing Tote Road (approximately kilometer 102.5), including: re-routing the existing utilities, a power cable, and a raw water line;
- Transportation of all components of the new camp facility from Milne Port to the Mary River Site via the existing Tote Road;
- Maintenance of existing drainage ditch system during construction and quarry development of QMR2 Quarry;
- Transportation of treated sewage from the new camp facility to the existing sewage outflow by vacuum truck; and
- Decommissioning and reclamation of the existing softwall Weatherhaven camp.

Baffinland noted that the proposed new camp facility would be constructed within the Project Development Area, as consistent with approved activities related to the Mary River Project Certificate (No.005) issued on May 28, 2014.

NIRB ASSESSMENT AND DECISION

The NIRB is of the view that the proposed upgrades to the Mary River Project – Mine Site Accommodations Upgrade, for the Mary River site camp, under the Type "A" Water Licence for the Project as described in the materials provided to the NIRB do not appear to be in conflict with the existing terms and conditions of the amended Project Certificate No. 005 as issued by the NIRB, nor do they appear to be beyond the scope of the project as assessed and approved by the NIRB. In reaching this decision, the NIRB reminds the Proponent that strict adherence to the

terms and conditions of Project Certificate No. 005 (17, 22, 24, 25, 26, 28, 29, 30, 46, 61, 64, 69 and 70) continues to be required for this specific modification request of the Mary River Project. Should you have any questions or require clarification related to the NIRB's monitoring program for the Mary River Project, please contact Solomon Amuno, Technical Advisor II and Monitoring Officer, at (867) 983-4603 or samuno@nirb.ca.

Sincerely,



Tara Arko Director, Technical Services Nunavut Impact Review Board

cc: Wayne McPhee, Baffinland Iron Mine Corporation Adam Grzegorczyk, Baffinland Iron Mine Corporation David Hohnstein, Nunavut Water Board Sean Joseph, Nunavut Water Board Karén Kharatyan, Nunavut Water Board Mary River Distribution List

Enclosures (1): Mary River Project – Mine Site Accommodations Camp Upgrade Request for Project Certificate Review (*August 24, 2017*)