



QIA RESPONSE TO WATER BOARD, PHASE II PROPOSAL

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Serving the
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Resolute Bay

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WL Application # 1	Requirements for a Total Financial/Reclamation Security Estimate
Directed to	NWB
Subject	Completeness of Water Licence
Reference	<ul style="list-style-type: none"> 180926-2AM-MRY1325-Applic-Part-1-Main-Report
Issue/Concern	<p>Given that the scope of Phase II Proposal is expected involve an amendment to the existing Type “A” Water Licence issued to the Mary River Project, an estimate of the total financial/reclamation security for the highest liability over the life of the undertaking should be provided in the application, as required in the NWB’s SIG.</p> <p>Considering the extensive nature of activities and undertakings associated with the Phase II proposal, it requested that details on the expected overall reclamation cost be provided so that parties can consider this information in the context of the current review process rather than outside of or separate from the current review process.</p>

WL Application #2	Abandonment and restoration plan
Directed to	NWB
Subject	Completeness of Water Licence
Reference	<ul style="list-style-type: none"> EIS, Section 4.1.6, page 4.7
Issue/Concern	<p>In accordance with relevant NWB guidelines, new/updated plans must be submitted for applications related to new activities/undertakings. Baffinland states that the current Interim Closure and Reclamation Plan (ICRP) includes all elements of the Phase II Proposal. However, information contained in the document suggests otherwise.</p> <p>The reference to Part J, item 2 in the application is erroneous, and misleading. The amendment in reference in Item 2 is the approved Amendment 1, not future applications for amendments. As per the NWB guidelines a new plan should be submitted with the application, specific for the new activities</p> <p>Baffinland should clarify the current Project scope in the approved ICRP and what components of the Phase II Proposal are in the current ICRP (if any).</p>



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	To ensure that reviewers are able to access and review the components of the ICRP including those relevant to the Phase II Proposal, an updated version of the ICRP should be provided for the current review process.
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WL Application #3	Engineered Drawings and design
Directed to	NWB
Subject	Completeness of Water Licence
Reference	<ul style="list-style-type: none"> • 180926-2AM-MRY1325-Applic-Part-1-Main-Report • 180926-2AM-MRY1325-Applic-Part-5
Issue/Concern	<p>Numerous engineering drawings and designs for water and waste management structures have been provided under the water licence application; however, these are incomplete or preliminary in form. The proponent, in recognizing this, stated that Issue-for-Construction (IFC) drawings/design for the most part will be provided for review following approval of the proposal. As detailed engineering designs and drawings for water and waste management facilities are critical from an environmental management and due diligence perspective, it is requested that copies of IFC drawings/designs for water and waste management facilities be provided in time for the current review process.</p> <p>Phase 2 has over 400 water crossings for the railway, and currently it is not understood how many of the current Tote Road crossings will also have to be modified as part of the Phase II proposal. These changes in addition to all other the engineered structures will make it potentially burdensome to all reviewers.</p> <p>The Proponent's history confirms that many of waste and water management facilities were not constructed according to initially proposed and approved designs. For example, the tote road was not built to the approved ERP design nor was the mine operated according to the approved mine plans from 2014.</p>



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Page 3



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WL Application #5	Commercial Production Lease, Water Compensation Agreement,
Directed to	NWB
Subject	Miscellaneous QIA-Related Instruments
Reference	<ul style="list-style-type: none"> 180926-2AM-MRY1325-Applic-Part-
Issue/Concern	<p>While the following items may not directly affect the Water Licence Application at this stage of the review process, they do need confirmation prior to the NWB's potential issuance of any amended water licence to the Phase II Proposal:</p> <p>QIA notes that the current Water Compensation Agreement (WCA) and the Commercial Production Lease (CPL) do not cover the activities and/or undertakings proposed under the Phase II Proposal. Consequently, the CPL and WCA will likely need to be amended/new ones will need to be developed and implemented.</p> <p>As of September 2018, Baffinland and QIA initiated and are currently working on a framework and an implementation guide for the Water Compensation Agreement (2013). Baffinland has not initiated any discussion with the QIA regarding changes to the Commercial Production Lease, the Water Compensation Agreement or the Inuit Impact Benefit Agreement (IIBA). Baffinland has indicated it believes an amendment to the Inuit Impact and Benefit Agreement is necessary.</p>

Note to NWB:

As part of QIA's review of the Type "A" Water Licence Application, QIOA also developed a "conformity check" of the application against the Supplemental Information Guidelines (SIG). While QIA appreciates the NWB's role in determining conformity of the application, should it be of benefit QIA can provide the results of its assessment to the NWB.