



NIRB File No.: 08MN053

December 16, 2019

Mary River Distribution List

Sent via email

Re: Anticipated Process and Associated Timelines for the Co-ordination of the Nunavut Impact Review Board's Assessment of the Phase 2 Development Proposal and Consideration of the 6 Mt/a Extension Request provided by Baffinland Iron Mines Corporation

Dear Parties:

Today under separate cover, the Nunavut Impact Review Board (NIRB or Board) issued its "Record of Proceedings and Disposition of Motions Report" (the Report) associated with the Board's ongoing assessment of Baffinland Iron Mines Corp.'s (Baffinland or Proponent) "Phase 2 Development Proposal", a proposed amendment to the approved Mary River Project (NIRB File No. 08MN053).¹ The Report outlines the next steps, including prescribing some specific timelines associated with the Board's continued assessment of the Phase 2 Development Proposal.

Prior to the issuance of the Report, on December 9, 2019 the NIRB acknowledged receipt of correspondence from Baffinland requesting the Board to consider further modifying terms and conditions 179 (a) and 179 (b) of the Mary River Project Certificate No. 005.² Baffinland explained that its requested modifications are intended to extend the continuation of a 6 Million tonnes per year (Mt/a) production rate for the approved Mary River Iron Mine until December 31, 2020, while the Board's assessment of the Phase 2 Development Proposal remains ongoing (the 6 Mt/a Extension Request).

The objective of this correspondence is to outline the next steps in the assessment of the Phase 2 Development Proposal, highlighting the coordination of this on-going assessment with the Board's consideration of Baffinland's 6 Mt/a Extension Request. This correspondence also provides direction to Baffinland regarding the initial information required to support these assessments.

¹ Public Registry ID: 327790

² Public Registry ID: 327657

Prior to formally adjourning the Public Hearing proceedings on November 6, 2019 the Board received an oral motion by Nunavut Tunngavik Incorporated to suspend the Hearing of the Phase 2 Development Proposal for a period of 9-12 months. In response, the Board suspended the Hearing and cancelled the Community Roundtable session of the Hearings scheduled for November 8 and 9, 2019. The Board also requested parties to provide their views with respect to the required length of the adjournment of the proceedings. Intervenors were asked to provide a written response to the motion for adjournment put forward by Nunavut Tunngavik Incorporated on or before November 15, 2019, with Baffinland asked to provide its response by November 22, 2019 (later extended to November 29, 2019 to allow Baffinland to conduct additional engagement with community representatives).

Responses were received from registered intervenors and from the Proponent as follows:

- Nunavut Tunngavik Incorporated (NTI), Public Registry ID: 327470;
- Qikiqtani Inuit Association (QIA), Public Registry ID: 327476;
- Hamlet of Pond Inlet, Public Registry ID: 327449 to 327452;
- Mittimatalik Hunters and Trappers Organization (MHTO), Public Registry ID: 327448;
- Igloodik Working Group, Public Registry ID: 327466;
- Government of Nunavut (GN), Public Registry ID: 327469;
- Government of Canada (GoC), Public Registry ID: 327475;
- Oceans North (ON), Public Registry ID: 327490;
- World Wildlife Fund (WWF), Public Registry ID: 327463;
- Nunavut Independent Television Network (NITV), Public Registry ID: 327467; and,
- Baffinland Iron Mines Corp. (Baffinland), Public Registry ID: 327616.

All the submissions listed above can be accessed directly from the NIRB's online public registry at www.nirb.ca/project/123910.

Having carefully considered the submissions of all parties and the Proponent, as well as the final written submissions and transcripts from the Public Hearing, as indicated in the Board's Report the NIRB decided that additional process steps, including additional Technical Meetings (TM) and a Pre-Hearing Conference (PHC) will be necessary to address outstanding concerns. Shortly after the TM/PHC, the Board will issue further procedural guidance addressing items such as the form, venue and timing of the continuation of the Public Hearing associated with the assessment of the Phase 2 Development Proposal. Table 1 in the Executive Summary of the Report provides an outline of the next steps in the Board's assessment of the Phase 2 Development Proposal.

As an initial step in the Board's continued assessment, Baffinland will be required to provide the NIRB with the following information to support the assessment of the Proposal on or before **January 6, 2020**:

- updated project scope for the Phase 2 Development to clarify components of the proposal where details may be changing as a result of engagement with the communities or agencies, and items where parties indicated a lack of clarity of through the Public Hearing:
 - the extent of activities associated with operational flexibility (specifically, but not limited to, ship transits and ore handling);

- preferred options (such as railway alignment, wildlife mitigation and/or human crossing structures, options for anchorage locations, and any other areas of community concern. etc.).
- additional supplemental materials including list of commitments and deferred responses as outlined in the Board's Record of Proceedings and Disposition of Motions Report.

CONSIDERATION OF 6 MT/A EXTENSION REQUEST

In its request to the Board, Baffinland outlined its justification for seeking the extension was that the Minister's previous decision had specifically justified the timeline associated with the approval of the Production Increase proposal to December 31, 2019 was to allow for sufficient time for the Phase 2 Development assessment process to be completed. The Board notes that a number of parties have expressed their support for the 6 MT/a production rate to continue as proposed in Baffinland's 6 Mt/a Extension Request, some providing specific qualifications when doing so. Having considered Baffinland's request and Intervenor's perspectives on the application, the Board finds it reasonable to reconsider terms and conditions 179(a) and 179(b).

As an initial step, Baffinland will be required to provide the NIRB with information in addition to the information provided in its initial letter requesting the amendment, on or before **January 6, 2020**:

- confirmation whether or not the criteria associated with the generally referenced "Project Stabilization" approach would continue to apply to ongoing Production Increase activities, and that the QIA remains committed to tracking this approach and the associated community concerns that generated this agreement.

Following the NIRB's receipt of the requested information, on or before **January 10, 2020** the Board will issue an invitation for parties to provide their comments regarding the modification request. Baffinland will be granted an opportunity to respond to comments received prior to the NIRB making its determination and publicly issuing a Report of Reconsideration and any associated recommendations to the Responsible Ministers, as applicable.

SUMMARY OF NEXT STEPS

In establishing the schedule for the continuation of the assessment of the Phase 2 Development Proposal and the consideration of the 6 the NIRB has endeavoured to be as specific as possible. However, recognizing that scheduling of the continuation of the Hearings associated with the Phase 2 Development Proposal is dependent upon the outcome of the additional Technical Meetings and Pre-Hearing Conference, approximate timing only can be provided at this time. At time of writing the availability of sufficient hotel beds and meeting venues necessary to facilitate technical meetings and pre-hearing conference is also being actively investigated by NIRB staff, and confirmation of timing and venue will be provided as soon as logistics are confirmed. It should be recognized that the timeline below is aspirational, as target dates may not be achievable owing to limited availability of hotel or meeting spaces, availability of required participants, or other factors.

Timing	Process Description
December 16, 2019	NIRB issues the Record of Proceedings and Disposition of Motions Report providing direction on immediate next steps.
December 2019/ January 2020	NIRB receives report/other documentation from five communities participating in the meetings amongst the communities identified by the Igloolik Working Group during the Hearing.
December 2019/ January 2020	CIRNAC works with Intervenors to update participant funding agreements and provide additional funding as required.
January 6, 2020	Baffinland provides updated project scope for the Phase 2 Development Proposal with clarification on operational flexibility, preferred options (such as railway alignment, wildlife mitigation and/or human crossing structures, etc.). Baffinland also provides additional supplemental materials, including list of commitments, and deferred responses.
January 6, 2020	Baffinland provides additional information to support the Board's consideration and parties' review of the 6 Mt/a Extension Request
January 10, 2020	NIRB invites parties to provide comments on the 6 Mt/a Extension Request
February 3, 2020	Parties provide feedback to the NIRB on Baffinland's 6 Mt/a Extension Request
February 13, 2020	Baffinland responds to comments from parties on 6 Mt/a Extension Request
February 28, 2020	NIRB issues a Report of Reconsideration associated with Baffinland's 6 Mt/a Extension Request

Should you have any questions or require clarification regarding the processes and matters discussed above, please contact the NIRB's Director of Technical Services, Tara Arko at (867) 983-4611 or tarko@nirb.ca.

Sincerely,



Kaviq Kaluraq
Acting Chairperson
Nunavut Impact Review Board

cc: Megan Lord-Hoyle, Baffinland Iron Mines Corporation
Lou Kamermans, Baffinland Iron Mines Corporation