



Water Resources Division
Nunavut Regional Office
P.O. Box 100
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January 12, 2015

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Your file - Votre référence
2AM-MRY1325
Our file - Notre référence
CIDM# 882414

**Re: 2AM-MRY1325 – Mary River Project – Baffinland Iron Mines Corporation –
Amendment Application – Additional Information**

Dear Ms. Beaulieu:

Aboriginal Affairs and Northern Development Canada (AANDC) conducted a technical review of the above-referenced application and submitted technical review findings on August 14, 2014. In their December 19, 2014 letter, the Nunavut Water Board (Board or NWB) encouraged parties to submit additional information by January 12, 2015.

Baffinland Iron Mines Corporation (Baffinland or BIMC) provided responses to interveners' comments on December 12, 2014. Baffinland requested clarification regarding some of our comments on proposed changes to the water licence (Appendix 2, AANDC Technical Review, August 14, 2014). Clarification is provided in the attached table (the table is not a complete list and only includes those comments where clarification was requested).

If there are any questions or concerns, please contact me at (867) 975-4738 or by e-mail at Jean.Allen@aandc-aadnc.gc.ca.

Sincerely,

Jean Allen, B. Sc.
Water Management Specialist

Enclosure



cc. Karen Costello, Director, Resource Management, AANDC
Andrea Morgan, A/Manager, Water Resources, AANDC
Erik Allain, Manager, Field Operations, AANDC

Table 1: Clarification for Baffinland Regarding Proposed Updates to Terms and Conditions (T&C) of Water Licence 2AM-MRY1325

T&C	Existing T&C	Suggested update to T&C	AANDC Comment	BIMC Comment	AANDC Response
Part E, Item 5; Schedule A	The Licensee may recycle water and use reclaimed water from the various Treatment Facilities, surface water management ponds and embankment dams and approved discharge locations under the licence if such waters meet appropriate discharge criteria for those facilities.	The Licensee may recycle water and use reclaimed water from the various Treatment Facilities, surface water management ponds and embankment dams and approved discharge locations under the licence if such waters meet appropriate discharge criteria for those facilities and is of appropriate quality for the intended recycled use.	A definition for “Recycled Water” and/or “Reclaimed Water” is recommended in the amended water licence.	Baffinland would like to seek clarification as to why this is required.	A definition is required in the licence to ensure that the interpretation of this term and condition is consistent between the Licensee, the NWB, and Inspectors.
Part J, Item 13	The Licensee shall notify the Board in writing, at least sixty (60) days prior to entering into a Care and Maintenance Phase.	The Licensee shall notify the Board in writing, at least sixty (60) days prior to entering into a Care and Maintenance Phase. This notice shall include revised management plans, an updated reclamation cost estimate, and a schedule for anticipated activities.	Part J, Item 13 requires 60 day notification prior to entering into Care and Maintenance but it does not indicate what the notification should include.	Part J, items 14 requires the Proponent to submit a Care and maintenance Plan for approval by the NWB. Baffinland would like to seek clarification on the concern that AANDC has with this existing condition.	AANDC’s concern is that the term and condition does not specify what the notification to the Board shall include. In other water licences, the notice shall include revised management plans or summaries, an updated reclamation cost estimate, a schedule for anticipated activities, etc. AANDC is requesting a similar term and condition to further specify the requirements of this notification.
Part J, Item 14	Within thirty (30) days of the Licensee providing the Board with notification of the Licensee’s intention to enter into Care and Maintenance, the Licensee shall provide the Board with a Care and Maintenance Plan that details the Licensee’s plans for maintaining compliance with the Terms and Conditions of the Licence.		Part J, Item 14 requires the Licensee to submit a Care and Maintenance Plan. AANDC requests that interested parties are provided an opportunity to comment on the Care and Maintenance Plan prior to approval. It is also recommended that the Care and Maintenance Plan be consistent with the <i>Mine Site Reclamation Guidelines for the Northwest Territories</i> (INAC, 2007) as may be amended from time to time.	Baffinland notes that all information transmitted to the Board is posted on the NWB’s public website. It is also Baffinland’s understanding that interested parties (including AANDC) can comment on this information at any time. Furthermore, as a “land owner”, AANDC and QIA hold the security deposit for closure and reclamation activities. The current Interim Mine Closure and Reclamation Plan for the Project prepared in accordance with Mine Site Reclamation Guidelines for the Northwest Territories (2013), the Qikiqtani Inuit Association (QIA)	AANDC is simply requesting for an opportunity to comment on the plan prior to its approval so that we can ensure that the plan is consistent with AANDC policy and guidelines. In some cases, plans are uploaded onto the ftp site for information only and in most cases comments from interested parties are requested prior to approval, but this is not always the case.

				Abandonment and Reclamation Policy for Inuit Owned Lands (Version 3.0, 2013) and other relevant guidelines, contains a section that deals with temporary and long term care and maintenance. Baffinland does not understand the concern of AANDC on this point.	
Schedule C	Timing, Evidence and Process for the ASR		The existing ASR process does not allow time for parties to review the Licensee's ASR submission prior to filing with the Board information that supports an increase, maintenance, or reduction to the total financial security and as a result, AANDC has requested for two consecutive years, that the Board modify the ASR process. AANDC recommends that this section (Items 1-5) in Schedule C be reviewed and modified by the Board to allow interested parties to review the work plan and cost estimate prior to submitting comments and recommendations. A written submission, followed by a response by the Licensee is recommended prior to the ASR teleconference to increase the effectiveness and efficiency of the ASR.	Given that all parties participated in the development of the ASR process in 2013. Baffinland believes that more than 1 month should provide reviewers enough time for their review. With regards to a written response from the licensee, a discussion could be had to understand what AANDC has in mind for timelines. It should be noted that water the Commercial Lease between Baffinland and the Qikiqtani Inuit Association there are set timelines that need to be followed. IF there is a concern regarding the ASR process and groups feel there needs to be a change, it should involve all stakeholders. All are involved in the ASR process, so Baffinland suggests that a discussion be held there.	Please refer to AANDC's submission to the NWB on October 17, 2014 regarding suggested timelines for the ASR.