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**Qikiqtani Inuit Association**

September 16th, 2014

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Pond Inlet

Qikiqtarjuaq

**Resolute Bay**

Sanikiluaq

Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut X0B 1J0

Dear Nunavut Water Board,

**RE: APPLICATION FOR RENEWAL AND AMENDMENT TO TYPE A WATER LICENCE  
2AM-MRY1325**

As requested<sup>1</sup> by the Nunavut Water Board (NWB), the Qikiqtani Inuit Association (QIA) provides this letter that outlines its recommendations regarding Baffinland Iron Mines Corporation's (BIMC) application<sup>2</sup> for amendment to the Type A Water Licence 2AM-MRY1325. BIMC's proposed activities associated with this amendment application primarily occur on Inuit Owned Lands (IOL) that are administered through a Commercial Production Lease (No: Q13C301) between BIMC and QIA. The QIA provides the following initial completeness and initial technical assessment with regards to BIMC's submittal to the NWB.

1. Block 10 of the Water Licence application proposes the operation of a desalination plant with discharge outfall to the ocean. QIA requests BIMC to provide:
  - a. The location(s) within the Final Environmental Impact Statement where this activity assessed the potential impacts on the receiving environment.
  - b. Specifics on the estimated volumes of water discharged to ocean and the quality of the discharge waste.
  - c. Additional details regarding the proposed monitoring of this activity.
2. Select Early Revenue Phase (ERP) activities will require water/waste containment, waste discharge and water withdrawal. Examples include, but are not limited to: construction of sewage outfall to Milne, water withdrawal along the Tote Road, and run-off waters collected in sumps from the Milne ore stockpile. QIA requests BIMC

<sup>1</sup> NWB August 29, 2014 Public Notice titled “Licence 2AM-MRY1325, Type “A”; Amendment (No. 1) Application by Baffinland Iron Mines Corporation (BIMC) for the Mary River Project”.

<sup>2</sup> BIMC July 16, 2014 Type A Water Licence application titled “Application for Amendment to the Type “A” Water Licence 2AM-MRY1325”.



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**Qikiqtani Inuit Association**

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provide a proposed Surveillance Network Program (location of sampling, frequency of sampling, and parameters to analyze) for review and further comment.

3. The locations and quantities of water withdrawal locations along the Tote Road were presented in Attachment 2 of the Water Licence application. The QIA requests the location(s) within the Final Environmental Impact Statement where this activity assessed the potential impacts on the receiving environment.
4. Block 19 of the Water Licence application notes that the proposed amendment will not substantially affect the quality, quantity or flow of waters flowing through IOL. QIA will provide an update to the NWB on this subject at a later date and after an assessment of the forthcoming information associated with Water Licence amendment.
5. Block 21 of the Water Licence application notes that the proposed activities will result in a change to the financial security for the project. As discussed between NWB, QIA and BIMC as part of the Annual Security Review for the Type A Water Licence 2AM-MRY1325, there is disagreement between the QIA and BIMC in the unit costs for reclamation and indirect costs associated with estimating financial security. QIA has also informed the NWB that they disagree with BIMC's security amount for the Type B Water Licence 8BC-MRY1314<sup>3</sup>, which is proposed to be incorporated into 2AM-MRY1325. QIA and BIMC have been engaged throughout 2014 to revise the financial security estimate for activities on IOLs with the goal to have a global security estimate for activities presently scoped within 2AM-MRY1325, 8BC-MRY1314, as well as, the Early Revenue Phase activities. QIA recommends that the amount of financial security for the proposed activities within the amended Water Licence application be subject to adjustment based on the results of the Annual Security Review.
6. QIA recommends that any financial security posted for amended Water Licence consider land ownership where the liability occurs. For liabilities that occur on IOLs, QIA requires security to be posted in accordance with the Commercial Production Lease.
7. Block 25 of the Water Licence application has requested a 25 year licence term. It is QIA recommendation that the expiry of 2AM-MRY1325 shall not change and therefore remain at June 10, 2025. The NWB's reasons for decision<sup>4</sup> speak to the rational for a 12 year term being issued with the original Water Licence application

<sup>3</sup> Qikiqtani Inuit Association June 20, 2014 letter to the Nunavut Water Board titled “Application for Renewal and Amendment to Type B Water Licence 8BC-MRY1314”.

<sup>4</sup> Nunavut Water Board Water Licence No: 2AM-MRY1325 Reasons for Decision Including Record of Proceedings. June 13, 2013.



(licence issuance June 10, 2013). It is QIA opinion that the factors outlined by the NWB that rendered a 12 year licence remain valid.

8. Block 26 of the Water Licence application notes there will be no change to the content of the annual reports or the annual report template. The QIA does not agree with this position. The proposed activities will result in, but not be limited to, additional SNP, water withdrawal, and waste disposal, and ore shipping information from Milne that is recommended to be captured in the annual reporting. Additionally, it is recommended that the various management and monitoring plans for the project be updated, where applicable, to account for the proposed activities.

9. Attachment 4 of the Water Licence application referenced the Interim Closure and Reclamation Plan for the Mary River Project. QIA has previously informed<sup>5</sup> BIMC and the NWB of Section 12.1 of the Commercial Production Lease that requires QIA approval of the Closure and Reclamation Plan prior to submission to the NWB. QIA is aware that the NWB has sought review comments from Interested Parties on BIMC's updated Interim Closure and Reclamation Plan. QIA's comments on the topic of closure and reclamation will be captured under correspondence specific to this topic and not addressed herein.

Hall Beach

With regards to the type of technical meeting / pre-hearing conference to be held, the QIA recommend both written and teleconference modes of delivery. QIA does not believe a formal in-person hearing is required for this amendment application. The technical meeting could take the form of written information request from interested parties with a response by BIMC. The information requests and responses could then be discussed during a technical meeting, preferably by teleconference. QIA also suggests that a pre-hearing conference could be completed by teleconference. In the event the NWB feels it is important to hold either technical meetings or the pre-hearing conference in-person, QIA requests that teleconference still be made available as part of meeting agenda design and process. Furthermore, it is strongly recommended that the NWB determine if community groups, such as HTOs, plan to attend technical meetings, pre-hearing conference and hearings. In the event such groups plan on participating the NWB should arrange for translation services. QIA believes the aforementioned recommendations align with operating procedures of the NWB as described within *Rules of Practice and Procedure for Public Hearing (May 2005)*.

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<sup>5</sup> Qikiqtani Inuit Association July 29, 2014 letter to Baffinland Iron Mines Corporation (cc Nunavut Water Board) titled “Interim Abandonment and Reclamation Plan, Section 12.1, Commercial Production Lease (Q13C301)”.

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