

January 15, 2013

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Sent via email: licensing@nunavutwaterboard.org

Re: Technical Meeting and Pre-Hearing Conference Scheduled for Baffinland Iron Mines Corporation's Mary River Project, Type A Water Licence Application

In response to your December 14, 2012 correspondence regarding the Technical Meeting and Pre-Hearing conference (TM-PHC) for the Mary River Project Type "A" water licence application, Natural Resources Canada (NRCan) will not be participating at the meetings scheduled for January 16 and 17 in Pond Inlet, Nunavut. However, for Nunavut Water Board's (NWB) information, we have summarized our involvement in the NWB's review process below.

Technical Comments

On April 2, 2012, NRCan identified two information requests that relate to the Type A Water Licence application that are related to the geochemical characterization program for waste rock. NRCan and the Baffinland Iron Mines Corporation (BIMC) met on May 15 2012 to discuss these information requests, and other technical issues related to geochemical characterization of the waste rock¹. During that meeting, NRCan's technical reviewers stated that they were satisfied with BIMC's responses.

In BIMC's October 12 response to Technical Review Comments on the Type A Licence application, it noted in response to NRCan's issues that geochemical studies are ongoing, and that an update of the waste rock characterization program will be provided when available. NRCan remains satisfied with the approach to addressing the issues raised.

We also note that Aboriginal Affairs and Northern Development Canada (AANDC), among its comments to the Board on December 11, 2012, recommended that water licence management plans, such as the Waste Rock Management Plan, be circulated for

¹ May 15, 2012 – Meeting with NRCan – Discussion on ARD/ML. weblink: ftp://ftp.nirb.ca/02-REVIEWS/08-FINAL%20EIS/04-INFO%20EXCHANGES/120523-08MN053-NRCan%20Meeting%20Minutes-IA2E.pdf

comments to interested parties prior to their approval. In some instances, AANDC further recommended that these plans be submitted earlier (e.g., 90 days prior to activity commencing, instead of 60 days prior to the activity commencing). NRCan could conduct a technical review of this plan, should the NWB or other regulators request it, and would agree that commencing this review as early as practical would be preferable.

Regulatory Comments

As the NWB is aware, NRCan regulates the manufacture and storage of explosives under the *Explosives Act*. BIMC's October 31 letter to the NWB references an "Explosives Management Plan" in Appendix B. Specifically, note 3 states that the licensee shall obtain the required authorizations for handling, use and storage of explosive at the Project sites, and that the "Explosive Management Plan" will be submitted for review by NRCan. There is no other reference to an "Explosives Management Plan" in Appendix B, although there is a reference to a "Blasting Management Plan".

For clarity, NRCan does not regulate the use of explosives at a mine site under the *Explosives Act* and NRCan would not review management plans related to explosives use. The regulation of explosives use falls within the jurisdiction of the Government of Nunavut.

If you have any questions concerning our comments, or if I may be of further assistance, please call me at (613) 943-0773.

Sincerely,

Original signed by

John Clarke
Director
Environmental Assessment Division
Science and Policy Integration
Natural Resources Canada

cc: Rob Johnstone, Minerals and Metals Sector, NRCan