



Assol Kubeisinova
Technical Advisor
Nunavut Water Board

May 15, 2019

Re: Completeness of Application for Amendment to Water Licence No. 2AM-MRY1325; Baffinland Iron Mines Corporation

Dear Assol,

Baffinland would like to first thank those intervening parties that have submitted comments on the completeness of the Application for Amendment to Water Licence No. 2AM-MRY1325, including the Qikiqtani Inuit Association (QIA), Crown-Indigenous Relations and Northern Affairs (CIRNAC), and the Department of Fisheries and Oceans (DFO). This letter is being provided to address several of the comments provided by the interveners to aid in the Nunavut Water Board's (NWB) determination of next steps.

Application Completion

On the matter of Application completion, Baffinland would like to indicate that neither CIRNAC or DFO presented any opposition to moving into the technical review, although they did submit several information requests (IRs) which Baffinland will address in the near term. The QIA, however, presented several concerns regarding the completeness of the Application that Baffinland believes have already been addressed.

QIA's Completeness Concerns

1. *The updated management plans have been provided in a draft or "issued for review" state. These documents should be finalized prior to their submission for a licence application.*

The plans are draft for review and won't be considered final until approved by the NWB. Only then will they replace the current Board-approved operational plans.

2. *The reliance on linking documents between the NWB and Nunavut Impact Review Board (NIRB) processes, especially given that the NIRB process has not been completed. This creates unnecessary limits to review and participation by interested parties.*

This review began as a coordinated process, and though no longer in a coordinated process, several of the management plans are common to both processes (identified in the EIS Guidelines and in the Type A Water Licence).

3. *Absence of construction water quality and dustfall monitoring program associated with Tote Road upgrades in the application materials.*

This is presented in Section 5.1 of the Roads Management Plan, submitted to the NWB and NIRB on May 13, 2019.

4. *Absence of construction water quality and dustfall monitoring program associated with rail development in the application materials.*

This is presented in Section 10.2.3.1 of the Surface Water and Aquatic Ecosystem Management Plan, submitted to the NWB and NIRB on May 3, 2019.

5. *Absence of operations water quality and dustfall monitoring program for the Tote Road and Rail in the application materials.*

Operations water quality and dustfall monitoring program for the Tote Road is addressed in the Surface Water and Aquatic Ecosystem Management Plan, Section 10.2.2.3; There is no plan for operations water quality monitoring for the railway, as it shouldn't be required since the railway will be constructed with rockfill and crossings to a much longer return period.

6. *Absence of adaptive management principles applied within updated management plans in the application materials.*

Baffinland incorporated adaptive management in its plans as it seemed fit; the plans have been supplied in draft recognizing the intent of a technical review process is to critically review and potentially modify proposed plans

7. *Absence of Quarry Management Plans required for the work along the Transportation corridor in the application materials.*

The submitted Borrow Pit and Quarry Management Plan provides the generic mitigation and monitoring plans associated with quarries. Part D, Item 6 of the Licence provides the process by which Baffinland can submit and seek approval of individual quarry management plans as project planning and activities require this. The original and Amendment No. 1 water licence applications followed the same process and approach.

QIA's May 14, 2019 Preliminary IRs

1. *Other than changes to the Scope of the current Water Licence, what other changes in language or amendments are Baffinland seeking?*
 - i. *Can Baffinland provide draft language?*
 - ii. *Can Baffinland reference evidence in the application materials to support these changes?*
 - iii. *If supporting evidence has not been provided, when can intervenors expect its issuance?*

Baffinland could provide draft revisions to the actual Water Licence, though it is not a requirement to provide this with the Application. In addition to the licence scope changes identified in Table 1.1 of the

Application's main report, the report is laid out in accordance with the parts of the Licence so that new and changed project components are identified in relation to those parts. Section 1.3 of the Applications main report states the following:

"The Phase 2 Proposal will involve an increase in the intensity of use of approved activities and an expansion of existing infrastructure. There are no new types of activities associated with the Phase 2 Proposal; for example, the Phase 2 Proposal includes a new North Railway, but the existing licence contemplates the South Railway. With respect to mining, while the annual production rate will increase, there is no change to the mine plan; the same orebody will be mined at a different rate and schedule. As such, the current Licence already contains the mechanisms and provisions to regulate the Phase 2 Proposal, with only modest modifications to the Licence required."

Baffinland is proposing additions and updates to the Surveillance Network Program (SNP) monitoring stations identified in Section 6.

2. Is Baffinland requesting to amend any Water Licence criteria?

i. Can Baffinland clarify what the changes are?

ii. Can Baffinland reference evidence in the application materials to support these changes?

iii. If supporting evidence has not been provided, when can intervenors expect its issuance?

No change to water licence discharge limits in the current Licence has been requested.

3. If the application is deemed complete and the Technical Review period begins, when will the Management Plans be reviewed for approval?

i. If this approval process is after the issuance of an Amended Water Licence, will Baffinland be authorized to proceed with Phase 2 activities?

Presumably the management plans will be reviewed during the respective technical review periods, and the plans would be considered approved only with the issuance of an amended Project Certificate and amended Water Licence, as applicable. The NWB can confirm this.

4. How will the NWB manage and ensure procedural fairness and take into consideration NIRB direction from an amended Phase 2 Project Certificate under the current timelines⁴?

The NIRB is currently expected to release their Public Hearing Report on Phase 2 by November 5, 2019, which if positive would include an amended Project Certificate 005. This timing is well before the anticipated NWB Public Hearing in January 2020, and would provide ample opportunity to consider any direction provided.

QIA's November 23, 2018 IRs

All information requested by the QIA in their November 23, 2018 submission to the NWB in relation to the Application have been fulfilled, including the provision of:

- QIA WL 01 - Estimate of the total financial/reclamation security (*QIA WL 01*) – Attachment 29, Appendix I
- QIA WL 02 - Interim Closure and Reclamation Plan– Attachment 29
- QIA WL 03 - IFC drawings/designs for water and waste management facilities - Attachments 11 to 18
- QIA WL 04 - Updates to mitigation and monitoring plans– Attachments 14, 15 and 18
- QIA WL 05 – QIA acknowledged that the Water Compensation Agreement (WCA) and the Commercial Production Lease (CPL) do not directly affect the Water Licence Application at this stage of the review process

In summary, it is Baffinland's position that the updated Application submitted on May 3, 2019 satisfies all of the critical information required for the NWB to issue a Notice of Application.

Timing of Technical Meeting/Pre-Hearing Conference

In their correspondence, QIA cites several factors affecting their ability to complete a technical review in the prescribed period and provide two the following potential options to coordinate the NWB and NIRB processes, should the NWB deem the Application complete:

1. *One Technical Review period is granted and this Technical Review period ends after Baffinland provides all information it has committed or will commit to provide during the NIRB 2nd Technical Meeting to be held on June 17-19, 2019.*
2. *Two Technical Review periods are provided by the NWB. One that focuses on the current information, and a second Technical Review period to be granted after Baffinland provides all information it has committed or will commit to provide during the NIRB 2nd Technical Meeting to be held on June 17-19, 2019.*

Baffinland cannot advocate for any revised review process that would further delay the potential approval of the Phase 2 Proposal, or require additional resources within the currently proposed timeline (i.e. two technical reviews). For these reasons Baffinland can only conditionally support Option 1, which is a single technical review period, so long as the NWB can accommodate a subsequent review process that culminates in a Public Hearing by January 2020. For the NWB's consideration, Baffinland has prepared a modified version of the Anticipated Timeline for the NWB's Consideration of the Amendment Application. Should this proposal, or a close approximation, be acceptable to the NWB and intervening parties, Baffinland would be supportive as well.

Table 1: Modified Anticipated Timeline for the NWB's Consideration of the Amendment Application

Event	From	To
BIMC's submission of outstanding information to complete the Application	24-Jan-19	5-May-19
Comments from Interveners regarding completeness of Application	5-May-19	14-May-19
(If NWB determines that Amendment Application is complete) Notice of Amendment Application issued and 30-day Technical Review Period commences	May 2019	
Technical Review Period, culminating with Interveners filing written technical comments with the Board on October 15, 2019	May 2019	15-Oct-19
Notice of form, timing and venue for Pre- Hearing Conference issued by the NWB	4-Oct-19	

BIMC responds to Interveners	15-Oct-19	25-Oct-19
Interveners review BIMC's response. All parties prepare for the Technical Meeting, culminating in all parties filing TM presentation materials on or before Nov 5, 2019.	25-Oct-19	5-Nov-19
Nunavut Impact Review Board issues final report and recommendations to the Minister of Intergovernmental and Northern Affairs and Internal Trade		5-Nov-19
NWB Technical Meeting & PHC (note: format, venue and timing of the Technical Meeting to be confirmed by the NWB at the close of the Technical Review Period)	12-Nov-19	14-Nov-19
NWB Prepares Pre-Hearing Conference Decision and Issues PHC Decision Report	14-Nov-19	22-Nov-19
(If applicable) NWB Publishes 60-day Notice of Public Hearing	22-Nov-19	
BIMC responds to commitments made during the course of the Technical Meeting & PHC	22-Nov-19	22-Dec-19
NWB Public Hearing in Pond Inlet	22-Jan-20	23-Jan-20

Baffinland appreciates the continued dedication to this file by the NWB and intervening parties and looks forward to the next steps in the review process.

Best Regards,



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Cc: Stephanie Autut, NWB
Karen Kharatyan, NWB
Solomon Amuno, NIRB
Jared Ottenhof, QIA
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