



NEWS RELEASE

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Nunavut Impact Review Board Issues Reconsideration Report and Recommendations for Baffinland Iron Mines Corporation's "Production Increase Proposal" for the Mary River Project

CAMBRIDGE BAY, NU – August 31, 2018 – This Reconsideration Report and Recommendations has been issued by the Nunavut Impact Review Board (NIRB or Board) to present the findings of the Board's assessment of Baffinland Iron Mines Corporation (Baffinland or Proponent) "Production Increase, Fuel Storage and Milne Port Accommodations Modification Proposal" (Production Increase Proposal) a proposed modification to the approved Mary River Iron Mine located in the Qikiqtani Region of Nunavut and governed by NIRB Project Certificate No.: 005 (as amended).

The Production Increase Proposal proposed three primary modifications to the approved Mary River Iron Mine Project:

- The installation of a new 380-person accommodations camp at Milne Port.
- The addition of a 15 million litre (ML) diesel fuel tank at Milne Port; and
- An increase in the volume of ore from the current limit of 4.2 million tonnes of ore per annum (Mt/a) to 6 Mt/a that would be transported by truck on the Milne Inlet Tote Road from the Mary River Mine site to Milne Port and subsequently shipped out of Milne Port during the open water season.

Baffinland also requested that NIRB reconsider and amend Conditions 179(a) and 179(b) of Project Certificate No. 005 which limit the total volume of ore that can be transported by truck on the Tote Road and shipped via Milne Port in each calendar year.

During the reconsideration process, on July 12, 2018 the Board's staff facilitated a Community Information Session in the community most directly affected by the proposal, Pond Inlet, and the comments, questions and concerns expressed during that session were conveyed, in summary form, to the Board for their consideration. Reflecting the scale and scope of the Production Increase Proposal and the feedback received from interested parties, the Board determined that it was not necessary to conduct a Public Hearing to support its decision-making for this assessment.

As outlined in greater detail within this Reconsideration Report, the NIRB's assessment of the potential ecosystemic and socio-economic effects of the Production Increase Proposal was informed by the Board's review of:

- The Production Increase Proposal, Final Environmental Impact Statement Addendum (FEIS Addendum) and responses to comments filed by Baffinland;
- Comments supplied by Intervenor and community members throughout the Board's consideration of the Production Increase Proposal, including within the final written submissions from parties provided in July;
- Public concerns raised during the NIRB's Community Information Session in Pond Inlet in July; and
- The results from the NIRB's monitoring of the Mary River Project (2013-2018).

The Board has concluded that the following two activities, included within the Production Increase Proposal, can be approved to proceed to the permitting stage:

- The addition of a 15 ML diesel fuel tank to the existing Fuel Storage Facility at Milne Port; and
- The installation of a new 380-person accommodations camp at Milne Port.

The Board has also concluded that there are no changes to the existing Terms and Conditions of Project Certificate No. 005 and/or changes to the existing Monitoring Program necessary for these activities to proceed in a manner that is consistent with the objectives set out in Article 12, Section 12.2.5 of the *Nunavut Agreement*.

With respect to the aspect of the Production Increase Proposal that, if approved, would allow for an increase from the existing limit of 4.2 Million tonnes per year (Mt/a) to 6 Mt/a in the amount of ore hauled via the Tote Road and shipped from Milne Port, the NIRB has concluded that this increased activity should not be approved to proceed to the permitting stage at this time. The Board's determination recognizes the comments of Intervenor, community members and the results of the NIRB's monitoring of the Mary River Project under Project Certificate No. 005, all identifying concerns about the adequacy of impact predictions and uncertainty about the effectiveness of the mitigation measures proposed by Baffinland to address the potential for adverse effects associated with the proposed increase in road traffic and marine vessel traffic. More specifically, the Board noted:

- Baffinland did not demonstrate that the potential impacts of increased shipping raised by Intervenor and community members, such as disturbance to marine mammals, birds and fish populations and adverse effects on harvesting in the areas adjacent to Pond Inlet would be effectively monitored, mitigated and managed; and
- Baffinland did not demonstrate how dust generated from the proposed increase in vehicular traffic along the Tote Road would be minimized to limit the potential for effects on the quality of adjacent freshwater/marine areas/sea ice and the terrestrial environment in general, how dispersal towards communities would be prevented, and what mitigation strategies would be employed if effects were observed to be greater than predicted.

Consequently, the Board concluded that the increased trucking and shipping aspects of the Production Increase Proposal should not be approved to proceed as these activities could result in adverse ecosystemic effects beyond what was previously considered by the NIRB during the

Board's Review of the original Mary River Project (2012) and the subsequent Early Revenue Phase Proposal (2014).

The Board notes that further assessment of another proposal to increase the amount of iron ore extracted, hauled and shipped via Milne Inlet under a modification request known as the "Phase 2 Development" Project Proposal is currently underway, and the FEIS Addendum for that proposal was received by the NIRB on August 23, 2018. As noted in the cover letter to the relevant Minister(s) accompanying this Reconsideration Report and Recommendation, the Board's conclusions in respect of the Production Increase Proposal in no way predetermines or otherwise limits the outcome of the Board's future assessment and decision-making associated with the Phase 2 Development Project Proposal, which will be considered subsequently.

In closing, the Board would like to thank all parties for conducting their consideration of the Production Increase Proposal on an expedited basis in an effort to preserve timelines identified as critical to Baffinland and reflecting construction and seasonal shipping constraints. In particular, the Board thanks the community of Pond Inlet, the Qikiqtani Inuit Association and Baffinland for providing support to the Board during the successful conduct of the Community Information Session on July 12, 2018.

The Reconsideration Report, which includes an executive summary, is available from the NIRB's online public registry at www.nirb.ca/project/123910.

Sincerely,



Elizabeth Copland
Chairperson
Nunavut Impact Review Board

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