# NUNAVUT WATER BOARD PUBLIC HEARING

## NWB LICENCE NUMBER 2AM-MRY

## MARY RIVER PROJECT TYPE "A" WATER LICENCE APPLICATION

## BY BAFFINLAND IRON MINES CORPORATION

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HEARING HELD AT ATAKAALIK (POND INLET) COMMUNITY HALL

POND INLET, NUNAVUT

APRIL 23, 2013

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APPEARANCES:

NUNAVUT WATER BOARD PANEL (NWB):

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| Mr. T. Kabloona | Chair |
| Mr. D. Aglukark, Sr. | Member |
| Mr. R. Mrazek | Member |
| Mr. J. Pameolik | Observer |

NUNAVUT WATER BOARD STAFF:

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| Mr. D. Cote | Executive Director |
| Mr. D. Hohenstein | Director of Technical Services |
| Mr. B. Kogvik | Secretariat, Interpreter/Translator |
| Mr. S. Joseph | Technical Advisor |
| Ms. M. Porter | Licencing Administrative Assistant |
| Ms. T. Meadows | Legal Counsel |

NUNAVUT IMPACT REVIEW BOARD (NIRB):

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| Ms. A. Hanson | Director of Technical Services |
| Ms. J. Dhillon | Technical Advisor |

APPLICANT:

BAFFINLAND IRON MINES CORPORATION (BIMC)

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| Mr. E. Madsen | Vice President, Sustainability, Environment, Health and Safety |
| Mr. O. Curran | Director, Sustainable Development |
| Mr. J. Millard | Senior Environmental Superintendent |
| Mr. F. Beaulac | Senior Environmental Engineer |
| Mr. G. Missal | Vice President Corporate Affairs |
| Mr. B. Armstrong | Legal Counsel |

INTERVENERS:

NUNAVUT TUNNGAVIK INC. Irngaut (NTI)

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| Mr. A. Itorcheak | Policy Analyst |
| Mr. P. Irngaut | Wildlife Communications Advisor |

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA (AANDC)

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|---|---|
| Ms. K. Costello | Director of Resource Management |
| Mr. M. Ball | Manager of Water Resources |
| Mr. K. Landa | Legal Counsel |

QIKIQTANI INUIT ASSOCIATION (QIA)

Mr. S. Williamson Bathory

Mr. S. Awa

Mr. J. Van Gulck

ENVIRONMENT CANADA (EC)

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|---|---|
| Ms. A. Wilson | Environmental Protection Operations |
| Mr. M. Dahl | Environmental Protection Operations |

DEPARTMENT OF FISHERIES AND OCEANS CANADA (DFO)

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| Ms. G. Williston | Fisheries Protection Biologist |

NATURAL RESOURCES CANADA (NRCan)

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|---|---|
| Ms. K. Cavallaro | Senior Environmental Assessment Officer |
| Dr. J. Kwong | Senior Environmental Scientist |

GOVERNMENT OF NUNAVUT (GN)

| | |
|---|---|
| Ms. C. Kieu | Legal Counsel |
| Ms. N. Erkloo | Acting Director of Community Economic Development & Transportation |
| Mr. P. Suvega | Associate Deputy Minister of Economic Development & Transportation |

INTERPRETERS/TRANSLATORS (INUKTITUT LANGUAGE):

Mr. M. Arnakallak

Mr. B. Kogvik

Mr. J. Nutarak

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| Mr. N. Poitras | Sound Technician |
| Ms. K. Schumann, CSR(A) | Court Reporter |

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(PROCEEDINGS COMMENCED AT 9:15 AM)

THE CHAIR: Good morning. Mr. Mayor will give the welcoming remarks from Pond Inlet.

MAYOR'S WELCOME:

MR. KILLIKTEE: Good morning. Thank you.

First of all, I'd like to welcome the Nunavut Water Board committee. Welcome to the community; we're glad that you were able to make it to the community. I don't think I had introduced myself; I'm Jaykolasie Killiktee, the Mayor of Pond Inlet. Welcome. We were expecting you and waiting for you. We had asked this early spring that the -- if the Nunavut Water Board could hold another hearing, and you're in the community, and we're very glad for that. Can you guys hear me okay? And we had been expecting your arrival. Welcome to the community.

Pond Inlet is very scenic, and you don't want to just have meetings with the weather outside. It's very nice for hunting, fishing, or to go look for seals. Welcome all, and all of you welcome, especially Baffinland; we're glad that they do come to the community, and they do explain what is happening as their project progresses.

Welcome all, and the invited guests from Arctic Bay, Clyde River, Igloolik, and Hall Beach, and other communities. We welcome all of you, and we'd like you

to feel welcome in the community. And my fellow Pond Inlet community members, welcome all. I am glad that you were able to be here, and we do want more people from the community during this hearing from the Water Board.

We Pond Inlet people have been greatly affected by Baffinland, and for that reason, we want the negotiations to go through safely, so that Baffinland, if it's up and running, will be able to operate safely.

And all invited delegates, welcome all. It takes a very long time to get up here by airplane, but we're glad that you were able to make it. Welcome all here at Pond Inlet, and I hope you'll have a safe stay here in the community. Welcome all. Thank you all. We invite everyone to feel welcome to the community along with our community members. Pond Inlet is welcoming and very scenic.

Thank you, Mr. Chair.

THE CHAIR: The audio equipment has not been working. Once we get it fixed, we'll go ahead. Perhaps we'll wait a few minutes for the audio equipment to start working, and then we can begin.

(ADJOURNMENT)

THE CHAIR: Sorry, we're experiencing technical difficulties.

(ADJOURNMENT)

OPENING REMARKS BY NWB BOARD CHAIR:

THE CHAIR: I believe we are ready to roll again.

Thank you, my name is Thomas Kabloona, and I am the Chair of the Nunavut Water Board (or as we are often referred to as the "Board" or "NWB"). I would like to welcome everyone to the Nunavut Water Board's public hearing regarding the Baffinland Iron Mines Corporation's Type "A" water licence application for the Mary River Project.

Before we get too far into the proceedings today, I have asked Olayuk Naqitarvik to do the opening prayer.

(OPENING PRAYER)

OPENING REMARKS BY NWB BOARD CHAIR:

THE CHAIR: Thank you, Olayuk.

Before I move on to an overview of this application and what to expect at this public hearing, there are some important housekeeping items for everyone here.

Firstly, there will be interpretation available throughout the hearing, and earpieces are available from the table at the back of the hall. Channel 1 is English, and Channel 2 is Inuktitut.

Secondly, the Board appreciates if everyone signs in on the sign-in sheet located at the table at the

back of the hall; this is an important record of the hearing, and we appreciate your help in making sure it is complete.

The washrooms are located just through the doors to my left, the exits are located in front and back of the hall, there will be coffee, tea, and snacks located at the tables at the back of the hall during breaks.

I would like to remind everyone to please turn off your cell phones before we begin. Thank you.

Now, to give you some background to this hearing, the Nunavut Water Board is an institution of public government created under Article 13 of the Nunavut Land Claims Agreement and is responsible for the use, management, and regulation of fresh water in the Nunavut Settlement Area.

The purpose of this public hearing is to review the Type "A" water licence application filed by Baffinland Iron Mines Corporation's (Application) for the Mary River Project in accordance with the Nunavut Land Claims Agreement and the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

Under Section 13.3.6 of the Nunavut Land Claims Agreement and Section 29 of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, the Board has delegated its power to dispose of all matters relating to this application, including the conduct of this

public hearing, to a panel of the Board.

I am the Chair of the Board and the Mary River Panel, and I would like to introduce my fellow Panel Members who are with me today and share in the responsibility to consider the evidence presented at this public hearing and make a decision regarding this water licence application.

To my left is David Aglukark, Senior, from Arviat, and to my right is Ross Mrazek from Edmonton. Also accompanying us today to learn about the Board's hearing process is one of our newest Board members, Joseph Pameolik, who is participating only as an observer. Joseph, are you there? Thank you.

In addition, the Board has with it several Staff members who have been involved in the technical review and administration of this licence application. When I say their name, I ask that Staff wave so that people can see them: Damien Cote, the Board's Executive Director; David Hohenstein, the Board's Director of Technical Services; Ben Kogvik, the Board's Secretariat and Interpreter/Translator; Sean Joseph, Technical Advisor; Megan Porter, Licencing Administrative Assistant; Teresa Meadows, with Miller Thomson, Legal Counsel to the Board.

In addition, we have the following additional interpreters available for simultaneous interpretation:

Ben Kogvik; number 2, Philip Paneak; number 3, Morgan Arnakallak.

To ensure an accurate record of the proceeding, we will be keeping a transcript of these proceedings, and to assist us with that, we have a court reporter, Karoline Schumann, present. To assist the court reporter, I ask that all parties please use a microphone, state their name before speaking, speak clearly, and speak slowly.

Assisting us with our sound system, interpretation, and recording, we have Norbert Poitras from Pido Productions. If you have trouble hearing through the headsets or speakers, please let Norbert know.

At the pre-hearing conference the NWB held in January, the Board's Staff were advised that Pond Inlet was the most appropriate place to hold this public hearing, but it was also identified that the communities of Hall Beach, Arctic Bay, Igloolik, and Clyde River may also be potentially affected by the activities and facilities included in this application. So to ensure that the Board considers the concerns, questions, and issues from these communities as well, the Board invited five members from each community, representing Elders, the local hunters and trappers organization, youth, women, and the hamlet attend this

hearing.

On behalf of the Board, I wish to extend our thanks to all the community representatives who have taken time out to join us here, as well as the residents of Pond Inlet. We look forward to hearing your perspectives and having the parties answer your questions. If you have questions for the NWB regarding your participation in the process, please speak to Ben Kogvik or Megan Porter.

Although the Nunavut Water Board has not received any requests from the media to attend this hearing, the Board advises everyone that the media may be in attendance at the hearing. The Board does ask that anyone from the media please identify themselves as members of the media to the Board Staff, sign in on the sign-in sheets, and wear your media identification throughout so that all participants know who you are. Any media attending this hearing are advised that they must take steps to avoid being a distraction or otherwise interfering with the hearing or with the participation of people at the hearing and that failing to abide by this rule may result in the Board asking you to leave.

Reminder to the audience: I also want to remind the media and everyone present at the hearing today that the Board members and Staff cannot and will not

take questions or provide comments to the media, the parties, or anyone else regarding the application before the Board until the Board makes its decision regarding the licence application and releases its written decision, record of proceedings, and, if the Board recommends that a licence be granted, a draft licence.

In the past, parties in other proceedings have approached the media prior to the release of the Board's decision report, making comments about what they believe the Board is going to do. Since the Board cannot comment on pending matters, either by confirming or denying the accuracy of the statement of others, the Board asks that, in the interests of fairness, all parties refrain from making these types of comments or implying a certain course of action by the Board.

If you have general questions about the Board and its practice or procedure, please speak to the Board's Executive Director, and he will assist you.

Before we introduce all of the other parties in attendance today, I will provide a brief overview of the application that is before the Board and provide a very quick review of the procedural history of the application that describes the steps that have taken place leading to this public hearing.

As I've said, the Board is here to consider an

application by Baffinland Iron Mines Corporation (BIMC) for a 25-year Type "A" water licence to use water and to deposit waste in support of the proposed Mary River Iron Mine Project. The Mary River mine will be located approximately 160 kilometres south of Pond Inlet on northern Baffin Island within the Qikiqtani Region of Nunavut.

As many of you who attended the Nunavut Impact Review Board's impact assessment final hearing for the project last July already know the Mary River Project involves the development of an open-pit iron mine and associated infrastructure to support the extraction of ore from the deposit identified as "Deposit No. 1". There are several other deposits near the mine site; however, these deposits are NOT being considered under the current water licence application.

Based on the rate of extraction proposed by BIMC at the Impact Review Board hearing (estimated to be 18 million tonnes each year), the operations phase of the project is expected to last approximately 21 years. Given the high quality of the ore, it does not need to be processed and is only crushed and screened before being shipped to markets in Europe. As a result, there will be no tailings produced by the mine, and the water licence application does NOT include a tailings storage pond or other tailings facility.

The total life of the project is estimated at 33 years, which can be broken down as follows: 4 years - construction phase; 21 years - operation phase; 3 years - closure phase; and 5 years - post-closure monitoring phase (could potentially be extended if remediation objectives are not met during this proposed time frame).

The Applicant, BIMC, has an existing Type "B" water licence 2BB-MRY1114 that authorized various activities and facilities associated with BIMC's advanced exploration and bulk sampling program. BIMC has proposed that several of these activities and facilities would be included under this Type "A" water licence application. In addition, the Type "A" water licence application will also include new facilities and activities associated with the major project components that were not previously authorized under the Type "B" licence, including a proposed 150-kilometre railway connecting the mine site to Steensby Port and upgrades to the existing Milne Tote Road.

At Milne Port site, BIMC is seeking authorization for activities and facilities under the water licence such as the following: Water supply from Philips Creek and 32km Lake; sewage treatment facilities for a camp; oily water treatment facility; landfarm facility and

waste transfer areas; incinerator; storage and management of hazardous materials; and fuel tank farm and fuel dispensing area.

At the mine site, the following activities and facilities are included under the application: Water supply from Camp Lake; sewage treatment facilities for three exploration, construction, and permanent mining camps; oily water treatment facilities; explosives storage and explosives manufacturing facilities; waste sorting facility, temporary storage facilities, and management of hazardous wastes; a fuel tank farm and fuel dispensing area; landfill and landfarm facilities; incinerator; and waste rock stockpile and waste rock disposal.

At Steensby Port site, the following activities and facilities are included in the application: Water supply from 3km and 10km Lakes; sewage treatment facilities for construction and permanent port camps (three camps); oily water treatment facilities; explosives storage and explosives manufacturing facilities; fuel tank farm and fuel dispensing areas; waste sorting facility and temporary storage facilities for hazardous wastes; landfill and landfarm facilities; incinerator; and ore stockpile runoff management.

The application also included the following activities and facilities associated with railway

construction: Water supply for each of four construction camps; sewage disposal via trucks/helicopters for each proposed camp; development of quarries; construction of two tunnels; construction of 31 bridges (including seven major bridges that are over 100 metres in length); over 200 culvert crossings; waste disposal for each proposed camp; incineration of waste at each proposed camp; and secondary containment for fuel storage and hazardous materials (if any) at each camp location.

The following water crossings are also included in the scope of the application: Watercourse crossings, including pipelines, bridges, and roads; watercourse training, including channel and bank alterations, culverts, spurs, erosion control, and artificial accretion; flood control; diversions; and alterations of flow or storage by means of dykes or dams.

If you are interested in reviewing the application and associated documentation in detail, please speak with Megan Porter at the back of the hall or one of the Board's other Staff. They would be happy to assist you in looking through an electronic or hard copy of these documents.

As many of you know, in January, BIMC requested an amendment to the Nunavut Impact Review Board (NIRB) project certificate to allow for the project to be

developed in a different way than was approved by the NIRB under the project certificate. However, BIMC made it clear that while the NIRB's consideration of the amendment to the Project Certificates continues, BIMC will continue to seek the regulatory permits and authorizations consistent with the original project as reviewed by the NIRB and authorized by the current project certificate. BIMC's request to the NIRB does not, therefore, affect the NWB's jurisdiction to review the existing Type "A" water licence application as authorized under the current project certificate, and the existing application is the only focus of this hearing. As a result, at this hearing, the Board will not be considering or discussing the changes to the project proposed by BIMC in January.

As most of you know, the Nunavut Impact Review Board (NIRB) conducted the overall environmental assessment of the Mary River Project, including a final hearing conducted by the NIRB in July last year. As part of that process, the NWB and the NIRB agreed to, where possible, coordinate the NIRB's review process with the NWB's water licencing process.

In keeping with the spirit of coordination and cooperation and the NIRB's ongoing responsibilities under the project certificate, the NIRB's Director of Technical Services, Amanda Hanson, and Technical

Advisor, Jaswir Dhillon, are in attendance at this hearing to provide the NWB with assistance and support during the NWB licencing process, just as Sean Joseph, the NWB's Technical Advisor, provided technical support to the NIRB during their final hearing.

However, it is important to remember that even under the coordinated process, both the NIRB and the NWB conduct their own public hearings and engage in their own decision-making. The fact that NIRB approved the Mary River Project to proceed and issued a project certificate does not affect the NWB's jurisdiction to ultimately decide whether a water licence should be granted to the Applicant based on this public hearing.

I would now like to give a brief overview of the procedural history of the file before turning to details regarding this hearing.

Reflecting the coordination between the NIRB process and the water licencing process, on February 11th, 2011, the NWB received the draft Type "A" water licence application from BIMC that triggered the NWB's involvement as part of the much broader draft environmental impact statement (also referred to as an "EIS") submitted to the NIRB for the Mary River Project. As part of the technical review of the draft EIS, in the spring of 2011, the parties commented on and provided information requests

regarding the water licence application, and BIMC responded to those comments and information requests as part of the NIRB review process.

In late April and early May 2011, the NWB Technical Staff attended public information meetings organized by the NIRB about the draft EIS that were held in the communities of Clyde River, Pond Inlet, Arctic Bay, Resolute Bay, and Grise Fiord, and the NWB listened to comments and answered questions regarding the water licencing aspects of the Mary River Project.

In October 2011, the NWB's Staff completed the technical review of the draft Type "A" water licence application that accompanied the draft EIS and provided the Board's comments to the NIRB and participated in the NIRB technical meetings held in Iqaluit for the Mary River Project draft EIS. In November 2011, the NWB attended the NIRB's pre-hearing conference for the Mary River Project that was held in Igloolik and Pond Inlet. In December 2011, the NIRB issued its pre-hearing conference decision report that contained, in an appendix to the report, the NWB's concordance assessment and technical review comments for the draft Type "A" water licence application that was attached to the draft EIS.

In February 2012, the NWB received, as an appendix to the final environmental impact statement (final EIS)

for the Mary River Project, the finalized Type "A" water licence application that is subject of this hearing.

Although some of the supporting information for the application was provided throughout the final EIS, the majority of the water licencing information was provided in Appendix 3B of the final EIS, which included an executive summary (English and Inuktitut), an application form, the processing fee for the application, and supporting technical information.

There were also numerous management plans provided as part of the application, such as: Emergency response and spill contingency plans; oil pollution emergency plans; surface water and aquatic ecosystems management plan; freshwater supply, sewage, and waste water management plan; waste management plan; waste rock management plan; hazardous material and hazardous waste management plan; environmental monitoring plan; environmental protection plan; preliminary mine closure and reclamation plan; quarries operations and management plan for various sites; and explosives management plan.

Last year in April, the NWB issued its completeness review for the BIMC's final Type "A" water licence application and asked parties to undertake their technical review of the application.

By the end of June 2012, technical review comments regarding the water licence application were received from the Qikiqtani Inuit Association, Aboriginal Affairs and Northern Development Canada, Environment Canada, and Fisheries and Oceans Canada. In July 2012, the NWB's Technical Staff participated in the NIRB's final hearings for the Mary River Project held in Iqaluit, Igloolik, and Pond Inlet.

In September 2012, the NIRB released its public hearing report for the Mary River Project and recommended to the Minister that the project be allowed to proceed to the licencing stage. In October 2012, the NWB held a preliminary technical meeting by teleconference with the parties, primarily aimed at further defining the outstanding regulatory and technical issues related to the application.

In December 2012, the Minister of Aboriginal Affairs and Northern Development Canada (AANDC), the lead Minister for the file, accepted the NIRB's report and recommendations and indicated that the Mary River Project could now proceed to the licencing stage. Also in December 2012, the NWB advised the public and the parties that the NWB would be holding a technical meeting/pre-hearing and pre-hearing conference for the water licence application in Pond Inlet on January 16th and 17th, 2013, and the NWB attended the NIRB's project

certificate workshop in Iqaluit where all the regulators and the project Proponent met to discuss the implementation of the recommended terms and conditions in the NIRB's project certificate applicable to the project.

On January 16th and 17th of this year, the NWB Staff hosted a technical meeting and pre-hearing conference in order to discuss all the technical review comments provided to the Board up until that time and to identify the technical and procedural issues that remained outstanding with respect to the application. It should be noted that the Board Members do not attend or participate in these types of technical and pre-hearing sessions, but this Panel was briefed by the Technical Staff on the results of the meetings and the recommendations resulting from these sessions. This information was relied on by the Board in the preparation of the pre-hearing conference decision that summarizes the results of these meetings and was issued on January 25, 2013.

In the pre-hearing conference decision, the Board identified that the following issues would be discussed in the final written submissions by the parties and at this hearing: 1) Term of the Type "A" water licence; 2) Type and amount of security to be held under the Type "A" water licence; 3) Status of water user

compensation negotiations/agreements; 4) Construction of facilities and infrastructure; 5) Geotechnical and permafrost issues; 6) Water use; 7) Water quality; 8) Water management; 9) Waste management; 10) Geochemistry; 11) Management plans; 12) Contingency planning; 13) Monitoring; 14) Closure and reclamation; and 15) Other issues as may be identified by the parties or the public at this hearing.

Following the pre-hearing conference, the Board issued official notice of this public hearing on February 1st, posting notice of the hearing in the paper, in the Hamlet offices, in the community of Pond Inlet, and by television and radio notices.

On March 22, final written submissions about the application were filed with the Board by the Qikiqtani Inuit Association, Aboriginal Affairs and Northern Development Canada, Environment Canada, Fisheries and Oceans Canada, and Natural Resources Canada. On April 5, BIMC provided its final written submissions, including responses to the final written submissions of the other parties.

Which takes us to today's proceedings, the Nunavut Water Board public hearing regarding the Baffinland Iron Mines Corporation's Type "A" water licence application for the Mary River Project.

There are copies of the agenda for the hearing

available at the back table.

This hearing is scheduled for today, tomorrow, and Thursday, and, unless I advise otherwise, we will start every day at 9:00 AM sharp and go through to 5:00 PM, with at least one refreshment break in the morning, an hour for lunch around noon, and another refreshment break in the afternoon/health breaks. In addition to these breaks, there may also be short breaks as the Board requires, and I will advise you of these. Please respect the timelines I've set for breaks and return promptly to the hearing; we have a lot to cover, and the Board cannot wait for late arrivals.

With respect to the evening sessions, tonight there is an informal community session scheduled from 7:00 to 9:30 PM, and the agenda for that is also on the back table. Depending on how the hearing is proceeding, we may have to have an evening session or continuation of the community session tomorrow evening, and I will let everyone know by the middle part of the afternoon tomorrow and Thursday if evening sessions will be required.

The hearing will proceed with presentation by the Applicant, questions from the parties, community representatives, the public, the Board Staff and the Board Members, then presentations by the interveners around the table, followed by questioning of those

parties as well.

Before I turn to the roll call, in order to ensure that everyone has a reasonable opportunity to participate in this public hearing, the Board requests that everyone respect the following Board directions:

1) Before the Applicant and the interveners provide spoken testimony, they must swear or affirm their evidence, and our legal counsel, Teresa Meadows, will administer the necessary oath. Please note that members of the public and Elders do not need to take an oath to provide their comments to the Board.

2) It is our tradition to give respect to our Elders; therefore, at any time during the proceedings, we invite Elders who are present to indicate to the Board's Staff that they wish to speak. So that we have a complete record of the comments provided, I do ask that Elders wait until the Board gets a microphone to them before they speak, and we ask that the Elders, like all other speakers, state their name for the record before speaking.

3) The agenda provides an indication of the time given to each of the listed participants to provide their presentations. The Board asks parties to keep to their allotted time; as you can see from the agenda, we have a very busy schedule ahead in the next few days, and if one party ends up taking much more time than

we've scheduled, it could affect the opportunity of other participants. The Board will be monitoring the use of time, and we will do what we can to modify timelines as needed, but please start by observing the time limits in the agenda, or the Board may have to impose further limits.

4) For all participants, please do not interrupt when a person is speaking. As set out in the agenda, there will be an orderly opportunity given to everyone to ask questions when speakers have concluded their presentations.

5) For the ease of our court reporter and our interpreters, please speak clearly and do not use abbreviations and acronyms; and be mindful that our interpreters may require extra time to explain some terms in detail, so please be aware of the interpreters and pause when it appears they need time to explain what you are saying.

6) For the benefit of all the participants here, I am reminding you all again to please turn your cell phones and electronic devices off, or at least to the "vibrate" or "silent" setting.

The Board appreciates everyone's contribution to a respectful and productive public hearing.

ROLL CALL:

THE CHAIR: If there are no concerns, I

would like to move forward to a roll call. I will begin the roll call with the Applicant, Baffinland Iron Mines Corporation, if you can please introduce the personnel who will be representing you at the hearing.

MR. MADSEN: Good morning, Mr. Chairman. It's Erik Madsen, Vice President Sustainable Development, with Baffinland.

I'll provide a list of the people that will be presenting or answering questions throughout these hearings. It will be myself; Oliver Curran, Director Sustainable Development; Jim Millard, Senior Environmental Superintendent; Greg Missal, Vice President Corporate Affairs; Fernand Beaulac, our Senior Environmental Engineer; Richard Cook, our Senior Consultant with Knight Piesold; Christine Moore, Senior Consultant with Intrinsik Environmental; and Brad Armstrong, Legal Counsel; and Christine Kowbel, Legal Counsel.

THE CHAIR: Thank you. Next, we have Nunavut Tunngavik Incorporated.

MR. ITORCHEAK: Yes, my name is Adla Itorcheak from NTI, Nunavut Tunngavik Incorporated.

THE CHAIR: Thank you. Qikiqtani Inuit Association.

MR. AWA: Thank you, Mr. Chairman. I am Solomon Awa. I work for QIA regarding Baffinland. We

are here with Enookie Inaurak, member of the committee here in Pond Inlet, and our QIA employee, David Kamino (phonetic), and our QIA employee from Iqaluit who will be assisting us with these meetings, Marie, she's here with us, and our QIA manager, Steve Bathory, and QIA's language technical guy, Jamie, and he's here with us also.

And, Mr. Chair, here in Pond Inlet, they have a meeting, the Baffinland project committee, which I will go into more detail later. The Baffinland project committee are composed of Jayko Alooloo, he is the chair, along with Joe Inashook, who is the vice-chair, Cornelius Nutarak, Elijah Panipakoocho. And Joanna Innualuk-Kunnut, who wears assorted hats; she's from the Women's Committee; she's also from QIA and represents -- she's wearing three hats. And another committee member representing the Hamlet of Pond Inlet, Abraham Kublu. I had stated Elijah Panipakoocho is from HTO. And these are the committee members that's here in Pond Inlet.

I do want to say that Jerry Natanine from Clyde River is also a member of QIA, and he's in attendance, and we welcome them to the community of Pond Inlet.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Environment Canada.

MR. DAHL: Environment Canada will be represented by Mark Dahl and Anne Wilson.

THE CHAIR: Thank you. Fisheries and Oceans.

MS. WILLISTON: Good morning, Georgina Williston with Fisheries and Oceans Canada.

THE CHAIR: And Natural Resources Canada.

MS. CAVALLARO: Good morning, it's Kate Cavallaro with Natural Resources Canada, and I have with me Dr. John Kwong.

THE CHAIR: Thank you. Aboriginal Affairs or AANDC.

MS. COSTELLO: Good morning, my name is Karen Costello, and I am joined by Murray Ball, he's the Manager of Water Resources, and I'm the Director of Resource Management.

THE CHAIR: Thank you. It is also my understanding that representatives to the Government of Nunavut are also present today and, although they have not provided formal written submissions, may be participating by asking questions and being questioning by the people in attendance and ask that they introduce themselves for the record.

MS. KIEU: My name is Cindy Kieu. I'm legal counsel for the Government of Nunavut. With me today is the Acting Director of Community Economic

Development, Nellie Erkloo, of the Department of Economic Development and Transportation. Also Pauloosie Suvega, our Associate Deputy Minister of ED & T, will be joining us this afternoon. Unfortunately, he couldn't make it on the flight yesterday, but he will be joining us this afternoon.

Thank you.

THE CHAIR: Thank you. The community representatives from Hall Beach, Arctic Bay, Igloolik, Clyde River. Any Elders or community representatives from Pond Inlet who wish to be identified for the record.

I will now proceed with the identification of any motions or any other objections to the application that is before the Board. According to the information I have, there are currently no motions or objections filed in this matter, but please advise me if there are any motions or objections to the application at this point.

Seeing none, let us proceed to Item 8 of the agenda, the presentation by the Applicant. The Applicant has 90 minutes for a presentation on the application before the Board, after which time, the Board will entertain questions from the parties and community members in attendance.

Before we move on to the Applicant, I was advised

that this would be a good time to take a 20-minute break. We'll see you back here in 20 minutes.

(ADJOURNMENT)

THE CHAIR: Welcome back everyone. To carry on with this hearing, we now have the Applicant to have a 90-minute presentation, and I would ask Teresa to do the oath to the presenters.

MS. MEADOWS: Thank you, Mr. Chair. Teresa Meadows, legal counsel for the Nunavut Water Board.

I would like all of the witnesses who wish to swear an oath to put their hand on the Bible, please, and if I can get you to state and spell your name for the record, first and last.

ERIK MADSEN, OLIVER CURRAN, JAMES MILLARD, Sworn

FERNAND BEAULAC, affirmed

PRESENTATION BY BAFFINLAND:

THE CHAIR: Go ahead.

MR. MADSEN: Mr. Chairman, I realize the time -- it's Erik Madsen with Baffinland -- it's about 10 to 11. I know you talked about having a lunch break from 12 to 1. Our presentation will be longer than an hour-and-a-half, so it will carry us through into lunchtime, so I don't know if you want us to stop right at noon, and we'll carry on after lunch.

MS. MEADOWS: Thank you, Mr. Chair. Teresa Meadows, legal counsel for the Nunavut Water Board.

Yes, Mr. Madsen, if you can break right around noon, and then we'll continue, or break where you think is an appropriate time right around that time, and we can continue this afternoon with your presentation.

Thank you.

MR. MADSEN: All right, thank you.

Good morning, Mr. Chairman, Board Members, Board Staff, the NIRB Staff, representatives from the Qikiqtani Nunavut Association, representatives from all agencies, and also community members from other North Baffin communities, Elders and residents of Pond Inlet, and Mr. Mayor.

My name is Erik Madsen, I am the Vice President of Sustainable Development with Baffinland. Our team is very pleased to be here today at these final Water Board hearings for the Nunavut Impact Review Board's approved Mary River Project. We look forward to providing you with our presentation, listening and addressing questions that may come up from other parties or public presentations.

I would like to thank the Nunavut Water Board and the Board Staff for organizing this final hearing for Baffinland's Type "A" water licence application. It has been a pleasure working with your team this far.

The presentation will summarize the work that has been included with the water licence application, which

was submitted with the final environmental impact statement back on February 2012. With the extensive information requests from agencies, the technical review and comments from agencies in June, the technical meetings held in October and January, as well as the final intervener comments in March, Baffinland and agencies, we are all in a very good position to work together in various key aspects that will be touched on during these hearings.

Our presentation will address the following: The list of issues identified by the Nunavut Water Board in the pre-hearing decision on January 25th, 2013. We will give a brief overview of the Mary River Project, and as you noted, Mr. Chairman, hopefully by now everybody involved has a very good idea of what this project is all about. We will briefly discuss the early revenue project that was announced in January of this year. We will discuss the Type "B" Water Licences that were Items Number 2 and 3 on the pre-hearing conference decision. We will outline the scope of the Type "A" water licence application, and then we'll provide an overview of the concerns identified by the Qikiqtani Inuit Association and agencies' final submissions.

Mr. Chairman, I have already identified members of our team, but I also would like to introduce a few key

members that I didn't introduce earlier, and they are Joe Tigullaraq, Qav Issugangituq, and Joe Krimmerdjuar. They are our Baffinland liaison officers, and Joe is our senior Northern Affairs manager. They play a vital role in ensuring that communities have a source to go and ask questions about the project and as well as to be kept updated all the time as to what Baffinland is doing.

I would like to move on to the list of issues identified at the pre-hearing decision. It is important to note that at the pre-hearing conference, the parties in attendance confirmed that none of the unresolved or outstanding issues are of the type that would prevent the Board from proceeding with the hearing. The Board provided a list of issues to be addressed by the intervening parties in their final submissions of March 22nd.

This slide shows a list on page 16 of the pre-hearing decision that you, Mr. Chairman, already identified earlier this morning, so I will not run through them all again, but the list is in our presentations on this slide as well as the next slide that touched base on the various areas that required decisions on and for parties and agencies to reference at these hearings.

In addition to the list of issues, there were five

follow-up items as listed on this slide. In February and early March, Baffinland provided written responses to the Board on these items, and they were on water use and compensation; monitoring, management plans, and measures; waste management; closure and reclamation; and security bonding.

I would like to now provide a brief overview of the general project. The Mary River Project is situated on North Baffin island, approximately 1,000 kilometres north of Iqaluit, 160 kilometres southwest of Pond Inlet, and the proposed Steensby Port is located approximately 300 kilometres east of Igloolik.

Extreme cold for much of the year is a reality that has been considered and designed for in the Type "A" water licence application . Additionally, we have extensive experience in working in this climate. We are proud of our track record so far at Mary River. Baffinland has been working there since 2004, and we operate in a manner that respects all regulations and expectations of a safe and sustainable operation. We have built a culture of excellence and continual improvement, and this forms a very strong base for our future operations.

Baffinland has worked closely with local communities over the past number of years and employs people from the North Baffin communities. We look

forward to an even closer, mutually beneficial relationship as the project is developed and operated in accordance with the project certificate and the Type "A" water licence.

This slide shows the water management areas for Baffin Island and the Melville Peninsula. The two major management areas in which the project will operate are Area 48 for the Milne Inlet and Tote Road and mine site, and then the Area 21, which is the one on the bottom here for the railway and the Steensby Port location.

As you identified, Mr. Chairman, the Mary River Project will produce high-quality iron ore for world markets. The project components are the mine site itself, an open pit, and preparation of mined ore for transport. We wish to emphasize again, that due to the high-grade iron ore, there will be no processing required, and there will be no tailings produced from this operation. This is a significant environmental benefit for the project from a water use and discharge perspective. The transportation components, including a railway, a port site that can support year-round shipping, as well as the use of a Tote Road and seasonal material sea lists for Milne Inlet.

As a whole, the project may appear to be unprecedented, but all of the individual elements of

the project have been built and operated in similar environments. There are numerous examples to learn from both across Canada's north and internationally, and this project has incorporated extensive site-specific knowledge and built on engineering knowledge already tried and proven for other projects in the north. The study and analysis that we have done and our commitment to continue to advance our knowledge positions us to face the challenges associated with design and operation and aspects related to water use and discharge.

This slide outlines the remainder of the aspects of the project, which are the Steensby Port, which will accommodate vessels capable of year-round shipping. The Milne Inlet Port will be developed and mostly used during construction and for transportation of oversized equipment, and the existing Tote Road will be upgraded to handle this larger equipment.

This slide outlines the relevant terms and conditions of the Nunavut Impact Review Board's project certificate. Aboriginal Affairs and Northern Development and the Department of Fisheries and Oceans provided a list of project certificates, terms, and conditions that they felt were relevant to the water licence, and they are listed on this slide. At the same time, Baffinland also reviewed the list of project

certificate terms and conditions that were relevant to the Type "A" water licence, and we have identified those conditions on this slide.

In the next slide, I would like to very briefly touch base on an update to the early revenue phase. As most are aware, in early January 2013, Baffinland made the announcement that it was moving the Mary River Project into a phased approach, that although we had recently received a project certificate on December 28th, 2012, for the railway project and shipping out of Steensby Port, Baffinland will now pursue a trucking option. This would involve utilizing the Tote Road and shipping 3.5 million tonnes of ore annually during the summer months only from the Milne Inlet Port.

Baffinland will be submitting a detailed addendum document to the final environmental impact statement at the end of June of this year. This will initiate the process review for this early revenue phase. The Nunavut Impact Review Board will then set the process for the review of this new submission and should, if any amendments be required to the Type "A" water licence, these would be applied for in due course.

In summary, Baffinland recognizes and acknowledges, as was identified by you, Mr. Chairman, earlier today, that this Type "A" water licence hearing

has nothing to do with the early revenue phase project.

I would like to now discuss the status of our existing Type "B" water licences and the recent Type "B" licence application. Baffinland would like to remind the Water Board and all parties that we do have an existing Type "B" water licence. This licence allows us to undertake activities that are identified on this slide, and this licence expires on April 5th, 2014. It is Baffinland's intention to maintain this licence in the future for ongoing exploration activities and will take the necessary steps to apply for this new Type "B" licence greater than six months prior to the expiry date.

As noted in the previous slide, it is Baffinland's intention to retain the existing Type "B" licence. One of the issues identified from the technical meetings was to identify activities that would remain under the existing Type "B" water licence and which activities would be moved over to the Type "A" licence. This information was provided to all parties and the Board on October 31st, 2012. There was also a request to outline what amount of security would remain with the Type "A" licence and what would be transferred into the Type "A" licence.

Later in this presentation, the breakdown of securities will be outlined, but as a result of the

updated closure cost estimate, Baffinland will be requesting that the amount of security in the existing Type "A/B" licence be reduced to $1.25 million.

The next few slides I will discuss the recent Type "B" water licence application. On March 12th, 2013, after consultation and recommendation by the Nunavut Water Board Staff, Baffinland submitted a new Type "B" application that would allow various earthworks related to the approved project to commence during this transition time until a Type "A" Licence is issued.

The Board sent this new application out for review and comments were due on April 15th, but at the request of the Qikiqtani Inuit Association, an extension was provided until April 19th. Baffinland has received the comments from the Qikiqtani Inuit Association and Aboriginal Affairs and will be providing a written response to the Nunavut Water Board in the next couple days on this Type "B" application. Once the Type "A" Licence is issued, all activities related to this new Type "B" would then roll into the Type "A".

The primary activities related to this new Type "B" Licence applied are primarily for the construction of a new lined berm to house future fuel tanks, the construction of an additional 5 million litre fuel tank within the existing berm at Milne

Inlet, the building of camp pads to house future camps, and the building of an additional polishing pond to hold sewage at Milne Inlet. Baffinland wants to note that the majority of these activities have already been undertaken previously under the existing Type "B" Licence.

In the future, Baffinland will need winter roads associated with the project to access the railway camps. Type "B" water licence applications will be applied for well in advance of these activities for any winter roads being constructed.

I would now like to provide an update on the water compensation agreement. Baffinland and the Qikiqtani Inuit Association are currently negotiating an operational lease, and this will also include provisions for water compensation. Baffinland and the Qikiqtani Inuit Association have recently exchanged various drafts of water compensation agreements. Progress has been made, and discussions continue while these hearings are on between both parties. Baffinland and the Qikiqtani Inuit Association are well aware that water compensation must be agreed upon between the Inuit landowner and the Proponent before the Minister issues a water licence, but we wish to emphasize this should not hold up this hearing. Both the Qikiqtani Inuit Association and Baffinland will keep the Board

updated on discussions, and both parties will notify the Board in writing when an agreement has been reached. If an agreement is not reached by the end of this hearing, in the next few days, then Baffinland and the Qikiqtani Inuit Association may wish to jointly address some procedural issues. Baffinland will update the Board on the status of the water compensation in its closing remarks.

I would like to now turn the presentation over to Oliver Curran, who will outline the Type "A" water licence application.

MR. CURRAN: Thanks, Erik. Thank you, Mr. Chair, and good morning all.

I would like to now provide an overview of the Type "A" water licence application . I will start with a brief overview of the process, the scope of the Type "A" application, followed by an overview of some potential terms and conditions that could be considered by the Nunavut Water Board in the Type "A" water licence. Finally, in this section of the presentation, I would like to revisit the topic of flexibility previously discussed at the technical meetings in January as an important and necessary requirement in the Type "A" water licence.

This slide provides some key points related to the licencing process to date. In February of 2012, the

Type "A" water licence application was filed with the Nunavut Water Board as a stand-alone document, Appendix 3-B of the final environmental impact statement. A technical meeting was held in January on the application, and the Nunavut Water Board captured the scope on pages 3 to 5 of the application in their pre-hearing conference decision. Finally, it is important to point out that the activities described in the 2013 work plan will be the start of construction for the approved project.

As indicated on this slide, the scope of the water licence application has not changed. Design criteria and technical specifications for the facilities are in the application and will not change. However, as detailed design progresses and the site design is optimized, changes may be introduced to configuration of facilities and their location. This is typical in project developments, and it is important to note that all changes will be confined to the potential development areas identified in the final environmental impact statement.

As discussed in previous meetings, Baffinland will submit drawings issued for construction to the Nunavut Water Board prior to commencement of construction activities. Additional changes that occur during construction due to site-specific conditions

encountered during physical investigations and groundwork activities will be addressed by Baffinland informing the inspector of Aboriginal Affairs and Northern Development Canada of such changes and will explain why the changes are necessary. As-built drawings would then be submitted to the Nunavut Water Board.

Baffinland is appreciative of meetings organized by the Nunavut Water Board in Edmonton and Yellowknife. At these meetings, the need for flexibility for the Type "A" Water Licences for all proponents were discussed in light of the fact that design optimization and site-specific changes need to be considered for projects. It was recognized by all proponents and the Staff of the Water Board that such flexibility is required for any large project. I will summarize detailed design a bit later in this section of the presentation.

I would also like to note as well that the Nunavut Impact Review Board recognized the need for flexibility in the commentary to Project Certificate Condition Number 16, which recognizes the need to not limit the ability of the proponent to refine and optimize the design, placement, and construction as it may become necessary to reflect site-specific conditions encountered during construction.

This slide summarizes how the information in a Type "A" application is organized. Two attachments to highlight, our project-wide documents that contain design criteria and technical specifications for facilities that are common to many areas of the project such as sewage effluent treatment plants. Site-specific documents on the other hand are related to one aspect of the project. An example of this would be the waste rock pile.

On March 7th, Baffinland responded to a list of items outlined in the pre-hearing conference decision. This included updated financial statements, closure cost summary for the 2013 work plan, notes on a meeting with Natural Resources Canada and other agencies on geochemistry and water quality modelling, the aquatic effects monitoring program framework, and proposed terms and conditions for the Type "A" water licence.

This slide pertains to the term of the Type "A" water licence that Baffinland has numbered as Number 4 of the Nunavut Water Board's pre-hearing conference decision. Baffinland is requesting a term of 25 years, while the QIA is asking for a 5-year term, and other agencies are requesting a 10- to 12-year term.

Baffinland is asking for a longer term for the following reasons: Number 1, although the scale of the development is large, the complexity is low. From a

water use and discharge perspective, there is nothing new with the proposed activities that haven't been experienced elsewhere. Secondly, Baffinland has applied for a 25-year licence to coincide with the expected life of the mine and as a basis of the significant capital investment. A longer term licence provides certainty for the large investment. And lastly, the project has incorporated an adaptive management approach to deal with unforeseen events.

In the Nunavut Water Board's pre-hearing conference decision, the Board acknowledged that the drafting of key licencing terms and conditions with the Qikiqtani Inuit Association in advance of the final hearings would be useful. As such, Baffinland submitted a working draft of proposed terms and conditions, and it was circulated to parties on March 7th. It is important to note that the structure of this document follows the format of licences granted for mining operations in Nunavut, that agencies have provided comments on these proposed terms and conditions in their final submissions, and we will refer to these proposed terms and conditions throughout the presentation.

Since submitting the proposed terms and conditions working document on February 26th, Baffinland has identified some errors that we would like corrected,

and we can provide edits prior to the end of these hearings. Firstly, on page 3, Part A, Baffinland suggests that scope for Milne Port be consistent with the pre-hearing conference decision and remove reference to the number of beds at the camp. Secondly, on page 19, Part F, Table F-4, Baffinland acknowledges that the units are not consistent and should read as milligrams per litre. These are two examples, and Baffinland can provide revisions for identified errors prior to the completion of this hearing.

This slide provides on overview of how the proposed terms and conditions are structured in the document. I will point out that the aquatic effects monitoring program framework is contained in Schedule J-1.

In the next two slides, I will come back to the requirement of flexibility in the water licence to accommodate for detailed design considerations. This important point was raised by Baffinland during technical meetings. The main point here is that during the detailed design phase of the project, infrastructure will move within the potential development area as a result of optimization and continued evaluation of conditions in the field. Since the submission of the application more than a year ago, the Type "A" water licence will need to accommodate the

realities of project design common to all projects.

I will summarize some actual examples by project location. For the occupancy at Milne Port, due to the compressed construction schedule in 2013, our manpower requirements will be higher than expected, in the range of 150 to 225 people during an approximately 14-week period during and post sea lift. While this would mean a temporary increase in our camp capacity, we would still remain within our estimated annual total water use and discharge criteria. We are requesting that this temporary increase in the work force be recognized in the Type "A" water licence.

There may also be a requirement for a temporary camp along the Tote Road. This camp will not have local uptake or discharge. Water used and sewage effluent produced will be transported to and from either Milne Port or the mine site.

At the mine site, ongoing material handling has a profound effect on operating costs over the life of the mine; therefore, considerable effort has focussed on material movement optimization for the ore crushing, stockpiling, and loading facilities. Similarly, waste rock disposal -- for waste rock disposal, Baffinland will optimize its mining plan in order to minimize hauling distances between the pit and the waste rock stockpile area, which has a large beneficial savings on

fuel consumption over the life of the mine.

At Steensby Port, optimization of the airstrip location has been considered. With respect to fuel, the final configuration and location of the fuel tank farm and the number of tanks within the tank farm may be optimized when Baffinland proceeds with procurement. The number of tanks and the location of tank farms relative to the freight dock has to be minimized -- has to minimize the distance for pumping of fuel over long distances. It should be noted that in many cases detailed design considerations have the added benefit on minimizing environmental risks and/or potential impacts.

For the railway, the number and specific locations of temporary construction camps may be optimized based on the contractor's construction methodology and schedule. In turn, this will affect the location of temporary storage for construction material. The construction of major bridges will require temporary water use from rivers at bridge construction sites. The Aboriginal Affairs and Northern Development Canada inspector and Fisheries and Oceans will be informed of specifics prior to commencement of construction.

Several quarry sites have been identified along the railway corridor, but not all of these quarry sites will be exploited. Quarry material will be screened

for geochemical characteristics based on a protocol, and criteria will indicate which quarries are suitable for aggregate. Sites used to dispose of unsuitable material from quarries will be identified along the railway construction corridor. The Aboriginal Affairs and Northern Development Canada inspector will be informed of the location of these sites.

In this section of the presentation, I will provide an overview of final submissions received from interested parties. Baffinland is thankful for the active participation and contributions from the interested parties throughout this review process and in the workshops for the development of the aquatic effects monitoring program framework.

On March 22nd, 2013, written submissions were filed with the Nunavut Water Board by all parties. In their final submission to the Nunavut Water Board, agencies commented on material received by the Nunavut Water Board since the pre-hearing conference decision, including the proposed terms and conditions for the Type "A" water licence. Baffinland then provided a written response to the written submissions on April 5th, 2013.

The intent of the next five slides is to summarize an overview of these submissions. Starting with the Qikiqtani Inuit Association submission, there were

three items related to scope of the licence, including sewage treatment, fuel storage, and winter roads. Two items related to water quality, one of which is related to blasting activities and the other related to water quality guidelines for discharges from landfarm operations. There was one item on closure.

The Qikiqtani Inuit Association also submitted comments on the proposed terms and conditions of the Type "A" water licence. Baffinland has responded to all of Qikiqtani Inuit Association's comments in its April 5th submission to the Nunavut Water Board. We will address the Qikiqtani Inuit Association's comments later in this presentation as they pertain to the discussion for the specific issues identified by the Nunavut Water Board.

Listed on this slide are the major themes for comments submitted by Aboriginal Affairs and Northern Development Canada. Most of the discussion was on closure, security bonding, and legacy concerns with the mine pit. Aboriginal Affairs also had questions on the requirement of future Type "B" licences and the scope of these licences. Aboriginal Affairs also submitted comments on the proposed terms and conditions of the Type "A" water licence under the heading of "Other Issues".

Baffinland has responded to all of Aboriginal

Affairs' comments in its April 5th submission, and we will address Aboriginal Affairs' comments later on in this presentation under the discussion for specific issues identified by the Nunavut Water Board in their pre-hearing conference decision.

The theme of Fisheries and Oceans' comments related to water quality with respect to construction and post construction monitoring for water crossings. Most items raised by Fisheries and Oceans have been discussed during previous aquatic effects monitoring program workshops, and there are no contentious issues to be resolved with Fisheries and Oceans. Baffinland acknowledges Fisheries and Oceans' concerns and will adhere to commitments already made throughout the review process; that is, to continue proactive consultation and discussion with Fisheries and Oceans during the implementation phase of the project and the development of quantification of hazardous alteration, disruption, or destruction of fish habitat and no-net-loss discussions.

As the Board may have noticed from Environment Canada's final submission, Baffinland has had very constructive dialogue and discussions with Environment Canada throughout the review process. The development of the aquatic effects monitoring program framework has enabled the company to reach consensus with interested

parties on many important aspects. We have two remaining items of a divergence with Environment Canada. Firstly, the applicability of the waste water system effluent regulation discharge criteria for the project, and secondly, the metal mining effluent regulation discharge limits to be used for mine contact water.

It is Baffinland's opinion that the nature of this divergence of opinion is based on principles rather than ensuring protection of the environment. Two facts are of particular interest to the current water licence discussions. For the waste water system effluent regulation, this is not applicable north of the 60th parallel. The Federal Government has set a five-year window to derive discharge criteria applicable for land north of the 60th parallel. Secondly, consultation on potential revisions to the metal mining effluent regulation discharge criteria have recently commenced and are expected to take upwards of 2 years. In the meantime, the current metal mining effluent regulation criteria remain applicable. We recognize and accept that if the metal mining effluent criteria change, they would be applicable to our operations. This is provided for in Section 75 of the Nunavut Waters Act. These two divergences will be discussed in more detail during the discussion on water quality later in the

presentation.

Natural Resources Canada made three recommendations in their final submission. Baffinland agrees with Natural Resources Canada and simply wishes to point out that the establishment of a test pile at site is subject to the Board's approval.

For the remaining portion of this presentation that I will speak to we will address each of the issues by item number identified by the Board in the pre-hearing conference decision on page 16 and will incorporate in these discussions our responses to the various agencies' final submission.

This slide outlines the three outstanding items for the agencies related to construction of facilities and infrastructure. The first is land disposal of dredged material from Steensby Inlet. Secondly, this one relates to airstrips along the railway corridor service road, and lastly, construction of emergency storage ponds for railway camp sewage treatment effluent.

Baffinland's preferred option is for deposition of material at sea, and we recognize that if this option is pursued that a disposal-at-sea permit is required from Environment Canada. Baffinland has already been in discussions with Environment Canada on the requirements since the middle of 2012. For the purpose

of the environmental impact statement, a land disposal option was presented and reviewed as part of the Nunavut Impact Review Board process. The location and conceptual drawings for the disposal on land of dredged sediments from Steensby Inlet were presented in the final environmental impact statement, Appendix 3-A, and the specific references are on the slide here. No questions have been raised related to land disposal of the dredged material throughout the Nunavut Impact Review Board review. If Baffinland decides to proceed with a land disposal option, an application for a modification to the Type "A" licence will be required.

For the construction of the railway, Baffinland proposes to use temporary airstrips located along the railway service road. Temporary airstrips along the railway service road have no water requirements, nor do they generate waste. A section of the service road is likely to serve as the airstrip. The airstrip will be temporary in nature and will be located either on the footprint of the service road or within the service road corridor. Reference to this can be found in the final environmental impact statement, Volume 3, Section 2.5.8. Baffinland, therefore, considers that these temporary airstrips are not relevant to the water licence.

Sewage generated at railway camps will be treated,

and the treated effluent will be transported to the mine site and Steensby Port for final disposal. At the pre-technical meeting of October 2012, the Qikiqtani Inuit Association requested that the storage ponds at each campsite be sufficiently large to cope with potential interruptions of road transport. The size of the ponds was thus increased to hold at least one year of production of treated sewage effluent. The resulting ponds would remain within the development areas identified for the location of the camps. The design does not include local discharge of effluent; therefore, there are no additional environmental effects.

This slide shows what the sizing of the rail camp ponds would be if they were to contain 12 months of treated sewage effluent. Baffinland recognizes that it would be preferable and more economical to have local discharges for the rail camps. This cannot be done until the exact locations of the camps are finalized. Once the exact location of the railway camps are finalized, Baffinland will investigate the possibility of a local discharge for each railway camp. The local discharge of treated effluent at these sites would be the subject of an amendment to the Type "A" water licence. Baffinland requests that terms and conditions of the Type "A" licence facilitate this approach by

including Articles 14 and 15 of Part F of the proposed terms and conditions of the water licence shown on the next slide.

This slide provides the proposed wording for Article 14 and 15 that could be used in a Type "A" water licence. The differences between Article 14 and 15, the main differences here is that for the Ravn River and Mid-Rail construction camps, the sewage would be transported to Mary River, and Article 15 speaks to South Cockburn and North Cockburn construction camps where that sewage would be transported to Steensby Port.

Up to now, I have spoken about proposed terms and conditions as they supply to some of the slide content. In summary, Part D of the working document covers construction drawings and as-built drawings, changes in construction plans, borrow pits and quarry development, surface water management, stream and river crossings, site drainage, bulk fuel tank farms and temporary fuel storage, and finally, outdoor hazardous and nonhazardous waste transfer site and temporary storage of waste.

Baffinland also notes that both the Qikiqtani Inuit Association and Aboriginal Affairs have commented on the proposed terms and conditions for the water licence. The Qikiqtani Inuit Association commented in

Appendix A of their submission, and Aboriginal Affairs commented in Section 12.2 of their submission, and as noted before, Baffinland has provided responses for each of the comments.

Environment Canada did not request a response on any of the terms and conditions in particular but do make reference to discharge criteria in the terms and conditions document. We believe that the concerns of Fisheries and Oceans related to water crossings were also adequately addressed in the proposed terms and conditions in Part D.

So maybe now, I will pass it on to Jim to speak on the topic of geotechnical aspects and permafrost, or we may want to break now and resume back at 1:00. Jim's section of the presentation is about 45 minutes, so ...

THE CHAIR: Break for lunch. Be back at 1.

(LUNCHEON ADJOURNMENT AT 11:48 AM)

(PROCEEDINGS RECOMMENCED AT 1:05 PM)

THE CHAIR: Welcome back everyone. We have a lot of material to cover, so let's get back to our chairs and tables, and before we get onto the next round of the presentation, I understand we have a procedural matter that needs to be addressed by legal counsel.

MS. MEADOWS: Thank you, Mr. Chair. Teresa

Meadows, legal counsel for the Nunavut Water Board.

There are just a couple of quick procedural matters that we have to attend to before the presentation continues from Baffinland Iron Mines Corporation.

The first matter that I would like to clarify is just that in Baffinland's presentation, they provided an indication that they have filed with the Board a draft of a water licence that they had prepared, and they indicated that we had referenced doing that in the pre-hearing conference decision, and I just want to make it clear for everyone who is here that the draft was prepared by Baffinland for discussion purposes only. It's not an indication or a prejudgment in terms of how the Board will or won't deal with particular issues, and I would just like to read for the record exactly what the Water Board said in the decision.

Under Item H on page 18 of the pre-hearing conference decision that was issued January 25th, the Water Board said: (as read)

> At the pre-hearing conference, Baffinland Iron Mines Corporation and the Qikiqtani Inuit Association discussed providing, in advance of the hearing and for the review of all participants, a draft of key licencing terms and conditions. The Board acknowledges

> that such documentation may be useful to focus the discussion of various items at the public hearing and to establish the respective perspectives of Baffinland Iron Mines Corporation and the Qikiqtani Inuit Association with respect to particular aspects of a potential licence. However, the Board does note that the NWB's discretion associated with preparing the actual terms and conditions of any future licence which may be issued after the hearing would not be fettered by the Board's receipt of this submission or submissions in response to it as part of the public hearing documentation.

And so essentially what that means is that the Water Board may consider the draft terms and conditions but are not bound to follow any of those draft terms or conditions and maintains the discretion to determine whether and if a water licence is issued in this particular case.

The second procedural matter, Mr. Chair, is just that it is our understanding that the presentation materials that are being provided and presented by Baffinland today are located on the back table for people who are interested in getting a copy in English or Inuktitut, and as well, that it is my understanding

that Baffinland intends to file those, as they're presented in oral form, as an exhibit to this hearing. So I'd like to turn it over to Baffinland's legal counsel, Mr. Brad Armstrong, with respect to that.

MR. MADSEN: It's Erik Madsen with Baffinland. I'll say a few things, and then I'll pass it over to Brad Armstrong.

I want to, first of all, apologize that this morning in this slide pack that we have here, Slides 15, 16, and 17, where they are located in the slide pack are not where they were in the presentation. They were moved further ahead, so Oliver covered those same slides, but they weren't in the spot located.

Where we are now, Slide 51, geochemistry and permafrost, if you look at that, that is exactly where you are on your packet now, so Slide 51 is exactly what's on there. So moving forward, it will all match, and we apologize for those three slides being moved in the presentation.

MR. ARMSTRONG: Thanks, Brad Armstrong, legal counsel for Baffinland.

So we would propose to have our slide presentation marked as the, I think, first exhibit in the proceedings, if we could.

MS. MEADOWS: Thank you, Mr. Armstrong. Teresa Meadows, legal counsel for the Nunavut Water

Board. Yes, we'll mark that, the English presentation, as Exhibit 1 and the Inuktitut presentation as Exhibit 2 to the hearing. Thank you.

I have nothing further, Mr. Chair.

EXHIBIT 1 - Mary River Project Nunavut Water Board Public Hearing PowerPoint Presentation of Baffinland Iron Mines Corporation [English].

EXHIBIT 2 - Mary River Project Nunavut Water Board Public Hearing PowerPoint Presentation of Baffinland Iron Mines Corporation [Inuktitut].

THE CHAIR: Thank you. Moving on to the next round of -- through our presentation. Please, go ahead.

MR. MILLARD: Yeah, my name is James Millard. Thank you, Mr. Chairman and Board Members.

I'm going to be following through with the next segment of my presentation. Now, throughout my presentation, I'm going to make reference to Slides 70, 72, and 74, and those are simply the site layouts for -- Slides 70 is a site layout for Milne Port, Slide 72 is a site layout for Steensby, Steensby Port, and Slide 74 is the layout for the mine site. So I just thought I would mention that in advance. You can kind of move ahead in your presentation, and I believe the Board Members have blowups of those particular maps, and they are in your hands right now.

So moving forward here, geotechnical and permafrost are under Item 8 of the identified list of potential concerns, and this, of course, relates to the construction of facilities and infrastructure.

At Mary River, when designing facilities, we take into consideration geotechnical and permafrost conditions. Since 2008, we've advanced approximately 1,100 geotechnical drillholes through surface soils and, in many cases, into bedrock to assess geotechnical and permafrost conditions.

The drilling has focussed on the footprints of potential infrastructure for the project. Based on an assessment of the drill data, as well as surface data such as topography, geotechnical characteristics of soils and bedrock, and the permafrost conditions that have been encountered, final decisions are made on locations, designs, and construction methods for project infrastructure. For example, for -- a simple example would be for sites -- site infrastructure locations are chosen to avoid pooling or surface runoff of water.

The railway design is a good example of this. The designs are developed and optimized based on experience gained at projects with similarities such as those in Russia, Sweden, or Tibet. By minimizing the disturbance to thaw-sensitive soils and natural

drainage, by maximizing the winter construction season for the embankment base for these structures, by limiting grades in tight curves, and by continuous improvement based on the results of regular performance, monitoring, and maintenance during construction and operation.

Another example is the ore stockpiles, lay-downs, and camp pads that we're going to be designing and constructing. Soils with ice lenses are avoided, and up to 1.5 metres thick granular pads are used as insulting layers over ice-rich soils. Also, drainage is managed by means of perimeter ditches and storm-water ponds where they're warranted.

To illustrate, fairly quickly, the previous points regarding design considerations, this diagram shows a cross-section of the railway embankment on ice-rich soils with the following features: The native ice-rich soils foundation, which can be typical of the rail alignment at some locations, these ice-rich soils are overlane (sic) by a layer of thaw-stable sand and gravel, which stays frozen year-round. In turn, this layer is overlane by the constructed embankment material with a shallow grade of repose to minimize pressure on the underlying soils, and of course, on top, the track structure consisting of ballasts, ties, and rail.

For the waste rock -- for the waste rock pile design, geotechnical and permafrost conditions are taken into consideration by strategically using berms rather than ditches to provide drainage diversions that avoid excavation into ice-rich soils and lenses, by berm construction such that frozen conditions within the core of the berm are maintained to prevent under-mining due to subsurface flows, by managing runoff flows from the waste rock pile by means of adequate dam design, dam safety assessment, and an overall storm water management and drainage design system, and by constructing the waste rock pile in a way that promotes permafrost formation.

Water use is under Item 9 of the identified list of potential concerns. During the course of the project, fresh water will be withdrawn from approved freshwater sources as listed in Table E-1 of the next slide. To allow for adequate flexibility during construction period, Baffinland requests that the licence establish an annual limit on water volume. Total annual volumes for the project that are proposed during construction, 580,000 cubic metres, and during operation, 230,000 cubic metres, again per year.

The reporting of water withdrawal from water bodies will be provided on a monthly basis in monthly water licence reports provided to the Board and all

summarized in annual reports. Baffinland also requests that the licence authorize the company to use recycled water for various uses. In this clause, we've included in our proposed terms and conditions Part E, Article 8. For example, the use of captured site water for dust suppression can be a very good way to conserve water and with -- causing no environmental consequences.

I'd just like to point out that there are no other industrial users of water on Inuit-owned land or Crown-land associated with the project, although, of course, small quantities of fresh water are used by Inuit land users from time to time within the project area to support hunting- and fishing-based activities.

So this is Table E-1 taken from our draft water licence terms and conditions. This table lists water intake locations for various camps and the requested annual permit limits in cubic metres. I'd just like to point out that, during construction, there will be an occasional need to draw from sources other than draw points listed in Table E-1. This is addressed with a proposed term and condition, Part E, Article 10 of the draft licence that we submitted for consideration. .

Moving on to water management issues, which include in this case the wide range of measures and controls, and these are under -- for managing surface water, and these are under Item 11 of the identified

list of potential concerns.

The next few slides will present the key water and effluent management features for the project. A fundamental advantage of this project is that there is no processing plant or mill that adds chemical reagents; hence, there is no process water or mine tailings discharged to containment areas or to tailings ponds. This is a unique -- this is unique for a mining operation and makes the project very similar to a large quarry operation in many respects.

With regard to the waste rock and ore stockpiles, runoff will be directed to sedimentation ponds and monitored for quality prior to discharge to the receiving environment. Discharges from ore stockpiles and the waste rock stockpile will meet established effluent criteria under the metal mining effluent regulations and the water licence.

The work completed to date on mine contact water quality indicates water treatment is a very unlikely scenario for waste rock, stockpile runoff, and mine pit water. This is based on ongoing geological and geochemical waste rock characterization and monitoring program that has been conducted to validate these predictions. However, please note that, as a contingency, in the highly unlikely scenario that treatment -- that water treatment would be required for

waste rock or mine pit water, Baffinland does commit to design, mobilize, and commission a treatment plant for that purpose.

Before discussion of the outstanding issues, we want to give a brief overview of the key water management features incorporated in our project design. Although treatment plants are unlikely for waste rock and mine pit runoff, treatment plants will be utilized for sewage and oily water.

There are two principal water management features that are designed into the operation: Waste water treatment plants and surface water management controls and features. Waste water treatment plants incorporated into the project design include sewage treatment plants with storage ponds, oily water treatment plants located at maintenance shops to treat truck shop wash water, and mobile oily water treatment units to treat contaminated water in fuel and landfarm berms.

Surface runoff water quality and quantity can be of concern during the construction and operation phases of the project. The surface water management features and controls incorporated into the project include the following: Secondary containment for bulk fuel storage and fuel transfer dispensing areas; establishment of discharge criteria for fuel berm, landfarm water, and

general site runoff; seepage runoff criteria for the nonhazardous landfills and for quarries; construction of diversion structures and sedimentation ponds for runoff from the ore stockpiles; limiting the footprint of the waste rock stockpile; and the incorporation of waste rock stockpile runoff sedimentation ponds, and the control of pit water by means of conveying pit water from established sumps to the waste rock stockpile or sedimentation ponds during the mining operation.

The surface water -- we have a management plan called the surface water aquatic ecosystem management plan, which was recently updated in March of this year. This plan addresses site drainage and a range of mitigation measures and monitoring requirements for various earthwork activities and works on water crossings, for example, the Tote Road and quarry access roads.

Open-pit mining will generate quantities of ore that will be stored temporarily in ore stockpiles and waste rock that will be stored in dedicated permanent locations. And I draw your attention to Slide Number 74, which is a layout of the mine site which shows the waste rock storage pile, as well as the run of mine stockpile, and the crusher stockpiles.

Let's focus first on the water management features

and potential concerns associated with the ore stockpiles. Ore mined in the pit will be dumped on a small run of mine stockpile located near the primary crusher with the capacity of approximately 400,000 tonnes. The ore is crushed and conveyed to the ore storage area. The ore is loaded eventually into railcars. The temporary ore stockpiles for the railway operation have an expected combined capacity in the order of 1.4 million tonnes. Ore will be stored at these locations temporarily, and the drainage during operations is controlled with storm water ponds and perimeter ditches -- perimeter berms and ditches; therefore, there is little concern about long-term potential effects of potentially acid-generating material stored at these locations.

Seepage runoff criteria -- continuing on with the controls, surface water controls: The seepage runoff criteria for the nonhazardous landfill and quarries; construction of diversion structures and sedimentation ponds for runoff from the ore stockpiles and limiting the footprint of the waste rock stockpile; the incorporation of waste rock stockpile sedimentation ponds; and the control of mine pit water by means of conveying water.

Each ore stockpile will be constructed of a 1.5 metre granular thick base with a lime perimeter

ditch to direct runoff to a storm water pond. Because of the coarseness of the ore, the amount of runoff expected is minor. Sedimentation capacity will be provided at both stockpiles to reduce suspended solids below the metal mining effluent regulation criteria. The overflow from these ponds are metal mining effluent regulation discharges and will be released to an existing drainage that reports to the Mary River. Because of the rapid turnover of both the ore stockpiles, no oxidation of the ore is likely to take place, and as mentioned, there is little concern about the potential effects of potentially acid-generating materials at those locations.

I will now discuss the water management features of the waste rock stockpile again in reference to Slide 74, which shows the waste rock stockpile and the associated sedimentation ponds. A waste rock disposal area designed for permanent storage of the waste rock will be located north of the open pit as shown on Slide 74. Based on the current mine plan, an estimated 640 million tonnes of waste rock will be generated from the mining of Deposit No. 1.

A waste rock management plan was submitted in the final environmental impact statement, which addresses the issues of siting, deposition of waste rock, inspection, potential release of contaminants to the

receiving environment, geotechnical stability, as well as closure considerations.

The storm water management plan, the storm water management system with the associated dam safety assessment and dam design is included in the storm water management and drainage system design, which was an annex to the waste rock management plan submitted as part of the final environmental impact statement.

The runoff management system for the waste rock stockpile area will consist of channels formed by berms around the stockpile perimeter and two appropriately sized surface water management ponds. As presented in the permafrost and geotech section of the presentation, berms rather than ditches are used to provide drainage diversions in consideration of the challenges in the Arctic.

The waste rock stockpile system is designed to operate as follows, again in reference to Slide 74: Noncontact water will be diverted away from the waste rock stockpile and will be discharged into the respective watersheds. During freshet, runoff will be contained in two sedimentation ponds where suspended solids will settle out. Both ponds are sized to contain the two-year return event for sedimentation purposes. The west pond, shown on the left-hand side of the waste rock pile on Slide 74, will decant water

to an existing drainage that leads to a tributary of Camp Lake with final discharge into Camp Lake. The smaller east pond, with 400,000 cubic metres capacity will not be required until later years of the mining operation and will discharge to an existing drainage that reports to the Mary River.

Sediment collected in the ponds will vary from year to year. Ponds will be inspected annually after freshet, and any sediment required to be removed will be removed as required. The sediment is predicted to be nontoxic and will be hauled to the waste rock stockpile for disposal. The pond collection system will be monitored for runoff quality and compared with metal mining effluent regulations and water licence criteria.

Continuing on with the operation of the waste rock stockpile system. On an annual basis, snow will accumulate in the waste rock stockpile -- on the waste rock stockpile during the winter. During the summer, the melted snow, along with any rainfall, will seep through the active zone, run off the sides of the waste rock stockpile, and drain from the foot of the perimeter of the stockpile. Estimates of waste rock stockpile runoff water quality are presented in Annex 4 to the waste rock management plan in a document entitled "Interim Waste Rock Stockpile Seepage Quality

Model Report". This modelling shows that following sedimentation, runoff from seepage of water through the waste rock meets metal mining effluent requirements. There are two discharge locations for this runoff: Camp Lake tributary and Mary River.

The current waste rock geological and geochemical characterization program will be completed in 2014. This program has been designed in collaboration and with review input from industry and agency experts, including Natural Resources Canada technical staff. The results from this program will improve modelling assumptions for future waste rock and pit water quality. As additional geochemical, geotechnical, and geological data are collected and detailed engineering is completed, the management plan will be further optimized using an approach that protects the environment while operating in a cost-effective manner.

So moving on to water quality, which is under Item 10 of the identified list of potential concerns. With regard to water quality, the following issues were identified by agencies during previous meetings and in their submissions to the Board. Treated sewage and oily water effluent and their associated discharge limits; mine contact water and the application of metal mining effluent regulations, as well as pit water quality and legacy issues; landfarm and landfill runoff

and seepage; water crossings related to construction and decommissioning of crossings and construction/ post-construction monitoring; sediment and erosion control during construction and operations.

Mine contact water will be presented in detail later in this presentation, as will landfarm and landfill runoff seepage. I will be focussing from this point forward on sewage treatment and oily water treatment.

So let's look, first, at sewage and oily water effluent. As Oliver had indicated earlier, for the occupancy at Milne Inlet, due to the compressed construction schedule in 2013, that our manpower requirements will be higher than expected and in the range of 150 to 225 people during an approximate 14-week period during and post-sea lift. While this would mean a temporary increase in our camp capacity, we would still remain within our estimated annual total water use and discharge criteria. We are requesting that this temporary increase in the work force be recognized in the Type "A" licence.

So with reference to Slide 70, which is up on the screen, there will be two main effluent streams at Milne Port. The first will be treated sewage from a sewage treatment plant and from a sewage holding ponds that will be located in this vicinity here. The second

effluent stream will be from oily water treatment plants located at the maintenance shop and also from mobile treatment plants that will be located temporarily to treat the water within the tank farm area and also the landfarm area.

MR. ARMSTRONG: Mr. Chair, I just wanted to pause for a second, we -- the site layouts which Mr. Millard is speaking of, we did provide to Ms. Meadows a copy of three site layouts, one from Milne, one for the mine site, and one for Steensby, which may be helpful to reference in hard copy, because these are a little bit hard to see. So we have provided those, and perhaps we could just mark those as Exhibit 3, the three site layouts, and I don't know whether those -- we had marked these to provide to the Board for easy reference. I'm not sure if the Board Members have the slides or not. Thank you.

MS. MEADOWS: Thank you, Mr. Chair. Thank you, Mr. Armstrong.

Yes, I can confirm that the Panel Members all have a copy of this, and let the record show that we will mark this as Exhibit 3 to the hearing record. Thank you, Mr. Chair.

EXHIBIT 3 - Package of three figures: Figure 5: Milne Inlet Surveillance Network Program; Figure 6: Steensby Port Proposed Surveillance Network

Program; and Figure 1: Proposed Surveillance Network Program.

MR. MILLARD: Discharge of seasonal storm water from fuel berms such as this and landfarm here will be to Milne Inlet at a discharge location approximately located here. However, we also would like the opportunity, as far as the landfarm in particular is concerned, to discharge to the adjacent land surface. Discharge to receiving environment will only occur if effluent meets water licence effluent criteria.

So looking at the discharge locations at Steensby Inlet and with reference to the next slide, sewage and oily water discharge is to Steensby Inlet via a marine outfall located approximately here. Runoff from the ore stockpile, ore will be stockpiled on Steensby Island in preparation for shipping. We have storm water -- or a sedimentation pond located and discharge from this pond will be to Steensby Inlet in this location here as represented by the triangle. In the case of the landfarm facility, which is just off your map here, seasonal storm water we would like discharged to the adjacent land surface in this area. Again, discharge to the receiving environment will only occur if effluent meets water licence effluent criteria.

Now, looking at discharge locations at the mine

site, and again with reference to the next slide, there are two categories of discharge at the mine site: Treated effluent and oily water effluent -- treated sewage effluent and oily water effluent and mine contact water. And again mine contact water will be discussed later in this presentation.

For the mine site with regard to treated sewage and oily water effluent from the maintenance shop, discharge will be piped to a holding pond and then discharged to the Mary River at this location during the summer months. During the winter months, the discharge will be held in containment ponds located in this vicinity, and then as soon as the Mary River starts to flow, we will be discharging our effluent during the open-water season from those ponds into the river.

Similar to the other sites, we would like the option to discharge seasonal storm water from fuel berms and the landfarm to, which is located here, to the adjacent land surface. From the existing exploration camp, treated sewage would be discharged to existing holding ponds, located approximately here, and then to Sheardown Lake during the summer months, and the outfall would be this orange triangle located there, and that is what we do. Under our existing Type "B" licence, it is current practice. As stated

previously discharge criteria to receiving environment -- to the receiving environment will only occur if effluent meets water licence effluent criteria.

In our draft proposed terms and conditions for the Type "A" water licence, we have proposed discharge limits for sewage and oily water in Tables F-1, F-2, and F-3 for Milne Port, the mine site, and Steensby Port. Of note is that these discharge limits were discussed during aquatic effects monitoring program workshops with various agencies. There appeared to be substantial agreement between the parties at these meetings based on comments receiving during meetings and based on meeting records which form part of the public record. Proposed discharge limits are protective of the receiving environment. Concerns for nutrient levels are addressed in these limits with lower discharge limits on phosphorus for effluent discharged to Sheardown Lake.

This is Table F-1, and it provides proposed limits for treated sewage effluent discharge to fresh water and the marine environment. Note that sewage treatment effluent discharge at Milne Port and Steensby Inlet will be to marine waters. For the railway camps, there will be no local discharges. For discharges to Sheardown Lake from the existing exploration camp, the

phosphorus level is lower than for Mary River. This is based on concerns expressed by Environment Canada. Baffinland concurs and has proposed a mutually agreeable and attainable effluent discharge criteria for phosphorus.

Table F-2 provides proposed limits for oily water treatment from maintenance shops. These effluent streams could either be direct-discharged or mixed with the treated effluent stream. The oily water treatment process in the maintenance shop will be a dedicated fixed system. The effluent stream originates mainly from the washing of vehicles. These treatment plants will be designed to recycle water to minimize potential discharge volumes. For these systems, there would be the option of mixing the oily water effluent into the sewage treatment effluent stream or pond, and this mixing of effluent is what we intend to do.

The second category for oily water treatment is for seasonal oily storm water originating from snow melt and precipitation in bulk fuel containment berms, smaller fuel berms, and from the landfarm. The treatment system is a mobile modular unit installed in sea-cans that can be transported and stationed where required and as necessary.

My colleague, Fernand Beaulac, will present this section of the presentation pertaining to mine contact

water.

MR. BEAULAC: Thanks, Jim. I'm Fernand Beaulac. Members of the Board, good afternoon everyone.

The next item related to water quality for the water licence application deals with mine contact water.

Mine contact water refers to runoff water that comes in contact with waste rock or ore from the mine development. This runoff is channelled to sedimentation ponds and monitored prior to discharge to the receiving environment.

For this project, we have essentially four sources of mine contact water, and I'll show them on this map. Essentially, two of the sources originate from the ore stockpile. We have a run of mine ore stockpile where the runoff flows to a sedimentation pond and then discharges to the receiving environment, which leads to the Mary River. The second one is related to the ore stockpile. Again, runoff is channelled to a sedimentation pond, which flows to the Mary River.

The next two mine contact water discharges come from the waste rock stockpile. The first one being the west sedimentation pond, which discharges to a catchment basin that eventually drains to Camp Lake, and the final one is on the west side of the waste rock

stockpile, which discharges to the -- a tributary to the Mary River.

This slide shows the minimum discharge requirement for the mine contact water. These discharge criteria are from the metal mining effluent regulations Schedule 4. All mine contact water generated at the mine site will be below these discharge criteria in terms of quality.

Studies completed as part of the final impact -- the final environmental impact statement indicated that the discharge of mine contact water from the waste rock stockpile will have no significant effect on the receiving water quality. This will be discussed further under the geochemistry section of this presentation. Also Section 6 of the aquatic effects monitoring program framework focuses on the implementation of the environmental effects monitoring program, which is required under Schedule 5 of the metal mining effluent regulation.

Geochemical water quality modelling indicates that mine contact water from the waste rock stockpile and the open pit area will be much lower than the metal mining effluent regulation discharge criteria. In the event that ongoing geochemical water quality modelling or field monitoring information show a trend towards significant effect on the receiving water quality, then

adaptive management measures would be implemented. Adaptive management measures could include water treatment for mine contact water. A review of feasible water treatment alternatives for mine contact water is found in Section 3.7.5 of the waste rock management plan.

In their final submission, Environment Canada's comment 2.4(a) suggests a lower limit for mine contact water discharges. Baffinland disagrees with this comment, even though Baffinland expects that its mine contact water quality will be well below the metal mining effluent discharge criteria. Baffinland points out that Environment Canada has commenced a review of the metal mining effluent regulation discharge criteria and has proposed revised Schedule 4 discharge limit as part of this review.

The review of the MMER, or metal mining effluent regulation discharge criteria, will include extensive stakeholder involvement and will occur over the next two years. The review will likely result in changes to the proposed discharge limit in the metal mining effluent regulation. A final decision is expected to be published in the spring of 2015. As my colleague pointed out previously, any changes to the metal mining effluent regulation discharge criteria will be deemed to apply to the Mary River Project under Section 75 of

the Nunavut Waters Act.

The metal mining effluent regulation sets the standard prescribed by the Government of Canada for mine water discharges. This regulation also includes a requirement for environmental effects monitoring under Schedule 5 of the regulation.

The implementation of the environmental effects monitoring program ensures that any potential effects on downstream receiving water quality are identified and assessed. The MMER or the metal mining effluent regulation is a good regulation. Development in the north is expensive, and proponent requires certainty in order to proceed with large investments. The metal mining effluent regulation provides this certainty.

It remains -- despite this, it remains the obligation of the Proponent to ensure that the discharge of its mine contact water is protective of the receiving environment. We think that Environment Canada's suggestion to reduce mine contact water discharge limit as currently -- as in the current metal mining effluent regulation is not consistent with this regulation. In Baffinland's view, Environment Canada's suggestion, 2.4(a), preempts the conclusion of the MMER review currently in progress, and it also pre-empts the outcome of the detailed aquatic effects monitoring program proposed by the project.

Regarding the protection for "Northern Ecosystem", the aquatics effects monitoring program, or AEMP, is the mechanism under the water licence, which will provide site-specific, biological, and chemical data, and assessment of possible changes. This aquatic effects monitoring program incorporates the requirement of the environmental effect monitoring program of the metal mining effluent regulation and is designed to provide assessment and early warning of potential effects on the ecosystem.

We note that the final impact assessment has identified the sensitive component of the ecosystem and that the aquatic effects monitoring program focuses on monitoring of those components, assessing risks, and implementing adaptive management when and where required.

My colleague, Oliver, will provide a discussion on Environment Canada's suggestion 2.4(b) and 2.4(c) respecting receiving water quality objectives later on in this presentation.

Two other components of the water quality include the discharges from land farms and landfill siege. The project will construct land farms at Milne Port the land site, and Steensby Port. List will be constructed at the mine site and at Steensby Port.

Water pooling inside land farms will be monitored

for quality prior to discharge. Discharge criteria for water quality are presented in Table F-4, which is extracted from the draft water licence document that was submitted to the Board previously. We note here that the oil and grease maximum average concentration shown in this table should read 15 milligrams per litre and not .15 milligrams per litre. We also note that QIA in their final submission in Appendix B suggested discharge criteria for oily water treatment plant, bulk fuel contact area, landfarm water, and landfill seepage water quality. Baffinland does not see the purpose for having an extensive list for parameters for analysis and believe that the discharge water quality criteria proposed in table F-3 and F-4, and F-5 of the draft water licence document are reasonable and in line with discharge parameters established in other water licence in Nunavut.

In terms of landfill seepage water, monitoring of the landfill seepage water is a requirement of the project certificate. This was -- I'm referring here to Conditions 23 and 24 of the project certificate, and Table F-5 presents a list of water quality parameters that will be monitored.

Moving on to the waste management, which is Item 12 on the list of issues identified in the January 25th decision, the -- other than waste rock, waste

management facilities include waste sorting, incineration for organic camp waste and sewage treatment plant sludge, landfilling of noncombustible and nonhazardous wastes, landfarms for the treatment of contaminated soil or snow, and temporary storage areas for both hazardous and nonhazardous wastes.

A comprehensive waste management plan was presented in support of the water licence application. An operating and maintenance manual for incinerators, landfarms, and landfills will be provided in the coming update of this management plan.

All hazardous waste will be shipped off site for ultimate treatment and disposal. This will happen on the annual sea lift. Baffinland will also submit an updated hazardous material and hazardous waste management plan. This plan was already submitted as part of the application. It will be updated and resubmitted shortly.

There were very few comments in the parties' final submission related to waste management. I'll just discuss briefly two of them. Environment Canada made a comment related to incinerator testing, stack testing, and we note that this is a requirement of the project certificate, and we fully agree with Environment Canada on this, and it was picked up in the draft water licence document as -- in Part F, Article 32 and 33.

QIA also made a comment regarding the landfarm remediated soil. Baffinland supports QIA's recommendation in that regard and proposes that the remediated soil be used for reclamation work.

Regarding the waste rock management, an estimated 640 million tonnes of waste rock will be generated over the life of the project. Baffinland will implement the waste rock management plan, which was submitted with the water licence application, and the company will submit an update to this plan 60 days prior to beginning pre-stripping operation.

The key features of the waste rock management plan include an ongoing waste rock characterization program for the life of the project. It also includes the sorting of waste rock according to their acid-drainage potential, any potentially acid-generating rock will be confined to a dedicated area of the waste rock stockpile and surrounded and covered by nonacid-generating rock in order to prevent oxidation of this rock and acid-drainage condition. And another key feature of the waste rock management plan is that the waste rock stockpile is confined in two distinct watersheds. The surface runoff water management was discussed by my colleague, Jim, earlier in this presentation.

This schematic presents a view of the waste rock

stockpile, and it was presented in our waste rock management plan. It essentially shows how Baffinland intends to segregate and place the potentially acid rock within the confine of the waste rock stockpile and cap it with nonacid-generating rock.

The next item on the list of issues identified by the -- at the technical meeting decision relates to geochemistry. A considerable amount of work has been completed to date on acid rock drainage and metal leaching assessment. As stated earlier, Baffinland has an ongoing -- has a waste rock characterization program that will be ongoing for the life of the mine. An update of this program will be included in the future updates of the waste rock management plans.

A key outcome of the 2012-2014 waste characterization program is that a smaller portion of the waste rock is now classified as potentially acid-generating. The latest drilling results indicate that an estimated 11 percent of the waste rock will be acid-generating, which is -- an estimated 11 percent of the waste rock volume is now estimated as potentially acid-generating versus 19 percent that was previously estimated and used for the basis of our final impact assessment.

Geochemical modelling is a tool used to predict the mine contact water quality over time. The

fundamental assumptions used in geochemical modelling are derived from the waste rock characterization work and from the mined geological model for the ore body. The waste rock characterization results determine the source term for release of contaminants. It looks at the composition and mineralogy of the rock, the acid generation and neutralization potential of the rock, and it also includes test work in humidity cell to establish the amount of contaminant that will be released. The geological model provides an estimate of the quantities of waste rock by type either acid-generating or nonacid-generating, and it also provides an estimate of the mine pit wall exposure by type of material and the mineralogy of the material.

Once the source terms, which are derived from the waste rock characterization and the geological model, are established, the source terms for release of contaminants are combined with the geological model results to predict mine contact water quality over time.

The outstanding concerns related to geochemistry and geochemical modelling were addressed at a recent meeting with NRCan on February 25th of this year. All the agencies and the QIA were in attendance at this meeting. The key concerns are related to the confidence in the predicted results for mine contact

water quality originating from the waste rock pile and the confidence in the predicted results for mine pit water quality at the end of mine life. We note that the assumptions made for geochemical modelling are conservative and are based on worst-case scenarios.

At the meeting with NRCan on the 25th of February, Baffinland explained what the assumptions were, and we note that all parties attending the meeting appeared satisfied with the approach and the effort undertaken by Baffinland with ongoing waste rock characterization and mine contact water quality modelling.

This slide is a repeat of what I already said, so I'll skip that one.

The next one, this slide presents a simplified overview of the steps involved with geochemical modelling for prediction of mine contact water quality. And as I said, we believe that the geochemical model used for predicting mine water quality is robust, as it is based on worst-case scenarios. It overestimates the quantity of potentially acid-generating rock, and it also uses the result of kinetic testing for source term on release of contaminants.

The focus of ongoing efforts for geochemical modelling and prediction of mine contact water quality is to improve confidence in source terms for release of contaminants. Baffinland supports NRCan's

recommendations for the use of a field test file to gather more information in that area. We note that despite using with worst-case scenario, the geochemical modelling completed to date indicates that mine contact water quality will be well below the current MMER discharge criteria for both the waste rock and the mine pit contact water.

Baffinland is committed to protecting receiving water quality. This is the reason why so much effort has been placed on the geochemical modelling, with the resulting prediction of the mine contact water quality, Baffinland proceeded with the modelling of the effects of mine contact water quality on receiving water quality. This slide just outlines the steps involved in this modelling.

Schematically, essentially what we have is the source terms for contaminant loading are determined with the geochemical model. This provides the end-of-pipe discharges, which are all well below the metal mining effluent regulation discharge criteria. The end-of-pipe discharge discharges to the receiving environment which -- where it mixes with the natural drainage of the catchment basin. Receiving water is defined as the closest visible stream to this end-of-pipe discharge point. For example, for the waste rock west sedimentation pond, the end-of-pipe

discharge point is approximately 3 kilometres from the receiving stream, which is a tributary of Camp Lake. Modelling of receiving water quality consists of predicting the expected water quality of the receiving stream or water bodies at the convergent points. For the Camp Lake tributary, this is downstream of the waterfall, which is considered fish-bearing waters. This confluence point will be monitored with the aquatic effects monitoring program.

To summarize the modelling work, first, the geochemical modelling indicates that the end-of-pipe discharges for the waste rock sedimentation ponds will be well below the metal mining effluent regulation discharge criteria, and this is based on modelling that uses worst-case scenarios. The receiving water quality modelling indicates that the discharge of mine contact water from the waste rock sedimentation pond are not. Expected to result in an adverse effects -- in an adverse environmental effect on downstream water and sediment quality. This assessment is presented in the final environmental impact statement, Volume 7, Section 3.4.2.

Moving on to management plans, this was Item 14 on the list of issues identified by the Board. All management plans are based on the principle of continual improvement and adaptive management. It is

important to focus management on -- to focus management on mitigation measures and monitoring of relevant parameters that will ensure that the project certificate terms and conditions are implemented, that the Type "A" water licence terms and conditions are implemented and that the company's commitment, goals, and objectives are achieved. Management plans are living documents that require updating on a regular basis on actual field performance. Baffinland requests that the Board approve the management plans submitted with the water licence application. These plans have been circulated and commented upon since February 2012. The company acknowledges that these management plans will be updated following the issuance of the Type "A" water licence.

Concerning the update of these management plans, updates of key management plans have already been submitted to the Board in March and April of this year and support of the existing Type "B" water licence as well as the anticipated 2013 work plan. This slide simply lists the number of plans that have already been updated and submitted to the Board.

Additional management plans are to come mainly for the Milne Port oil pollution emergency plan and a quarry management plan for the mine site quarry designated as QMR2. As mentioned earlier, the waste

rock management plan will be updated and submitted 60 days prior to mine pre-stripping. The blasting management plan is a requirement of the project certificate, Conditions 44 and 48. Baffinland submitted a quarry management plan for the Milne Inlet quarry, Q1, on March 14, 2013. This management plan is now out for review, and it contains blasting operation management plan specific to this quarry. Similar management plans will be submitted for each quarry development. Baffinland expects to have distinct blasting management plan for the mining operation, the tunnelling for the railway, and for blasting in or near water bodies where appropriate.

Regarding the blasting management plan, the concerns expressed by the reviewers are related to the entrainment of excessive amount of ammonia or nitrate in water bodies adjacent to the quarry. Explosives contain ammonium nitrate, and potentially elevated levels of residual ammonia, nitrite, or nitrate could result if these compounds are entrained in surface waters. This will be prevented with the implementation of best management practices as it relates to the use of explosives.

We note here that Baffinland's quarry are located at least 30 metres from fish-bearing water bodies. To put this in perspective, there are thousands of quarry

operation or road construction projects across North America near water bodies that use aggregates obtained from quarries. There are very few, if any, incidents of eutrophication or -- of water bodies caused by the use of aggregate obtained from quarries or the use of explosives in a quarry.

Baffinland believes that the concerns over excessive explosive residues entrainment to water bodies is addressed through the implementation of best-management practices for the use of explosives. This approach minimizes waste of explosives due to spillage. The management plan submitted for the Milne Inlet quarry provides example of what these best-management practices are and how they will be implemented at the quarry sites.

Specifically Section 2.11 of this quarry management plan addresses performance monitoring which includes ammonia and nitrate monitoring of surface water flows to fish-bearing waters. In the event that performance monitoring indicates that the targets are not being met, corrective action will be taken to improve performance, and contingency measures will be taken to prevent the discharge of acutely toxic ammonia discharges to the aquatic receiving environment. We believe that this approach addresses QIA's concern related to performance monitoring at quarries.

Next item on the list of issues was contingency planning. An emergency response and spill contingency plan was submitted to the Board as part of the water licence application. This management plan is updated on an annual basis to reflect a level and scale of activity at the work site. The latest update of this plan was submitted to the Board on March 31st, and the intent is to support the level of activities that will occur during 2013. The next update is scheduled for the year-end of 2014 in anticipation of the 2014 work level. We note here that we have developed a list of -- we have proposed terms and conditions that could be used for emergency response and spill contingency planning in Part I of the draft water licence document.

Over to you Oliver.

MR. CURRAN: Thank you, Fernand. So this portion of the presentation that I will speak to addresses the topic of monitoring that was listed in the Nunavut Water Board's pre-hearing conference decision on page 16. The aquatic effects monitoring program or AEMP aims to address issues identified during the environmental assessment process that could potentially impact the aquatic receiving environments surrounding the project development. Building from earlier baseline monitoring, the aquatic effects monitoring program describes the general monitoring

strategy designed to detect effects in the freshwater aquatic environment. Baffinland has implemented mitigation measures in the project to minimize adverse effects. Several management plans and monitoring plans are intended to inform the adaptive management process, which relies on the early identification of potential problems and the development of additional mitigation options to address them.

The aquatic effects monitoring program is designed to detect project-related impacts at both a temporal and spatial scale that are ecologically relevant. The program targets flows, general water and sediment quality, primary productivity, and benthic community structure of the streams and lakes potentially impacted by project activities. The proposed approach is to structure the aquatic effects monitoring program to serve as an overarching umbrella into which the results of all related monitoring programs for the Type "A" water licence are captured. I will provide a flow diagram explaining this a bit later in this portion of the presentation.

THE CHAIR: Excuse me, I think we're due for a 15-minute break, if that's okay with you. Can you hold that thought?

MR. CURRAN: Sure, that's fine, thank you. Yeah.

THE CHAIR: Thank you.

(ADJOURNMENT)

THE CHAIR: Welcome back. Baffinland, whenever you're ready, you can carry on with your presentation.

MR. CURRAN: Thank you, Mr. Chair.

So continuing on with Slide 115. The aquatic effects monitoring program framework is the result of the cooperation of the Nunavut Water Board Staff, Environment Canada, Fisheries and Oceans, the Qikiqtani Inuit Association, and Aboriginal Affairs and Northern Development Canada. There were two workshops spanning numerous hours of discussion as well as follow-up calls to discuss specific follow-up items. Reviewers commented on the aquatic effects monitoring program framework in their final submissions to the Water Board. The key comments related to Schedule 5 of the aquatic effects monitoring program framework which speak to the benchmarking criteria to be used for specific levels of action and what those management responses or actions could include.

The draft approach included in Schedule 5 of the aquatic effects monitoring program framework is included as Schedule J-1 of Baffinland's proposed terms and conditions working document. Comments received from the Qikiqtani Inuit Association and Environment

Canada on this draft approach suggested the need for an early warning system. In response, the approach has been revised to include an early warning system, as I will discuss a bit later in the presentation.

Aquatic effects monitoring program benchmarks will be protective of the aquatic ecosystem. They will be the Canadian Council of Ministers of the Environment, the CCME, water quality and sediment quality guidelines, which are widely used across Canada. In some cases, Baffinland will develop site-specific guidelines, and the development of these guidelines will follow widely accepted practices laid out by the Canadian Council of Ministers of the Environment. The aquatic effects monitoring program will include a management response framework that embraces an adaptive management approach. It is Baffinland's intent to organize a third workshop to finalize the management response framework component of the aquatic effects monitoring program.

So this slide here lays out the systemic approach of how the sediment and surface water data will be evaluated and the triggers for various actions and what the management responses will be. So before I read through and describe some of these steps, I'll just go through the flow diagram and point some of the main components out here for you. So Step 1 over here

relates to the statistical evaluation of data that's collected in the field. This entire process here is your data assessment.

Step 2 here is where you're comparing data to the aquatic effects monitoring program benchmark, which is really your Canadian Council of Ministers of the Environment criteria and/or site-specific criteria.

And then Step 3 over here, these are all your levels of action that can be taken, so Environment Canada, the Qikiqtani Inuit Association asked us to break this out a little bit more, so we've described what the management responses could be in a low action, moderate, and high.

And then Step 4 is along the right-hand side, and these are all the potential management responses that can be taken based on what you are observing in the environment. And then, of course, there's this feedback loop that can be used to redesign your study and do adaptive management, if required. So I'll just read through this a little bit now in a little bit more detail.

So if we start at the top, the study design of the aquatic effects monitoring program lays out the monitoring program. As we collect the monitoring data, it will go through a quality assurance program to ensure the data is of high quality. We then move into

a broad data assessment stage, which has four main steps to it. So Step 1 involves a statistical evaluation of the data against reference or baseline data. If the data are the same as reference or baseline, that means there has been no change to the environment and no action is required. So we go back down to here.

If the data indicate that there has been a change, then we need to determine if that is related to the mine. If the answer is yes, then we move to Step 2, which is comparing the data to the benchmarks, which are protective of the environment. Depending on how the data compare to the benchmarks, there are three different levels of action, which is our Step 3, which include a low, moderate, and high action response. The management responses laid out in Step 4 are different depending upon the level of action required. They range from looking at the trends of the data over the past number of years to understand if it is increasing, and if so, what are the likely sources and will they continue to contribute.

Other actions include increasing monitoring and implementing mitigation to reduce continued contributions to the environment and assessing the risks to the environment. Also, there are feedback loops to the design so that changes to the design can

be made if there is a need to modify monitoring based on what the data are telling us. This approach is systematic, and it includes prescribed actions which will assist in minimizing impacts to the receiving environment related to mine releases.

The AEMP or the aquatic effects monitoring program will be implemented in two phases. Phase 1 of the aquatic effects monitoring program will be implemented following the issuance of the licence, and Phase 2 of the aquatic effects monitoring program will be implemented at the commencement of mining operations.

The general monitoring requirements are presented in Part J of Baffinland's proposed terms and conditions of the licence, and as a reminder, the aquatic effects monitoring program is presented in Schedule J-1 of Baffinland's draft terms and conditions and the proposed annual reporting requirements are outlined in Schedule J-2.

This concludes the monitoring portion of the presentation, so I'll turn it back over to Erik to complete this presentation.

MR. MADSEN: Thank you, Oliver.

Mr. Chairman, I will complete our presentation on the next few slides discussing the list of issues related to Item 7, which was closure and reclamation, and Item 5 which was on security bonding.

When Baffinland submitted its original Type "A" water licence application back in February 2012, a preliminary abandonment and restoration -- reclamation plan was submitted. This plan outlined the company's reclamation goals and objectives and was prepared following various policies and guidelines such as the Qikiqtani Inuit Association's abandonment and reclamation policy and Aboriginal and Northern Development's (sic) site reclamation policy and guidelines.

Baffinland proposes to update its abandonment and reclamation plan on an annual basis for the first initial years of the project, which will also include an updated annual closure cost estimate for activities planned for the upcoming year. Once construction is complete, similar to other Type "A" licences in Nunavut, Baffinland proposes to update this plan every three to five years. Therefore, there will most likely be three to four interim abandonment and reclamation plans submitted for review and approval prior to the final closure and reclamation plan. We recognize that this final plan will require ultimate approval by the landowner, the Crown, and the Nunavut Water Board.

As was committed at the technical hearings held in January, Baffinland submitted a work plan for the 2013 planned activities as well as a closure cost estimate

related to that work. That closure cost estimate was prepared using the reclaim model, which is a recognized methodology of the Nunavut Water Board and Aboriginal Affairs and Northern Development Canada. Baffinland used the reclaim model to estimate the marginal costs associated with the implementation of the 2013 work plan, and Baffinland also acknowledges that the reclaim model is not consistent with Qikiqtani Inuit Association's policy. The updated cost estimate for abandonment and reclamation is a hybrid estimate that uses both the reclaim methodology and the Qikiqtani Inuit Association policy guidelines. And after a recent meeting with the Qikiqtani Inuit Association, Baffinland went back and revised this closure cost estimate, which was submitted April 5th, to meet all of Qikiqtani Inuit Association's policies for abandonment and reclamation, and this is reflected in the latest updated closure cost estimate that was submitted.

These latest closure cost estimates have been discussed with both the Qikiqtani Inuit Association and Aboriginal Affairs and Development Canada, and there now appears to be agreement on the approximate amount of security proposed for the 2013 work plan. At the same time, under existing Type "B" water licence, on March 31st, an updated abandonment and reclamation plan was submitted to the Board and the Qikiqtani Inuit

Association.

There has been some concern expressed by regulators, especially Aboriginal Affairs and Northern Development Canada, that there could be a potential for a legacy concern related to the pit lake water quality. This concern is that water quality objectives will not meet the acceptable discharge limits once the pit is eventually filled with water, and this will take between 85 and 150 years after mining stops in Deposit No. 1.

AMEC Engineering has developed water quality estimates through modelling predictions for the final year of mining, which will be year 21, and these estimates show that pH levels have the possibility to be in the range of 4.2, which is outside the metal mining effluent regulations' range of 6 to 9.0. Baffinland has regularly stated that the commitment of ongoing waste rock characterization through drilling programs and subsequent updates to the models and will have time to obtain a better understanding of eventual pit water quality and to develop mitigation measures moving forward, including water treatment, if required.

It also must be noted that Baffinland's operation is unique in that it will be virtually mining a mountain, and it will take upwards of 10 years before an actual pit will be developed.  This will be

visualized in the next slide. Baffinland is confident that future modelling will demonstrate that the metal mining effluent regulation criteria can be met, and ultimately, as has been discussed earlier, Baffinland must comply with the metal mining effluent criteria.

This picture here shows Deposit No. 1, and it visualizes what I had mentioned that this is a unique property, that you're virtually -- you're mining a mountain, scraping off the top of the mountain as you move down, and it will take years of open-pit mining, approximately 10 years, before the pit reaches a level where it will actually have a bowl formed, and then mining will continue for an additional 11 years, and that is when the pit walls in the pit will be exposed to weathering. As noted in the previous slide, through ongoing drilling and characterization of rock, Baffinland will have a more complete understanding of the potential water quality generated from the exposure of these pit walls to weathering over this 10-year period.

I'm going to move on to the next slide because I discussed these points.

Baffinland is committed to providing updates from this ongoing waste characterization program, including updates to modelling predictions to the Nunavut Water Board, and subsequent updates to the interim

abandonment and restoration plan. It is anticipated that the Board will include a clause in the licence to ensure that data is regularly submitted. Future updates to the interim plan will also include mitigation approaches to deal with future predicted water quality. It should be noted that the final closure plan, which is usually required to be submitted approximately five years prior to closure, again, will require both the landowner and the Nunavut Water Board approval.

The last topic I'd like to discuss is the topic about security bonding. As a result of the technical hearings, Baffinland was requested to address the list of issues as identified in Item 5 of the pre-hearing report. This required the Proponent to provide a breakdown on the amount of security that would remain with the Type "B" water licence and the amount of security that would be proposed for the future Type "A" water licence. The numbers outlined on this slide show the overall estimated total security for both land and water to be approximately $37.25 million. The breakdown of these costs are 94 percent related to land liabilities and 6 percent related to water liabilities.

So in summary, if looking at the slide, the Type "B", the amount is saying about -- that 1.25 million would remain in the Type "B", and the

amount that's already in the Type "B", which would be about 22 million would be carried over, so the 22 million would be carried over to Type "A", and the work that would be done in 2013 would account for about $13.3 million, and when you add that up, there's a total of about $36 million that is being proposed for the total security for the land and water.

Baffinland provides the following recommendations on how security deposits could be set, that there should be one approved closure plan that covers the activities proposed for the upcoming year, that this plan must be acceptable to the landowner, the Nunavut Water Board, and Aboriginal Affairs and Northern Development Canada, that there should only be one security bond that covers both land- and water-related liabilities. And once again, as we've stated a number of times, Baffinland will not overbond, an issue that has been around for a few years here in Nunavut.

As many parties are aware, the issue of overbonding has been an issue for developers in Nunavut for a number of years. A working group has been formed with a number of representative parties presently at this hearing. This group's mandate, made up of residents from the regional Inuit association, the Nunavut Water Board, and Aboriginal Affairs and Northern Canada is to reach a solution moving forward

on this issue.

As noted earlier, Baffinland supports and recommends one security amount for both land and water liabilities and has presented three solutions as to how security can be held. The first option is for the total amount of security for land and water to be held by the landowner, and in this case, the Qikiqtani Inuit Association, and this would require that the Qikiqtani Inuit Association and Aboriginal Affairs work to have an agreement on to how they will share and access securities, if required.

A second method would be that the total amount of security for land and water be held by Aboriginal Affairs and Northern Development, and with the QIA and AANDC have an agreement on how they will share and access securities, if required.

And a third mechanism could be that the total amount of security be held at a bank, and a beneficiary note be provided to the landowner for the percentage of total security related to land-based liabilities and another beneficiary note provided to Aboriginal Affairs and Northern Development for the percentage of water-based liabilities.

So I guess to clarify, we also are saying that both the QIA and Aboriginal and Northern Affairs Canada can hold the amount, but it will be only for one total

amount for that security for land and water.

Baffinland has noted in its earlier slides that it recommends that an annual work plan as well as an updated closure cost estimate be -- for the upcoming be submitted. The proposed date for this submission is November 1st of each year. It will then be up to the Proponent, similarly as it was done in March and April of this year, to get the landowner, the Nunavut Water Board, and Aboriginal Affairs and Northern Development Canada to meet and review the closure cost estimate and to ultimately agree on the next year's estimate. Should the parties not agree, then we would look for the Nunavut Water Board to set the amount. Once the amount is determined, then Baffinland would post by March 1st of each year the agreed amount total security for that upcoming year. This would allow the bond to be in place before the yearly sea lift, as the majority of equipment and supplies to support the ongoing project activities would not be able to occur until the annual sea lift. Baffinland suggests the Board consider such a clause in the licence.

Baffinland would like to summarize that under Part C of proposed terms and conditions, it has proposed conditions applying to security. In Part K, Article 2 of the proposed terms and conditions, Baffinland has suggested conditions as to how future

posting of security amounts can be held. Once again, Baffinland proposes that the total security of 37.25 million be required both for land- and water-related liabilities up to the end of 2013, and that includes the Class "B" water licence.

One of the actions from the January technical hearings was for Baffinland to provide updated financial information as per Section 57(B) of the Nunavut Waters Act, and Baffinland would like to confirm that this information has been submitted to the Nunavut Water Board.

In conclusion, on behalf of the Baffinland team, its numerous consultants, we would like to extend our appreciation to the Nunavut Water Board, Nunavut Water Board Staff, the Qikiqtani Inuit Association, and all the regulatory agencies and as well as the communities that have undertaken an extensive, time-consuming, and thorough review of this application.

It is our view that we have put forward an application with monitoring and management plans, including some proposed terms and conditions, that would allow the Board to consider and be in a position to develop and issue a Type "A" water licence that will mitigate and protect any future water quality or quantity effects from the Mary River Project.

Our team looks forward over the next few days to

discuss and address any questions or concerns that the Nunavut Water Board or any parties or the general public may have. Baffinland looks forward to commencing 2013 work activities under its existing Type "B" licence and hopefully in the future with a new Type "B" water licence in May, and then to continue works under this new Type "A" water licence once issued. This will then allow training and hiring of North Baffin residents to commence and allow the project to start to proceed.

Qujannamiik, thank you very much, Mr. Chairman. That completes our presentation.

THE CHAIR: Thank you very much. Now, on my agenda item, I have questioning by other parties. Number 1 will be Nunavut Tunngavik, number 2, Qikiqtani Inuit Association, 3, Aboriginal Affairs and Northern Development Canada, 4, Environment Canada, Fisheries and Oceans Canada, Natural Resources Canada, Government of Nunavut, and community representatives from Hall Beach, Arctic Bay, Igloolik, and Clyde River, and any Elders or community representatives from Pond Inlet that have questions.

Back to the top, first off, we have NTI, Nunavut Tunngavik Inc., questions to the Applicant. If you have any questions come up to the microphone and ask questions. No questions?

MR. ITORCHEAK: Good afternoon, Mr. Chairman and David and Ross. I'm here on behalf of NTI. Paul Irngaut was not able to come yesterday or last night, but he might be on his way right now, and he's the actual representative on behalf of Nunavut Tunngavik Incorporated, and he looks after the Mary River file and the Baffinland project. I'm here as the alternate designate to just make a few comments. I don't have any questions. I'm not here to ask any questions to any party, either to the Board or to the Applicant.

So just to quickly do my presentation, and it will be in English, but I have the interpreters'/ translators's copy of the transcript, so I may be a little quick, but I'll try and keep it slow. Thank you.

My name is Adla Itorcheak, and I'm from NTI, Policy Analyst. My background is mostly accounting. I've worked with NTI Nunavut Tunngavik for the last year-and-a-half, and I was brought here because Paul Irngaut had some illness to look after, but I think he's recovered well enough. He's coming -- should be coming in tonight.

Okay, the Mary River is located, as everyone should be aware, on Inuit-owned lands, Parcel PI17, Inuit through NTI are owners of the minerals under this parcel. Deposit No. 1, the proposed mine itself, is on

a grandfathered mineral lease. As such, the administration of the lease and the calculations of the royalties is carried out by Aboriginal Affairs and Northern Development Canada. The royalties are calculated according to the Northwest Territories and Nunavut Mining Regulations, and as Inuit-owned minerals, all royalties and fees collected by Aboriginal Affairs and Northern Development Canada that come from this lease are transferred from the Government to NTI after they are collected.

NTI has three major policies that will be related to this project. These are the mining policy, the reclamation policy, the resource revenue policy.

THE CHAIR: Do you have any questions to the Applicant? There will come a time when you can give a presentation on behalf of NTI, but right now, for the time being, if you have any questions to the Applicant, by all means ask questions, and then you will have the opportunity to come up later and do a presentation.

MR. ITORCHEAK: Okay, sorry about that. NTI at the present does not have questions to the Applicant. Thank you.

THE CHAIR: Thank you. Next we have Qikiqtani Inuit Association questions to the Applicant.

MS. MEADOWS: Mr. Chair, if I might, just a

quick -- thank you, Mr. Chair. It's Teresa Meadows, legal counsel for the Nunavut Water Board. For the benefit of the court reporter, can you please state your name before you ask your question? Thank you.

THE CHAIR: I think she said clearly and precisely.

QIA QUESTIONS BAFFINLAND:

MR. WILLIAMSON BATHORY: Qujannamiik, Iksivautaaq. Stephen Williamson Bathory with the QIA. I'm joined by Solomon Awa and Jamie Van Gulck. We would like to ask a couple basic questions of the Proponent if we could.

THE CHAIR: Go ahead.

MR. WILLIAMSON BATHORY: Qujannamiik. And first off, we'd like to thank the Board for allowing us to ask these questions, as well as to thank the Proponent for a very straightforward and comprehensive presentation.

The questions we'd like to raise are specifically in relation to the topic of the aquatic effects monitoring program. That was a topic, I believe, Mr. Oliver Curran was presenting on most recently after the lunch break.

In the presentation, we were thankful to learn that the Proponent is looking to hold a third workshop on the aquatic effects monitoring program, and that QIA would be invited to participate in that. It also looked like there was some modifications that we can

further address in our presentation likely this afternoon or tomorrow.

The one question we would like to pose to Baffinland is simply we're looking to confirm that Baffinland is open to further recommendations on how to modify and advance the AEMP towards an eventual final product that could be implemented. Here we note that there were two phases, a construction phase and an operation phase. So thank you.

THE CHAIR: Thank you. Applicant?

MR. CURRAN: Thank you, Mr. Chair, and thank you, Stephen, for that question.

Yeah, absolutely, we intend to --

THE CHAIR: Your name?

MR. CURRAN: Sorry, my name is Oliver Curran with Baffinland.

We do intend to hold a third workshop on the aquatic effects monitoring program. At present, it is a framework, and so we recognize that there is additional work to be done to finalize some aspects in the framework, and we will certainly, you know, have these workshops in consultation with Environment Canada, the Water Board Staff, the Qikiqtani Inuit Association, Fisheries and Oceans, and Aboriginal Affairs and Northern Development Canada.

MR. WILLIAMSON BATHORY: Qujannamiik, Iksivautaaq.

Just a follow-up question to that, if I could.

In relation to advancing the aquatic effects monitoring framework (sic) towards a finalized product, can Baffinland confirm if it has the intention to offer a focus specifically to project activities on Inuit-owned lands within that framework? Thank you.

THE CHAIR: Applicant?

MR. CURRAN: Oliver Curran with Baffinland. Thank you Mr. Chair. Thanks for that question, Stephen.

Yeah, I can confirm that the mine operations are on Inuit-owned land, and as such, many of the aquatic effects monitoring program components would be conducted on Inuit-owned land as well as Crown land. Thank you.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik. As we advance beyond the framework into the actual implementation of the plan, the assumption is the plan will be modified over the life of the project. There would be potential changes as a result of many features, but the question here specifically is does Baffinland agree that, once the plan is established, that it can be modified through reasonable request of an interested party; meaning an interested party could raise a matter that could possibly require the aquatic effects monitoring

plan to be modified as a result of project activities?

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland.

Yeah, Stephen, as I had pointed out on Slide 118, that was an example of our assessment approach for the water quality and sediment aspects of the aquatic effects monitoring program, and so by design, there is adaptive management built into that framework. So you're constantly collecting site-specific data in the field, assessing that data, making conclusions, and making revisions as necessary. So the aquatic effects monitoring program would be reported on on an annual basis as part of the water licence application. So by design, it would certainly evolve over the life of the project and involve consultation with all of the interested parties. And Anne Wilson with Environment Canada, during her presentation, may touch on this or be able to add additional experience, as she has overseen many aquatic effects monitoring programs in Canada and could probably shed some light on how this process works.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik, Iksivautaaq.

So I think Mr. Curran raised an important point, that the aquatic effects monitoring program will be

modified over the life of the project, and that modification would include annual reporting whereby interested parties could make reasonable requests to see further modifications of the aquatic effects monitoring program, if required. So again, just looking to confirm that it would be the annual reporting event that would afford parties such as QIA an opportunity to present a reasonable request for modification of the program. Qujannamiik.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. Oliver Curran with Baffinland. Thanks for the question, Stephen.

So Baffinland can confirm that that would occur, and also under the Inuit Impacts Benefit Agreement, there's also a mechanism there for review as well.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik. A question just relating back to the framework itself, just looking for clarification. At present, is Baffinland considering collecting any additional information from a baseline perspective that would inform either the development of the framework or the design of the actual program specifically during the initial construction phase? Thank you.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. Oliver Curran with Baffinland. Thanks for the question, Stephen.

So as you would be aware and Solomon would be aware and the various consultants you've had involved with the workshops that we have discussed the requirement for baseline data collection going forward, including 2013, and so Solomon and your consultants would recall that, you know, we have discussed the requirements for 2013, and we currently have plans to undertake fieldwork in relation to the aquatic effects monitoring program.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik. Just a follow-up question there, and here I'm looking specifically at Section 5.8, page 56, paragraph 4, Subsections 1, 2, and 3 of the draft aquatic effects monitoring framework. This section speaks specifically to the collection of Inuit Qavjimajatuqangit and just looking to confirm with Baffinland if what they presented there would be an example of a possible additional baseline collection activity that could be pursued in concert with finalizing the framework? Thank you.

THE CHAIR: Applicant?

MR. CURRAN: Oliver Curran with Baffinland. Thanks, Stephen.

Yeah, I can confirm that 5.8 is a framework that we have proposed in consultation with all interested parties, including the Qikiqtani Inuit Association.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik. Just one follow-up question, that then in the context of that framework, would Baffinland entertain the possibility of collecting information as it may pertain to Inuit-owned lands within the project area? Qujannamiik.

THE CHAIR: Applicant?

MR. CURRAN: Oliver Curran with Baffinland. Thanks for the question, Stephen.

So, yeah, as per Section 5.8 and what we propose here under the framework is the collection and/or consultation with Inuit on baseline conditions on Inuit-owned land.

THE CHAIR: QIA?

MR. WILLIAMSON BATHORY: Qujannamiik. I have no further questions as it pertains to the aquatic effects monitoring program. I'd just like one moment to consult the people with me at the table to see if they have anything further of Baffinland.

MR. AWA: Thank you, Mr. Chair. I am Solomon Awa. I work for the QIA here in Iqaluit.

Our questions, we have many questions, but we will

leave the questions open to the community members of Pond Inlet, and the QIA, we'll make our statements also. So we don't have too many questions at this time.

MR. WILLIAMSON BATHORY: Qujannamiik, Iksivautaaq. I'd just like to thank you again for the opportunity to raise some questions, and to thank Baffinland for the presentation given today.

THE CHAIR: Thank you. Next we have Aboriginal Affairs and Northern Development Canada.

AANDC QUESTIONS BAFFINLAND:

MR. BALL: Thank you, Mr. Chair. It's Murray Ball with Aboriginal Affairs.

I have one question regarding the pit lake mitigation options. I notice that the company had, Baffinland had put forward the proposal of possibly treating water and pit quality in pit lake as a way of mitigating its potential issues with water quality, and I'd just like to clarify, the company had, at the technical meeting, proposed an alternative mitigation, which was using accelerated fill so that the pit would be filled more quickly by pumping water into it and thereby allowing less opportunity for the water quality to be negatively affected. So my question is is the company -- would the company still consider the mitigation option of accelerated fill?

Thank you.

THE CHAIR: Applicant?

MR. MADSEN: It's Erik Madsen with Baffinland.

I guess the quick answer, Murray, is yes, that was discussed at the technical hearings, and as part of this future information we will collect, we will gain more information, and that's one of the options that would still be out there is if we had to look at accelerated pit in-filling, and we did provide numbers at the technical hearing that showed roughly the time frame and the volume of water it would take to fill those pits.

So in the future, as we collect more information and update the plan yearly and we learn more, that's probably one of the options that we would move forward with to pursue, and like you say, the eventual of having to have to treat, that's still an option out there too, but the accelerating of the pit is, yes, is an option that we would pursue.

THE CHAIR: Aboriginal Affairs?

MR. BALL: Thank you, Mr. Chair, and thank you, Baffinland. No further questions at this time.

THE CHAIR: Thank you. Next we have Environment Canada.

EC QUESTIONS BAFFINLAND:

MS. WILSON: Thank you, Mr. Chairman. It's Anne Wilson with Environment Canada here.

I do have a few questions of clarification with respect to water management and another one with respect to monitoring.

So with respect to water management, I'm a little confused on the treated waste water as to when it will be going into the proposed polishing waste stabilization ponds and wanted to confirm that that would be a collection pond as opposed to a direct discharge to surface waters.

THE CHAIR: Applicant?

MR. MILLARD: James Millard from Baffinland. Thanks, Anne, and thank you, Mr. Chair.

I assume you're speaking about the oily water, so I'll make that -- oily water treatment, I'll make that assumption to start. The oily water treatment will, just try to clarify, will come from two sources at the camps. The first source of oily water effluent would be from the maintenance shop. That water, as I confirmed in my presentation, would end up in the general waste water stream and would end up in a pond prior to discharge. The second type of oily water effluent would be from bulk fuel storage areas and from the landfarm. So depending on the site, well, one

thing I can say for sure is that the landfarm, the preferred option, and what we would like to do for the landfarm effluent would be to discharge that to the adjacent land surface.

Now, for the bulk fuel storage areas, that's a bit more complicated in that there's a lot of snow drifting in during the winter, so we end up with a lot of melt water in the springtime, upwards -- as an example, the existing fuel berm that we have at site will collect upwards to 1 to 2 million litres of water. That water we presently direct discharge to the receiving environment, and we would like that to continue to have that option in the future, to have that direct discharge option. And the reason for that is that the ponds simply do not have that sort of design capacity, nor do we think it's required. We would like to maintain storage in the ponds for the primary purpose of storage of treated effluent or offspec. effluent.

THE CHAIR: Environment Canada?

MS. WILSON: Thank you. It's Anne Wilson.

That substantially answers my question. The only thing I want to clarify is, based on your last statement, that all treated sewage will be going to the stabilization ponds?

THE CHAIR: Applicant?

MR. MILLARD: That is not correct. The

treated --

THE CHAIR: Do you have a name?

MR. MILLARD: Sorry, James Millard from Baffinland.

The -- again, it depends on the site, so going through the different sites, so Mary River is -- or the mine site is substantially different than the -- than Milne Port. At Milne Port, we will be direct-discharging our sewage. That will be the preferred method, and then we will have a pond for potential offspec. sewage or for other reasons, if we are doing work on the pipeline and that sort of thing, right? So that's the primary method of discharge from Milne Port.

Now, for the mine site at Mary River, we would be, during the winter time, discharging into an effluent holding pond, and in the summertime, we would be releasing that pond to the receiving environment, which is Mary River. So at the mine site, it's primarily the discharge, direct discharge would be to a pond and then to the receiving environment, except during the summer months when we would still like to maintain the option of a direct discharge to Mary River.

THE CHAIR: Environment Canada?

MR. MILLARD: The -- let me just finish on that -- the reason for that is we need to maximize our

storage capacity in that pond prior to the winter season, because we have to hold an entire winter, eight months of storage in there, so we want to keep that pond as empty as possible during the summer.

As well, the sewage treatment plants that we are bringing in will be treating the sewage to a very high level of high standard, and it will be sort of a consistent level of treatment, we'll be able to consistently treat it at that high level. So we have a lot of faith in the system we're proposing to bring in. Thank you.

THE CHAIR: Environment Canada?

MS. WILSON: Thank you, it's Anne Wilson.

And Steensby it looks like will be directly via an ocean outfall, so my question for all the three sites then is the polishing restabilization pond primarily for the startup; is that what you'll use until you can get your plant operating to equilibrium?

MR. MILLARD: Yeah, I should have mentioned Steensby, that is similar to Milne Inlet in that we will be exactly doing that, using the ponds for startup or for upset, primarily for upset conditions, and retreating that water at some time in the future either through the plant or through some other means to the receiving environment.

THE CHAIR: Environment Canada?

MS. WILSON: Thank you. It's Anne Wilson.

With respect to any discharges that would not go to land, i.e., that would go to surface waters of the treated secondary containment or landfarm -- sorry, no, just the secondary containment treated waste water effluent, would you be willing to do a chemical characterization of the unregulated parameters prior to discharge?

THE CHAIR: Applicant?

MR. MILLARD: Jim Millard, Baffinland.

We could give consideration to that.

THE CHAIR: Environment Canada?

MS. WILSON: It's Anne Wilson.

Well, on that definite maybe, I'll move on to my next question which has to do with marine monitoring. The NIRB project certificate Term and Condition Number 76 requires a comprehensive environmental effects monitoring program to be put into place for the marine receiving environment. So that would be both at Steensby and at Milne Inlet.

We've had extensive and really constructive discussions on the freshwater monitoring program, and I acknowledge the jurisdictional difficulties in bringing marine into this forum but wanted to ask the Proponent, in light of Environment Canada's recommendations in our presentation, how they are thinking to address the

marine monitoring.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. Oliver Curran with Baffinland, and thank you for that question, Anne; it's an important question, and so I'll just try to summarize what our approach is here.

As Anne mentioned, Condition Number 76, and there are other conditions that relate to the marine environment, we have -- Baffinland has already formed a marine environment working group, and that marine environment working group had met in March, and we had discussed this very topic, and we will be meeting, the marine environment working group will be again meeting on May 22nd, and the item of the monitoring in the marine environment will be a topic on that agenda.

And one of our consultants working for us on this topic will be coming up -- will be revising the marine environment management plan to arrive at a general study design on how we can incorporate the project certificate conditions for monitoring the marine environment, along with future hazardous alteration disruption or destruction of fish habitat monitoring. So we want to have kind of a comprehensive monitoring approach in the marine environment both at Steensby and Milne to capture that NIRB condition.

THE CHAIR: EC?

MS. WILSON: It's Anne Wilson, thank you, and that's all my questions.

THE CHAIR: Thank you. Next we have Fisheries and Oceans Canada.

MS. WILLISTON: Good afternoon, Mr. Chair. It's Georgina Williston from Fisheries and Oceans Canada. We have no questions at this time.

THE CHAIR: Thank you. Natural Resources Canada?

NRCAN QUESTIONS BAFFINLAND:

DR. KWONG: Thank you, Mr. Chair. I am John Kwong from Natural Resources Canada.

I've got two questions, one related to water management, and then -- which is on Slide Number 60, and the second one is on mine contact water, which would be Slide Number 83. So I'll raise my first question on Slide Number 60.

Okay, the last point, last bullet in this slide says that the mine pit water will be trucked to waste rock stockpile during operation, right? So since any runoff from the stockpile would end up in the sedimentation pond, okay, my question is before you truck the pit water during operation to the stockpile, would the water quality of that water collected be measured or not, or you only plan to measure the water quality at the sedimentation point?

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac.

To answer your question, John, this is referring to water collecting within the confine of the mine operation, and what we're talking about here are the few rain events that may occur during the winter months, which will not be large volumes of water, and that's why we're saying that that water would be pumped -- would be trucked and discharged to the waste rock pile.

What we would expect from this water is that it would be mainly loaded with suspended solids because it's strictly runoff, washing -- the pit operation, and it's to allow you to continue the mining operation.

During the winter time, it's snow; it will be trucked with either the ore or the waste rock. It's not an issue.

DR. KWONG: Thank you for the clarification, but I have a further comment on that. On the one hand, you want to determine what ultimately the pit -- say once you start to have a pit lake, then you want to know you're using modelling to pit lake -- the subsequent pit lake water quality, right? But what end up in the pit lake is a -- is in reality what is you are correcting now, you know, those -- all the surroundings, those water would end up in the pit lake.

So if you start monitoring the water chemistry of that runoff water in there, so you already have an idea on what would be the eventual pit lake water quality, so this is just a suggestion. Thank you, Mr. Chair.

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac, Baffinland.

It's a good point. We had considered this in the AEMP, and we'll just incorporate it in the AEMP. It's a valid point. Thank you.

DR. KWONG: Thank you. So could I start with my second question, Mr. Chair?

THE CHAIR: Please, go ahead.

DR. KWONG: So the second question is on Slide Number 83 regarding the mine contact water. So you -- Slide Number 83. How about the slide showing Table F-6? Okay, I'm curious, what is the rationale for not having sort of the limit for ammonia and nitrate? Thank you.

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac with Baffinland.

Essentially Table F-6 is Schedule 4 of the MMER, and the MMER also requires you to -- requires that the contact water be nonacutely toxic to fish. So ammonia is really captured in that nonacutely toxic test work.

DR. KWONG: Mr. Chairman, may I have a

further comment on that reply?

THE CHAIR: Go ahead.

DR. KWONG: During the mining process, you use explosive to break down the rock and then extract the ore, okay? So one of the byproduct or any remaining explosive not used would be refracted in the ammonia or total ammonia or nitrate content. So if you are concerned about what would be the effect of this explosive, then it is a good idea to also set a limit on the ammonia and nitrate, so that you know -- when you exceed a certain limit, then you know that, oh, okay, you may have to improve how the explosive are made or how you apply the explosive in order to reduce the water -- in order to meet the water quality limit. That is a proactive action I'm suggesting. Thank you.

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac. Thank you for the comment, John.

DR. KWONG: Thank you, Mr. Chairman. That's all the questions I have for now.

THE CHAIR: Thank you. Government of Nunavut, any questions to the Applicant?

GN QUESTIONS BAFFINLAND:

MS. ERKLOO: Qujannamiik, Iksivautaaq. Thank you Mr. Chair. I am Nellie Erkloo, from Economic Development and Transportation, Acting Director.

This is concerning Baffinland's presentation on water management, water quality, and waste disposal and management. In reviewing the Proponent's freshwater supply sewage waste water management plan, the Government of Nunavut's Department of Health recommends that the Proponent adds the Nunavut's Public Health Act, in particular, the public water supply regulations and cab sanitation regulations to the list of applicable regulation standards and codes.

The public water supply regulations require that the water supply available for human consumption must be tested monthly for bacteriological examination. We note that the monthly testing for bacteria in potable water or bacteriological tests is not specifically identified in the regulator maintenance table for testing of potable water treatment system. This is Table 7-1 of Section 7.1.1 at page 22 of the freshwater supply, sewage, waste water management plan. The absence of monthly bacteriological testing can be a serious concern. However, it would seem unlikely that the Proponent would not conduct this test, given the other chemical tests that it has identified in the plan. Perhaps the Proponent can clarify or confirm that the plan also entails chemical and bacterial monthly testing.

THE CHAIR: Applicant?

MR. MILLARD: James Millard, Baffinland. Thank you very much for that question.

The document that you're referring to, I assume, is the FEIS version. So just for your information, that document has been updated as of March of this year, 2013.

So to answer your question, we're in agreement that we need to follow all the regulations that are out there with regard to -- and guidelines that we will be under, so we need to follow all these -- whatever -- if there's an applicable guideline or a regulation, we have made the commitment to follow that regulation. It may be that we have forgot to list one or two of these regulations, and we will -- can I request us the option to talk with you after this, and we can compare the list of regulations that I have that are -- that we thought was complete, and maybe it's not complete, and we'll make sure that, with the next revision, that whatever we're missing will be included?

THE CHAIR: Government of Nunavut?

MS. ERKLOO: Qujannamiik, Iksivautaaq.

We're agreeable to this. Thank you.

THE CHAIR: Thank you. And we have community representatives from Hall Beach, questions to the Applicant?

HALL BEACH REPRESENTATIVES QUESTION BAFFINLAND:

MR. KUPPAQ: Qujannamiik. Thank you, Mr. Chair. I am Timothy Kuppaq, hamlet representative of Hall Beach.

We did have questions, but somebody did ask about the fuel tank farm, that it would collect huge amounts of water. I want to ask about that, but I could answer on that in light of the situation, but I do have another question.

The fuel tanks before they're placed in their places, how would you test the berm of the tank farm when you fill it up to see whether it was leaking or not? That is my question.

And another -- I have another question. When they're creating the railway line, they will be using explosives, and explosion remnants will be left on the ground, I'm sure, and that was well stated, and I understood that only during spring melt would they test those waters. While this melt snow is starting to sink into the earth, I think you would get the best results at that time. If you try and do testing while the snow is frozen on the ground, you'd get not very complete results. And to us, the best way to test those waters would be when there's -- when spring has arrived and the snow is melting and creeks are flowing, and to us, that's the best solution.

I don't have too many questions, and so that's my

statement for now, Mr. Chair. Thank you.

THE CHAIR: Applicant?

MR. MILLARD: Yes, James Millard, Baffinland. Thank you very much for the question.

With regard to the -- with regard to the construction of the fuel berms, let me just detail a little bit as to how that is done.

First of all, we find a prospective location for the fuel tanks, and we do geotechnical drilling to ensure that the ground at that location is stable and free of ice lenses and other types of instabilities, similar to the section on permafrost that I had presented earlier.

So once we determine an area is acceptable geotechnically and from a permafrost point of view, we construct the base, and the base is made up of -- is developed based on an engineered design. So these are engineers who construct these berms right across the world, and there's a base of gravel and aggregate material of a certain size and of a certain texture, and it's laid out in a shape that's designed and planned for.

On top of that, we put an impermeable plastic liner that is, again, welded together, and there's all kinds of quality assurance and quality control that's required in that process.

On top of the impermeable plastic liner, we then put -- well, we have below and above that liner, we have a geotextile membrane which protects the liner from punctures, from granular material or other things from below and above, and above that, we have another layer of gravel. And the tank base is also very carefully engineered so that, for one thing, it doesn't move, it doesn't tilt, and for another thing, there's sufficient insulation under that tank so that it will not melt out any residual water or ice that's in the soil.

Then further to that, we submit design drawings to the Nunavut Water Board and to, if it's not Inuit-owned land, to QIA prior to construction, so everyone gets a chance to review our designs. We then construct the facility, and then we construct as-built drawings to demonstrate -- that are stamped by an engineer that is registered in Nunavut. So that's how we get to the construction of the tank.

Subsequent to that, when we have water that's filled in -- and I think the question there is how do we know it's not going to leak. Well, on an annual basis, we expect that there's going to be a requirement in the water licence for a geotechnical engineer to come and expect all our berms to ensure that they still hold water, and there's ways that they -- they have

field techniques that they do to ensure that that liner is not punctured, and it's not leaking.

So there's a lot of controls in place to ensure that the water does not discharge to the receiving environment in an uncontrolled fashion and cause adverse effects.

So I'm not sure if -- does that answer your question? I guess so. Thank you.

THE CHAIR: Thank you. Did that answer your question?

MR. KUPPAQ: Yes.

THE CHAIR: Hall Beach? Hall Beach, any questions? The floor is yours. Qujannamiik. Arctic Bay residents, the floor is yours for any questions.

ARCTIC BAY REPRESENTATIVES QUESTION BAFFINLAND:

MR. MUCKPA: Andrew Muckpa, Arctic Bay, HTO member. My question: Have you set aside any benefits for Inuit like sleds, snow machines, four-wheelers that you would donate to Inuit? That's my question.

THE CHAIR: Applicant?

MR. MADSEN: It's Erik Madsen with Baffinland.

Can we -- could you ask that question again just to clarify what you're talking about? I don't know if it's related to water usage and the water licence, but ...

MR. MUCKPA: Is there an agreement, have Inuit said that they want support, regular Inuit community members, not employed people, if this has been brought up is my question.

MR. MADSEN: It's Erik Madsen with Baffinland.

I still don't really understand the question, but I will say that, as part of this project, you know, we are negotiating an Inuit Impact Benefit Agreement that talks about benefits in there to the various North Baffin communities, and there's mechanisms in that IIBA that's being negotiated that talks about various ways of compensation in areas like that with communities, individual communities, and the Qikiqtani Inuit Association, so I think that would probably be the best way to look at that, that option, what he's talking about.

MR. MUCKPA: Thank you. That is all.

THE CHAIR: Igloolik?

MR. NAQITARVIK: Olayuk Naqitarvik from Arctic Bay, hamlet representative.

Perhaps I will ask a question that may not pertain to this even. Explosives that shatter -- for shattering rocks ore, this material is safe to animals, it's not dangerous? The smoke from the explosion is safe? I am remember when Nanisivik was operating after

an explosion, the sky around the area would change, and there was some smoke connected with it. Back then, I wasn't sure if that smoke was hazardous or dangerous. Have studies been done today regarding the smoke from the explosives? The explosive is safe, of course?

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac, Baffinland. There's two parts to the questions, and I'll try to answer them as best as I can.

The first is related to the cloud of dust as explosives is used. Of course, you're shattering rocks with explosives, so there is always small particulates that is formed and that will settle fairly rapidly with time, so you always have a cloud burst with the explosion, that's inevitable, but the way you try to minimize this is by proper use of applying best-management practices for the use of your explosives so that you have a clean blast, and you try to minimize the number of blasts, of course, because there's money involved with that as well.

The second part of the question was related to residual explosives, I believe, is it safe for animals. We believe that ammonium nitrate is an attractant for animal, and the ammonium nitrate that is used for the manufacture of explosives will be stored securely in a sea can container with the appropriate protection.

Now, when the explosion -- the explosive mixture is used at the site, it will be detonated, and we'll apply best-management practices to minimize spills, ensure, again, that you have proper loading of your holes, proper use of the explosives, so we don't foresee a problem for animals related to the use of explosives.

MR. AWA: Perhaps -- Solomon Awa here -- perhaps I can interpret the English term for his question. May I please, Mr. Chairman?

I will ask this question in English, so he'll get a good answer, and so I want to ask: I think you -- I think the question is that we have ammonium nitrate that you're going to use that -- that there are a number of different types of explosives. I think that his question is that, even though, there are going to be some leftovers around the ground after the explosive. The question is that if that sort of leftover start leaking around the area of land or the lakes, of course, down the stream, is it dangerous to the wildlife species of that particle that's left behind after the explosion? Thank you, Mr. Chair.

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac with Baffinland.

Okay, I think here it's important to highlight

that ammonium nitrate, which is a big component of the explosive used, is not -- essentially it's a nitrogen compound, and it's an essential component for plants and life forms. It's required by plants and animals to grow.

The concern is if you have excessive amount of ammonium nitrate entrained into streams, that can cause harmful effects on the receiving waters, and to prevent that, what we do is apply best-management practices to minimize spillage, control runoff from areas where explosives are used, and we monitor the quality of the runoff prior to discharge of the environment. That's how we tackle -- that's how we deal with -- we prevent having excessive runoff of ammonia into the surface water.

MR. CURRAN: It's Oliver Curran with Baffinland. I will just add to that -- add to Fernand's comment. There was reference made to a lead-zinc mine in Nanisivik and blasting, and I just wanted to add, he raised a good point in that the ore being blasted at Mary River will be iron ore versus the ore blasted at Nanisivik was lead-zinc.

From a toxicological perspective and the interaction of metals in the environment, in our final environmental impact statement, we did -- did do a bioavailability assessment comparing various metals in

the environment, and I just want to assure that iron is -- the Mary River iron is an iron oxide. It's essentially inert in the environment, meaning that it doesn't react with plants and animals the same way as lead or zinc or other metals could interact. So I just -- I think it's a good point he raises, and I just wanted to make that clarification.

THE CHAIR: Thank you. Further questions from Arctic Bay?

MR. NAQITARVIK: Perhaps I will move on to another question. Some of the plans, especially for the railroad, it seems to be an incline or a steep foundation for the railway and just wondering if there would be any monitoring on that or would you give me a little bit more explanations as to how that process would be?

MR. CURRAN: Oliver Curran with Baffinland.

If I understand the question correctly, it's to do with the slope of the rail embankment in relation to the ability for wildlife such as caribou to be able to cross the railway embankment, and that's an important question that's been raised throughout the environmental assessment process. And I guess just to summarize the discussions that have been had over this is that, generally, the slope of the railway embankment is such that wildlife would be able to easily cross.

We did, in the environmental assessment, identify areas that could be too steep for wildlife to cross, and those areas that we identified, we have committed to providing less of a -- or a better gradient so that wildlife would be able to cross. So I hope that answers the question.

THE CHAIR: Thank you. Thank you for answering our question. Any other Arctic Bay people have statements? I think that's it for Arctic Bay.

We'll move on to Igloolik representatives, if they have questions.

IGLOOLIK REPRESENTATIVES QUESTION BAFFINLAND:

MR. KADLUTSIAK: Thank you, Mr. Chair. I am Josiah Kadlutsiak. I come from -- I represent all the people of Igloolik. I don't remember all the details in your report, but I'll only ask a few questions.

You discussed sewage lagoons and waste land sites or treatment sites. It was probably just because how long those operations would be in place for, but where fish could be offset or we don't want the lakes to be polluted by the pollution from these, and would you have liners in your sewage tanks, or would you treat the water before you discharge to ponds?

MR. MILLARD: Jim Millard, Baffinland. Thank you for the question.

All the sewage treatment ponds will be lined, and

they will be engineered to ensure that there is no leakage. I think that was one question, and -- yes, so the primary means to treat our sewage is through a sewage treatment plant. We will have -- so the sewage coming out of the sewage treatment plant will typically be safe for discharge to the environment. And when I say "safe", it means that it will meet the water licence effluent criteria that will be established as part of this licence.

On occasion, if the sewage is offspec. or if, for instance, at the mine site, we will not be discharging all year to Mary River. During the winter, we'll be storing in ponds. Those ponds, again, will be engineered, constructed, and definitely lined so that there will be zero leakage. Thank you.

MS. QUASSA: Qujannamiik. First of all, let me say that we arrived yesterday from Igloolik, four of us -- five of us, and we were even informed in Igloolik about the places we would be billeted at, and when we arrived we didn't have places to stay as we hadn't been planned for ability, we thought we hadn't been -- the plan for billeting, we though we'd be taken -- better taken care of by those who had invited us here. I did not appreciate this, and we have an Elder with us, and we waited a long time for people, and at your next hearing conference, we'd like to see

billets, hotels pre-booked in advance for me and my crew. Thank you.

What I had wanted to ask regarding blasting, I want to ask this regarding blasting, small lakes, ponds, there will be many small ponds close to where they want to do blasting, and the small ponds will collect debris from the blast. Will the water still be potable? I love drinking fresh, clean water. And even though we get trucked water, I don't like that as much as our original water for people and animals, for moving terrestrial and marine life. The water that has been affected by the blasting, will it be safe for us all? That is my question.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland. Thank you, Elisapee, for that question.

We'd just -- we'd like to assure you that in the environmental impact assessment, the important point that you bring up was assessed. And I think the main point to make is that the blasting activities, where they occur, would be very temporary and short-term in nature, so we're not talking about an area that would be continually exposed to those blasting activities. So in short answer to your question, we do believe that the water -- once the blasting activities have ceased,

and we've moved on to other areas, we believe that the water quality would be safe, and that's what we have assessed.

Now, in relation to the mine site, that's where we will be blasting -- we will be blasting there on a continual basis for the life of the project to extract the ore, and in that situation, this is where our monitoring, the aquatic effects monitoring program would -- where we would actually be collecting information in the Mary River and in streams around the mine to understand, first of all, what is the quality of the water and also looking at fish and also looking at -- on the benthic community as well, the insects and the water, to ensure that we're not having any affect or making any changes to the water quality or to the fish or benthics to the extent where we're having an effect.

And if it was shown that it looked as though we were having an effect, then the company has committed and we would have to take action to reduce -- let's say if it's ammonia, we would have to change the way we operate to ensure that the ammonia levels are reduced to ensure that the water quality and the animal life in the rivers and lakes remains safe and healthy.

THE CHAIR: Pardon me for interjecting, but our translation equipment and interpretation

equipment are not functioning again, so bear with us until we resolve our technical issues.

(ADJOURNMENT)

THE CHAIR: Could I have your attention for a minute. I have been advised that our audio system is working again, but we will be adjourning until 7. Break for supper, and be back here for the public session tonight at 7, and we will defer any other questions until tomorrow morning sometime.

(AFTERNOON ADJOURNMENT AT 4:49 PM)

(PROCEEDINGS RECOMMENCED AT 7:11 PM)

THE CHAIR: Welcome back, everyone. To carry on where we left off at 5:00, we will finish questioning by the community members from Igloolik to the Applicant and also Clyde River to the Applicant, and after that is done, we will be going to the community session. So questions from Igloolikmiut, this is your chance to ask questions to the Applicant.

MR. KADLUTSKIAK: I had wanted to ask again, the plans for Mary River, they sound good, and we want them to go ahead. My question is the plans we made, we do want to see them go ahead. When the Baffin project is up and running, will it be monitored, and will Inuit be sent to Mary River to see if the monitoring programs are being followed? As we do want to see all the people end up go up there to see whether the animals or

whatever is not being polluted because we do want our animals and fish to be taken well -- good care of. Baffin Island has many fine fish, and that's it for now.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair, and thank you for that question.

So, you know, the short answer, you know, will there be monitoring on site, the answer to that is absolutely yes. So this adequate effects monitoring program we've been speaking about will be targeting the freshwater environment, and under that program, there will be site-specific information collected on the surface water, the sediments, the fish, the plant life, and the benthics to understand if there are any indication that there's a potential effect, and if it's seen that there are indications that there is a potential effect, then that's where adaptive management has to take effect, and we're obligated to make changes to our discharges or our operations to ensure that's -- that stops.

With respect to the involvement of Inuit in those monitoring programs, absolutely, they'll -- in the aquatic effects monitoring program, we have built into that the involvement of traditional knowledge and the involvement of Inuit in that monitoring. And in

addition to that, under the Inuit Impacts Benefit Agreement, there's also provisions to have Inuit monitors at the site to participate in our environmental monitoring at site.

And lastly, the marine environment working group and the terrestrial environment working group is a forum that we have under the project certificate to ensure that we have all interested parties, including the Qikiqtani Inuit Association, involved in sharing ideas and inputting into the plan.

And then also under the Inuit Impact Benefits Agreement, there's also an annual forum to review all of the data that's collected through this monitoring program and that involves input from all of the committee members.

And lastly, I'll just point out, and Jim would be able to speak to us, and I'm sure he will a bit later in the community presentation or in answering questions in the community forum is that currently and for the last many years, we've had environmental techs at site at Mary River participating in environmental monitoring, and those environmental techs are from the Arctic College Environmental Tech program at Arctic College in Pond Inlet. So we do have -- we have involved people for the last several years and will continue this year to involve people from that program

from Pond Inlet. Thank you.

MS. QUASSA: Qujannamiik, Iksivautaaq. This is Elisapee Quassa. If my question was adequately accurate, I'm going to repeat my question. I think it was Erik who mentioned this. In the first statement that I had before we came here is I want the matters -- and we didn't have adequate accommodation, and there was hardly any place to accommodate, and I would want to get answers for that, and I have -- still have other questions. They will -- my other question, they will be using a lot of water, about water, will they be using at lake, would they be emptying lakes, or would they be trying to keep up with water for what they use? That is my question. Thank you.

THE CHAIR: Qujannamiik. Applicant?

MR. MADSEN: It's Erik Madsen with Baffinland.

So I think the first question was regarding accommodation. Is that accommodation for this meeting, for the representatives that came to this meeting? This meeting was organized by the Nunavut Water Board; it wasn't organized by Baffinland, so I think the best person to answer that question would be Damien Cote with the Nunavut Water Board.

THE CHAIR: Damien?

MR. COTE: Thank you, Mr. Chairman.

We -- the question was raised again, we did speak individually about this. Apologize for what unfolded. It was our intention to accommodate everyone to the best that we could. It's become evident since yesterday that two pieces of information did not trickle down the way we had anticipated they would trickle down. We welcomed community representatives from four communities. For some reason, information trickled down differently in different communities. We dealt with two individuals from Igloolik by phone and e-mail repeatedly for the last two weeks. It's become apparent that some information may not have trickled down, which may have resulted in what we experienced.

So again, we apologize. It was never intentioned for you not to be well accommodated. We've taken every effort we could to try to make you feel welcomed, but it's apparent that some information did not trickle down the way we thought it would. So we're hoping that you're comfortable now, and if not, please let us know, and we'll do our utmost to make sure that you're well taken care of during your stay here. Thank you.

MR. IVALU: Yes, thank you, Mr. Chairman. Thank you on behalf of the community of Igloolik. My name is Peter Ivalu. I'm representing the hamlet or the municipality. I have several questions I'd like to ask the Proponent pertaining to their presentation

earlier, if I may, Mr. Chair.

THE CHAIR: Go ahead.

MR. IVALU: Thank you. My first question is in regards to the Steensby Inlet. Okay, in your presentation, you made it clear that the dredged material will be deposited somewhere. Can you elaborate on where the dredged material will be placed or the final placement of the dredged material from Steensby Inlet? Thank you.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair, thank you, Peter, for that question.

So just to add a little bit of context to that, firstly, disposal at sea right now by the company is not being pursued. If we did pursue it, we would have to go through Environment Canada and get the applicable permits.

And disposal at sea, just to let everyone know, I mean it's a very commonly practiced thing across Canada, so it's not unusual to this project. It's common to many projects.

But specific to Steensby Inlet if disposal at sea was required, what we're talking about is at the island at Steensby Port, there's a shallow area or a knoll of rock, and for the ships to come in, there's deep water around but there's just one outcrop, and so for the

ships to be able to come in, you need that adequate depth. So what they would do is it's called side-casting, where they level off that outcrop, and the rock or sediment would be pushed to the side to get adequate depth. So we're not introducing any new material to Steensby Inlet. It's naturally occurring material that's there, but you just have to get adequate depth.

Now, in terms of the water licence, this water licence hearing, what we had presented -- or what we had presented in the final environmental impact statement was a disposal at land, on land. So instead of disposing of that rock material at sea, we would take that material out and dispose of it on land, and so that was assessed in the final environmental impact statement. But if that option was pursued, we would then have to seek a modification under this Type "A" water licence.

MR. IVALU: Thank you, Oliver, for that reply. Please keep us informed whether you decide to deposit it at sea or on land.

My second question, still regarding Steensby Inlet, the discharge of sewage and oily water and runoff from the ore stockpile, I'm wondering if -- will that oily water or runoff be landfarmed to ensure that contaminants are not being released to the environment?

Thank you.

MR. MILLARD: Jim Millard, Baffinland.

So that was my section of the presentation. I've been at that site for the last four years, so I'm quite familiar with how we deal with these things. As far as the oily water and the sewage are concerned, we're going to have treatment plants there are as good or better than we have at site right now, and these treatment plants will treat the contaminated oily water and the sewage to a standard that is very acceptable and will meet the proposed water licence criteria, water quality criteria. So there's no need to landfarm or to do anything like that.

One thing we do have built into our sewage treatment system are ponds that we construct that are lined and impermeable; they do not leak. In the event that we have offspec. water, that is water that doesn't meet those requirements, we can put it there, and then retreat that water.

We also have sample -- we sample the water on a very regular basis on site and also send off samples to the lab, but we have techniques on site where we can sample the water and get results back very quickly so we know what the water has in it, and we know if it's free of contaminants, but we do send stuff out externally to external laboratories to give us, you

know, a very, very high quality analysis, so we confirm -- to confirm our site sampling. So that's the story as to how we deal with it, so ...

MR. IVALU: Thank you, sir, for that answer.

My third question is in regards to the surface runoff management, which I believe was on Slide 61. Okay, you talked about sediment ponds. Once operations have ceased, what will happen to those sediment ponds? Thank you.

THE CHAIR: Applicant?

MR. MILLARD: It's Jim Millard again with Baffinland. So if I understand your question, it's -- when we're finished with the site, and we have sediment ponds with sediment inside the pond, what do we do with that material. The best place for that material is on the waste rock pile, so we would put it onto the waste rock pile, and that would be the permanent storage location for that material. And we predict that that material will be nontoxic because all it is is sediment from local materials, so ...

MR. IVALU: Okay, thank you, sir.

MR. MILLARD: You're welcome.

MR. IVALU: Further to that, regarding ore stockpiles, and in your presentations, Baffinland seems to be pretty confident that you won't be releasing any

contaminants or toxins or what have you, that it will be pretty much similar to the background, but in terms of the ore stockpiles, how can you be so confident that there won't be any oxidation occurring, and for our benefit, us laypeople, can you elaborate on how long -- it takes for iron to oxidize? Thank you.

THE CHAIR: Applicant?

MR. MILLARD: Jim Millard here again with Baffinland.

I guess to start off, you must understand that the ore that we have is an oxide ore, and so if an oxide ore oxidizes, especially iron, it doesn't produce a toxin or a poison.

What people are concerned about with regard to ore bodies and acid rock drainage and metal release is if you have a significant proportion of sulphides, so that would be iron sulphide, better than known as pyrite or fool's gold, or if you have puritite or if you have petlandite, which is a nickel sulphide, if you have -- there's numerous types of sulphides, if you have that, if we had a true metals mine where we were -- a base metals mine, that would be everything -- most of the metals would be in the form of a sulphide ore. So it's a reaction -- we don't have that. So we have a very low percentage of pyrite -- of sulphide mineralization in our ore. It's at most very locally a percent or 2,

and I'm talking over 6-inch width in a drill hole. Most of the time, it's way -- it's not detectable in most locations, and we may have areas where we have .2 percent, right? So way less than a percent, five times less than 1 percent.

So that is -- the sulphide component mixed with water and oxygen produces sulphuric acid, and that is the reaction known as acid-rock drainage. And when you produce an acid, you release acidity, and that acidity lowers the -- what's called the pH and releases metals. As metals become soluble, like sugar in water, if you have an acid solution, it will start to dissolve the metals, so that's the risk, right? We have very little of that sulphide mineralization on site. So that's the one aspect. So even in our rock waste pile, we don't think we're going to have an issue there.

The -- as far as the ore stockpiles and the crusher stockpile and the run of ore, the different stockpiles we have there, the reason we're so confident, while it's that, we very little sulphide in our ore, but also the ore doesn't stay there very long, and this reaction takes time. So we'll be mining from the top of Deposit -- from Deposit No. 1, bringing it down, stockpile it there for a period of -- I'm not sure what it is, a few months -- four months, and that four months isn't enough time for any type of reaction

to occur. So that would be the best answer I can give.

MR. IVALU: Okay, thank you.

Lastly, still pertaining to waste rock management. Okay, those potentially acid-generating rock will be capped with, I believe, gravel or something. Where would that gravel or borrow source come from? Thank you.

MR. BEAULAC: Fernand Beaulac with Baffinland.

The portion of rock that contains sulphide, which Jim described, that potentially -- that has the potential to generate acid conditions, and, like we said, that type of rock will be contained within a certain location within the ore stockpile, and it will be surrounded by the waste rock stockpile, it will be surrounded by other waste rock that is nonacid-generating. So all the material required to encapsulate this potentially acid-generating rock will be covered and surrounded by other waste rock that doesn't have those acid-generating properties.

MR. IVALU: Okay, thank you, Mr. Chairman. So -- Peter Ivalu, I haven't been saying my name -- so you'll be able to determine -- you must have a grading system that you'll determine which is -- has the most acidity or whatever? Thank you.

MR. MILLARD: So as we're mining -- Jim

Millard from Baffinland -- as we start to mine, it happens in a gradual, planned way. So we have -- we mine from benches, and when we have -- like benches are just flat-lying areas on the ore deposit. We bring drills in, and we drill off the -- we drill off patterns that we then subsequently fill with explosives and blast that rock, and then the ore we ship down to the ore stockpile, the waste rock goes to the waste rock pile.

So as part of our waste -- we have something called a waste rock management plan. That waste rock management plan will be updated as a condition of our licence. Let's say, we don't know what the term will be, but we'll say 90 days before we start mining, so we will -- in that plan, we will have what we call an operational testing -- testing program, and what that will involve is either collecting samples of the waste rock after we've blasted or collecting the drill cuttings, so when you advance a drill, the cuttings come up, and it's an excellent opportunity to sample. And we will be sending that material, either testing it on site or sending it away for select analysis of certain parameters that are indicative of potential -- of potentially acid-generating rock.

So we get a very quick turnaround; we'll know if that rock is acid-generating. If it's acid generating,

then it will go to a certain -- and we don't know what those limits are yet. We're going to define that in our management plan, you know, whether the limit happens to be .5 percent sulphide or 1 percent sulphide, we don't -- we haven't established those yet, so it will be established. But whatever the limit is, there will be a plan, if the material is potentially acid-generating, based on the sulphide concentration or other parameters, it will be placed at a specific location in the waste rock pile, as my colleague here, Fernand, has mentioned, and it will be encapsulated with other rock.

And also what needs to be mentioned as well is that we'll be using permafrost here to freeze that rock into place as well. So it gets encapsulated. The permafrost gradually moves up through the ground, bottom of the ground -- bottom of the pile, moves into that and starts to freeze that material in place, so we'll be using permafrost to our advantage to immobilize that material.

MR. IVALU: Thank you. That's all the questions I have.

THE CHAIR: Thank you. Anybody else?

MR. TAQQAUGAQ: My name is Curtis Taqqaugaq. I'm the youth representative of Igloolik.

My question will be about the water use in Item 9,

and it's about the freshwater that you will be using during construction and operation, and it's about the chart that you give in Table E-1, and that is about permit limit cubic metres per year. I added all the numbers, and it was on the construction phase that you'll be using the amount in, and on the operation phase, it's a smaller amount than the construction phase, but I don't see a chart about how much water you will be using and where you will be using it at. Is there a chart that you can give on the operation phase?

THE CHAIR: Applicant?

MR. CURRAN: It's Oliver Curran with Baffinland.

Yeah, it's a good question, and so maybe on the break, we can -- the Type "A" water licence application are those three binders on our -- it's a big document, so we can go through there and show you some of the tables, if that's okay?

MR. TAQQAUGAQ: Curtis Taqqaugaq from Igloolik.

Yeah, that would be okay, thank you.

THE CHAIR: Thank you. Anybody else from Igloolik?

MS. QUASSA: The question I had wasn't answered regarding lakes, the use of lakes where they are drilling and that they will be using by the camps,

and they will be used for many years. They will be using those lakes for many years, and they're small lakes. Thinking that I had a question. For many years they'll be using those lakes, probably 150 years. That's going to be how many years? They may be -- the lakes may dry up, looking at the future. There maybe water shortage in the future, and some of it will not be usable. Are these part of the plan by your company? Thank you.

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland. Thanks, Elisapee, for that question.

It's a good one in that, you know, there's going to be, during construction, there will be a lot of people at camp during operations. It's a 21-year operation. The benefit of this operation is we don't have any mills or processing plants compared to other mining operations, and that's usually where you use the most water.

But to answer your question specifically about the water we're using, we've -- during the environmental assessment phase of the project, we assessed all the water we'll be using from each of the -- of each of the lakes to ensure that we're not taking more water, too much water that would affect the level of the lake or the ecology of the lake. So our water use at the

different -- from the different lakes is not going to affect the level of the lake. So there's natural inputs into the lake, and there's also outflow from the lake, and our water take from those lakes is extremely minimal, and it will not draw down the level of the lake.

MS. QUASSA: Qujannamiik. Thank you. We can visualize that we would have to be aware of what's happening having to live in the land, the actual land.

THE CHAIR: Anybody else from Igloolik? Qujannamiik. Clyde River?

CLYDE RIVER REPRESENTATIVES QUESTION BAFFINLAND:

MR. NATANINE: Jerry Natanine, representing the hamlet. Thank you very much Baffinland and Nunavut Water Board. It seems like your meeting is very well set up.

I will ask two questions. I will ask them in English because I am talking to southerners. It was stated on that Slide 59, I wanted to ask what that chemical can come from the runoff, from iron ore? But the answer you gave to Igloolik's question gave me -- satisfied my answers (sic).

And then Slide 95, waste rock management, it said there could be potentially acid rock. How much potential is there for acid be coming out. You already answered that one about 5 percent on the last question.

And my final question is on geochemistry. Someone was saying that it's based on worst-case scenario. How far is that scenario, how far away from the work you want to do? The worst-case scenario, how far is that? Is it -- the tipping point really close or -- and that's it. Thank you.

THE CHAIR: Applicant?

MR. BEAULAC: Fernand Beaulac, Baffinland. Thank you for the question.

Related to the reason we say it's a worst-case scenario is that, in the modelling, we have overestimated the amount of potentially acid-generating rock. For example, what we presented in the final impact assessment, we assumed 19 percent of the overall waste rock would be potentially acid-generating, and as we progressed with the waste rock characterization program, that number dropped down to around 11 percent. It's almost half of what we had originally estimated. That's one part.

Another thing that we have to keep in mind is that all the test work that we're doing on kinetic testing is done at higher temperatures. It's done at temperatures of 24 degrees, which is a long ways from the conditions that you will have at the site. So we are using exaggerated conditions to try to predict what the runoff water quality would be when the water comes

in contact with this potentially acid-generating rock.

Another aspect that makes us think that we are using worst-case scenario is also the size of the material that we test. In the waste rock pile, you'll have boulders, massive-sized rock, and what we are testing is really material that has been crushed finer so that we get a better idea of the release rate again.

So when you combine all these factors, none of them are really close to what you will experience on the site. That's why we consider those on the worst side of things.

MR. NATANINE: Yes, that answers my question. Jerry Natanine, hamlet.

And then since you got those numbers from worst-case scenarios, do you have estimates of the actual numbers? Like you're saying it's too much. What about in the actual temperatures of not 24 degrees, of 10 degrees, or what would be the number? Thank you.

MR. BEAULAC: Fernand Beaulac, Baffinland.

Okay, the whole purpose of the aquatic effects monitoring program is precisely to track this and be able to answer those questions. That's the best answer I can give you on that.

MR. MILLARD: Jim Millard.

We will be doing some additional work. We're

looking at installing small weather stations, for instance, at the location where we're going to be depositing the waste rock so we have a good idea of what the actual temperatures are at those locations under -- you know, where we're -- instead of using the lab data at 25 degrees, we will be able to understand what the temperature is where the material is being deposited.

And the other thing that we're thinking about doing is to these humidity cells, and what they are are just like tubes, tubes of pipes filled with this crushed rock material that we crush and then you percolate water through, you collect samples every week and analyze that water to see what's coming out of it. What we can do is, it's more expensive, but we can set up tests in colder, like in a big refrigerator in the lab to simulate real, so that we're thinking about doing as well.

Now, my colleague just reminded me that what we're doing -- what we're planning to start this year is to -- if we can get -- this is going to require the permission of the Water Board through a term -- through a condition in the water licence, to develop some test piles, where we will go out and we will blast some selected rock material, create big piles on site, where we will actually simulate a larger waste rock pile, but

we'll maybe only use a thousand tonnes or 500 tonnes of material or 2,000 tonnes, don't know what the size will be, and then we will instrument that test pile, and we will line that area and actually collect the runoff that comes from that.

So that's another thing we have planned, so that -- you see, you always have to plan for what's a reasonably worst-case scenario, and that's what we do until such time where you have the information, where you're certain that, okay, you can -- you can become less conservative, less worst-case in your approach.

MR. NATANINE: Thank you, Mr. Speaker, that's it.

THE CHAIR: Thank you.

MR. ANGUTIKJUAK: I too am from Clyde River. Ilkoo Angutikjuak is my name. I represent the Elders -- I am the chair of the Elders, and I represent them.

I have not attended on a Nunavut Water Board hearing. This is the first time I've experienced this, and perhaps my question may be -- in our community area around Pond Inlet, Igloolik usually has more, bigger wildlife than my community, and if our animals are destroyed or polluted, and there are no more animals, and once the animals start hearing the vehicles going back and forth, they usually move off to other areas.

Are there any benefits for our loss of food, or would we require more assistance if our animals were to flee the area as we only feed on animals? We are not like southerners; we don't have -- herd animals that we can keep. If anybody can answer that, I do want an answer to that question.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland. Thanks for that question.

I guess in summary, the best answer to that question is under the Inuit Impacts Benefit Agreement that we're negotiating with the Qikiqtani Inuit Association, there would be compensation under that agreement if such an event occurred. So if it was determined that there was reductions in wildlife, whether it be seals or whales or caribou, there would be compensation under that agreement.

THE CHAIR: Thank you.

MR. ANGUTIKJUAK: Qujannamiik. The long road, it seems like it will be a long fence for our access to animals. The train railroad will be like a long railroad fence. Our Clyde River residents go to Igloolik area for hunting when they are scarce in our area. Perhaps it may be -- perhaps you may know what compensation would be for animals, looking at number of

years and number of people.

And once the project is completed, the land will not be returned to its original state, and I had worked in the cleanup projects in DEW line sites close to Clyde River, and that site is now different, and there had been different structures. There may be some vegetation growing, but we think once the animals are moved out, when the animals migrate down, and they go all over, then the sea water have a very -- it's a very rough water. That is all the question I have.

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland.

Just to make clear related to your question on the barrier to caribou along the railway, there are no -- along the railway corridor, there are no fences, and we did a lot of work with Inuit observers in the field to determine where the caribou paths were and where they would be crossing the railway in the future. So in those locations, we've ensured that the banks of the railway will be such that caribou can cross over. So in environmental impact statement, we clearly assessed, you know, would the railway be a barrier to caribou, and the outcome of that is that it won't be, and any potential areas where we thought it might be, we've mitigated those areas. Thank you.

THE CHAIR: Thank you.

MR. ANGUTIKJUAK: My last question, when you are in a meeting, if you have committees or management committees, have there been involvement from settlements in Igloolik, Pond Inlet, Arctic Bay so that they would be communicating to the public? Do you have someone like this involved? I understood that you had just arranged the whole meeting here, and the other meetings in March and in January, we were not informed properly. Perhaps we're too far from this area. Why is that?

THE CHAIR: Applicant?

MR. CURRAN: Thank you, Mr. Chair. Oliver Curran with Baffinland. Yeah, another -- it's a good question.

And I guess, I mean we've had extensive community consultations over a number of years with all the North Baffin communities, including the HTO, and during the -- prior to the environmental assessment process, we had a lot of meetings with the North Baffin communities and the HTO to understand and collect all of the traditional knowledge related to wildlife, so those meetings were prior to 2010. And then throughout the environmental assessment process, we visited all of the North Baffin communities, including Clyde River, doing presentations to ensure that everybody was aware

of what was being studied and what the outcomes were.

We also have community liaison officers in the North Baffin communities including Clyde River. So these liaison officers are there, have offices, so that people from the community can come, they can look at the environmental assessment document, they can look at the water licence application, as well, we have all of the environmental assessment and water licence documents at the hamlet offices in all of the North Baffin as well. So that's just a summary of some of the work Baffinland has done to ensure that the communities are involved with the process.

And then in addition to this, the Qikiqtani Inuit Association has the Mary River working committee in each of the communities. So they're also a mechanism that information can be provided to the hamlet and the community, you know, on a monthly or day-to-day basis. Thank you.

MR. ANGUTIKJUAK: Thank you.

COMMUNITY INFORMATION SESSION:

THE CHAIR: Thank you. This must mean that we're finally coming into our community session, and good evening everyone, and welcome to this community session associated with the Baffinland Iron Mines Corporation Type "A" water licence application for the Mary River Project.

My name is Thomas Kabloona, and I'm the Chairperson of the Nunavut Water Board, and I would like my fellow Board Members to introduce themselves to you.

MR. MRAZEK: Good evening. My name is Ross Mrazek. I am a Board Member for Nunavut Water Board. Thank you.

MR. AGLUKARK: I am David Aglukark. I am from Arviat. I am a member of the Nunavut Water Board.

THE CHAIR: And one of our newest Board Members who is joining us as an observer, Joseph Pameolik.

Now, I would like to turn over this session to Damien Cote, the Executive Director of the Nunavut Water Board.

MR. AWA: I'm sorry, Mr. Chairman, I think we're skipping out people from -- committees from Pond Inlet.

THE CHAIR: When can we deal with this again? We have community session. And further, I was advised earlier that we have an interpreter, Jesse Nutarak. Thank you.

Damien, go ahead.

OPENING REMARKS BY NWB EXECUTIVE DIRECTOR:

MR. COTE: Thank you, Mr. Chairman.

Before beginning, I'd like to point out for those

who have just joined us that we have at the entrance these pieces. I'll be speaking mostly in English -- all in English -- and presumably, there will be many among you who want to speak in Inuktitut, so if you need one of these, they're at the back table. And we may have limited numbers, but perhaps there's a way to share so everyone can understand in the language they prefer. Channel 1 is in English, Channel 2 is in Inuktitut.

So to all of you, welcome to the community presentation for the Mary River Project Type "A" water licence application. To the community of Pond Inlet, thank you for welcoming us once again in your community.

My name is Damien Cote. I'm the Executive Director of the Nunavut Water Board. I have with me a few people, and I would ask them to wave when I say their name. With the Water Board at the very back is Megan Porter, and Megan will be helping distribute headsets if you need some. Megan is a Licence Administrator Assistant with the Nunavut Water Board.

At the table here is Sean Joseph, Technical Advisor with the Water Board. Next is David Hohenstein, Director of Technical Services with the Water Board. Behind me is Ben Kogvik, Secretary and Interpreter with the Water Board. On my immediate

right is Teresa Meadows, who is a lawyer at the Water Board.

We also have among us two friends from the Nunavut Impact Review Board. There is Amanda Hanson, who I think is at the back, Director of Technical Services at the Nunavut Impact Review Board, and Jaswir Dhillon, who I believe is also at the back with the Nunavut Impact Review Board.

As you may have noticed, also among us are obviously, hopefully, many people from Pond Inlet, but we also have various agencies, which I'll introduce momentarily, but we have community representatives from Igloolik, from Hall Beach, from Arctic Bay, and from Clyde River. We also have in front of me the Applicant, and I'll list off many of the other agencies we have with us just in a moment.

Before we get started, a few housekeeping items. I've already mentioned about the earpieces that are available at the back. There's also a sign-in sheet, which is also with Megan at the back, and hopefully you've all signed in. If not, I'd ask you at some point to do so. Washrooms are through these doors. We have two exits, one behind me and one behind you. And there might still be a bit of coffee available at our table over there. Hopefully there's still some left.

This evening, we're hoping to have a fairly

interactive session. We're going to have a few presentations. First, the Water Board will give a short presentation. We'll then invite questions and comments from the audience. We'll then have the Applicant, Baffinland, give a presentation as well. We'll go to comments and questions afterwards. Once that's done, we'll have various groups offer presentations, short presentations or remarks. We'll invite the Qikiqtani Inuit Association, the Government of Nunavut, Aboriginal Affairs and Northern Development Canada, Environment Canada, Fisheries and Oceans Canada, and Natural Resources Canada. So we have representatives from each group, and we'll hear from them briefly tonight in turn.

We also have for your benefit handouts that are at the back table for many of these presentations, quite possibly all of them. If you wanted to follow along, I'd invite you to visit the back table, and the presentations should be available there, both in Inuktitut and in English.

So we're just about to get started, but before doing so, we have a tradition to respect Elders at the Water Board. As such, if at any time there are Elders among us who would like to speak, we'd invite you to indicate that to Staff members. We -- I think we'll have Jaswir and Megan assist with this. And as our

Chairman indicated this morning, we would invite you to introduce yourself, say your name, please, and also make sure you have the microphone before speaking so we can keep track of -- it's all being recorded, so we keep track of this. So please just I'd invite you to wait for the mic.

We'll also have, and this is the last point, a sheet of paper available. We'd also ask you to write your name on the sheet of paper. It's to help us keep track of who is speaking, and it will make it much easier for us to keep track of the comments tonight.

So with that being said, we'd like to start with our agenda, and first on our agenda is the presentation which is already loaded, so I'd invite my colleagues, Sean and Dave to give us a short Water Board presentation, please.

COMMUNITY PRESENTATION BY NWB STAFF:

MR. JOSEPH: Thank you, Damien, and thank you, Mr. Chair. Good afternoon (sic) to everyone. My name is Sean Joseph. I'll be doing the presentation on behalf of the Nunavut Water Board for the Mary River Project Type "A" water licence application.

So I will just start off with a few background -- a bit of background information about the Nunavut Water Board. The Nunavut Water Board is an institution of public government established under Article 13 of the

Land Claims Agreement. The object of the Nunavut Water Board is to provide for the conservation and utilization of water in the Nunavut Settlement Area, except in National Parks, in a manner that will provide the optimum benefits for those waters for Nunavut residents in particular and Canadians in general. The Nunavut Water Board has the responsibility and power over the regulation, use, and management of freshwater in the Nunavut Settlement Area.

The application -- I'll move on now to the water application that is before the Board. The application that is before the Board is by Baffinland Iron Mines Corporation for a 25-year Type "A" water licence to use water and deposit waste in support of the Mary River Project. Activities related to the use of water and the deposit of wastes are proposed to be undertaken at the Milne Inlet site, the mine site, Steensby site, and the railway corridor. Water use during the peak construction phase of the project is estimated at 1,585 cubic metres per day. Water use during the operation phase of the project is estimated at 625 cubic metres per day.

Continuing with the application that is before the Board, the water use requested by the Applicant is for both domestic and industrial purposes. Some of the activities under the Type "A" water licence application

that could potentially affect water sources include construction of bridges and roads, installation of culverts, flood control, diversions, and flow alteration.

Water sources proposed for use in support of the -- of activities at various project sites are listed in the table below. For the Milne project site, the water source that is proposed for use is Philips Creek during the summertime and 32km Lake during the wintertime. At the mine site, the water use that is proposed for -- the water source that is proposed for use is Camp Lake. At the Mary River site, the water source proposed for use is 3km Lake and 10km Lake. For the railway camps, water sources proposed for use includes Cockburn Lake, Nivek Lake, Ravn River Lake, and Camp Lake, and for various locations throughout the project, minor locations, we would have various unnamed water sources.

In terms of waste that will be generated from activities associated with the Type "A" water licence application, some of those wastes include waste rock, sewage, and sewage sludge, fuel and oil-contaminated water, solid wastes, contaminated soil and/or water, hazardous waste, which would be stored and transported, and bulky items or scrap metal.

Moving on to the procedural history of the

application, we would not go in depth with this. The Proponent has -- the Chairman this morning, sorry, has actually went quite in depth into the procedural history of the application, so we will just mention a few items in there and move on.

So the application, the final Type "A" water licence application was submitted to the Water Board in February 2012. In April 2012, the Nunavut Water Board issues its completeness review for the application and requested that parties begin the completeness check and review of -- and/or review of the application.

In June 2012, the NWB received technical review comments from Aboriginal Affairs and Northern Development Canada, Environment Canada, Fisheries and Oceans Canada, and the Qikiqtani Inuit Association. In October 2012, Baffinland Iron Mines Corporation provided response -- or responses to technical review comments submitted by the intervening parties.

In October 2012, the NWB held its technical meeting and pre-hearing conference for the Type "A" water licence application -- no, it's a preliminary technical meeting, sorry, for the Type "A" water licence application. In January 2013, the NWB held a technical meeting and pre-hearing conference in Pond Inlet for the Mary River Project Type "A" water licence application, and on January the 25th, NWB issued the

pre-hearing conference decision for the Mary River Project Type "A" water licence application.

On February the 1st, 2013, NWB issued its official notice for the Mary River Project public hearing. On March 22nd, 2013, final written submissions for the application was received from Aboriginal Affairs and Northern Development Canada, Environment Canada, Fisheries and Oceans Canada, Natural Resources Canada, and the Qikiqtani Inuit Association. On April the 5th, 2013, Baffinland provided its final submission, which included responses to interveners' final submissions.

So I'll just do a brief run-through of the typical process for a Type "A" water licence application. We would not go in depth into this because we have that information available on our website, or we can provide it upon request. So upon receipt of a typical application, the NWB would determine whether the application is Type "A" or "B". If the application is Type "A", the NWB would conduct a concordance review. If the concordance review determines that additional information is required, the Applicant would be requested to provide additional information. If not, the Proponent -- the NWB will issue notice of the application. Minimum notice period is 30 days.

Upon the end of the notice period, we would receive submissions from -- written representations or

submissions from respective parties. If additional information is required again, we would ask -- we would ask the Proponent or the Applicant to provide same.

Following that step, the NWB would hold a technical meeting or a pre-hearing conference, which we held for this application back in January. The NWB after that would issue a pre-hearing conference decision, which we've done in January as well for this application, and then the NWB will issue a notice, a minimum of 60-day notice period is required for a Type "A" water licence application.

Following that, parties would exchange information. Parties would prepare for the public hearing, and then the NWB would hold a public hearing, which it is doing right now. Following the public hearing, the NWB would issue a decision to approve of the application and licence to the Minister. And you can have two outcomes: The Minister may approve of the issuance of the licence, or the Minister does not approve of the issuance of the licence. On the flip side, the NWB can issue a decision not to approve of the application to the Minister, and the Minister would approve of the decision, or the Minister would not approve of the decision.

So that's a brief overview of the licencing process for a typical Type "A" water licence

application .  We'll move on to the next step for the application.

The public hearing for the application, as you know, began earlier on today and will continue until Thursday of this week.  The information filed with the Board and provided during the public hearing will assess the Board in determining whether or not substantive issues associated with the application have been or are being sufficiently addressed prior to the Board's decision on the application.

All previous technical meetings and pre-hearing conference were conducted by the Board Staff.  The public hearing for -- the public hearing -- for the public hearing, sorry, the Board Panel -- the Board Members led by the Board Chairman would be here to listen to Elders, parties, community members, and members of the public regarding their views on the water licence application.

Following the public hearing, the Panel will take some time, usually around 30 days, to consider all the submissions received and will write to the Minister of Aboriginal Affairs and Northern Development Canada summarizing the Board's decision regarding whether a licence should be issued.

If the Board recommends that a licence should be issued, a draft licence will also be attached to the

decision submitted to the Minister of Aboriginal Affairs and Northern Development Canada for consideration.

I'll just touch a little bit on interveners' participation. Parties present here today: Aboriginal Affairs and Northern Development Canada, Environment Canada, DFO, NRCan, and QIA have participated throughout the licencing process for the Mary River Type "A" water licence application. We also have here with us today, as was mentioned earlier on, we have Government of Nunavut, as well as NTI.

The parties have provided the Board with and the Proponent with valuable technical information on the issues related to water use and waste disposal activities. They have also participated in both formal and informal discussions, which the Proponent and the -- with the Proponent and the Board with the aim of addressing issues that they have identified during the review process.

I would just like to touch a little bit on community participation. The NWB encourages all community members to participate in the public hearing for the application, as well as this community session here tonight. The public hearing will continue tomorrow and everyone is also welcome. The interested person can also contact Megan Porter at the back and

Jaswir Dhillon if they would like to provide the Board with written comments on the water licence application or if they would like to look through the documents that have been filed with the Board to date. The documents regarding the application are also available at the Board's public registry. All of the materials can be accessed from the NWB FTP site, and Megan can also show you the access information or the link to the site.

And this last and final slide is just a list of the Board Staff that is present here today. We also have the Board -- the Mary River panel here and our legal counsel as well, and I would just like to -- that's the final slide. Thank you for your attention and time, and if you have any question, please feel free to ask.

MR. COTE: Thank you very much, Sean.

As mentioned, we have a few more presentations this evening, but at this time, we'd welcome questions or comments on the Water Board presentation. The next presentation, you'll recall, is Baffinland's, but we're welcoming any questions you may have at this time.

Seeing none, I'll then proceed by passing the floor to Baffinland for your presentation to the community.

COMMUNITY PRESENTATION BY BAFFINLAND:

MR. MADSEN: Good evening, Mr. Chairman, Board Members, Board Staff, and all the communities from the North Baffin that made their way down, Elders, and the residents of Pond Inlet. In the interests of time, we're going to keep our presentation quite short tonight. We'll run through a lot of the things that we discussed today during the hearing, so a lot of these slides will be very similar. We have a few additional ones in here.

My name is Erik Madsen. I am the Vice President of Sustainable Development with Baffinland. Our team is pleased to be here for this evening community session to provide an overview of Baffinland's presentation provided earlier today. We look forward to listening and addressing any questions that come up during this public session.

This slide outlines the items that were discussed at today's meeting. We will not go through them all, but there's a list there, and the people have the presentation can see the various points that were discussed this afternoon.

I would like to just introduce the team we have here remaining at the table. We have Joe Tigullaraq to my right here, who is our Northern Affairs manager that many of you know. Next to me is Oliver Curran, Director Sustainable Development. We have Fernand

Beaulac, one of our Senior Consultants. We have Jim Millard, our Environmental Manager. We have Greg Missal, our Vice President of Corporate Affairs, and we have Joe Krimmerdjuar, who is one of our new Baffinland liaison officers here in Pond Inlet that many of you know.

Very quickly I'd like to give a general project overview. I think most of the people that are here in the room are very familiar with the Mary River Project by now.

The Mary River Project is situated on North Baffin Island, approximately 1,000 kilometres north of Iqaluit, 160 kilometres southwest of Pond Inlet, and the proposed Steensby Port is located approximately 300 kilometres east of Igloolik. Much of the year is cold, and the reality is that this cold weather has been considered and designed for the Type "A" water licence application. Additionally, we have extensive experience in working in this climate -- and that reminds me, I forgot to introduce one other member of our team, Mr. Dave McCann, who's out in the audience. He's our site manager and has been for a number of years and also resides here, a lot of the time here in Pond Inlet.

Baffinland has worked closely with the local communities over the past number of years and employs

people from the North Baffin communities. We look forward to an ever closer mutual beneficial relationship as this project is developed and operated in accordance with the project certificate and the conditions that will be placed in this Class "A" water licence.

This here shows a larger scale of the Mary River Project. We have the mine site up in the middle there, and then we have the Milne Inlet Tote Road that goes out to Milne Inlet, and then we have, going to the south, is 150-kilometre railway to the Steensby Port.

This slide shows the various water management areas for Baffin Island and the Melville Peninsula. The two water management areas in which the project will operate are Area 48 for the Milne Inlet and the Tote Road area, which is up in the north here, Area 48, and Area 21, which is where the railroad and the Steensby Port location will be located.

The Mary River Project will produce high quality iron ore for the world markets. The project components are the mine site itself with an open pit and preparation of mined ore for transport. Due to the high-grade iron ore, as has been discussed a few times today, there will be no processing or milling required, and therefore, no tailings will be produced, and this is a significant environmental benefit for the project

for a water-use perspective, and a discharge perspective.

As a whole, the project may appear to be unprecedented, but all of the individual elements of the project have been built and operated in similar environments. There are numerous examples to learn from both across the Canadian north and internationally. The project has incorporated extensive site-specific knowledge and built on engineering knowledge that has already been tried and proven for other projects in the Canadian north. The study and analysis we've done and our commitments to continue to advance our knowledge positions us to face the challenges associated with design and operation aspects related to water use and water discharge.

The remaining project components entail 150-kilometre railway, a Steensby Port location that will accommodate vessels capable of year-round shipping. There will be a Milne Inlet Port developed and mostly used during construction and for transportation of oversized equipment that will be hauled down the Tote Road, which will be upgraded.

I briefly want to touch and provide an update on the early revenue phase. As most are aware, in early January of this year, Baffinland made the announcement that it was moving the Mary River Project into a phased

approach, that although we recently received a project certificate on December 28th in 2012 for the railway project and shipping out at Steensby Port, Baffinland had now decided to pursue a trucking option. This will utilize the Tote Road and will look at shipping 3-and-a-half million tonnes of ore annually during the summer months only from the Milne Inlet Port. Baffinland will be submitting a detailed addendum document to the final environmental impact statement at the end of June this year. So basically in two months from now. This will initiate the process review for this early revenue phase.

The Nunavut Impact Review Board will then set the process for the review of this new submission, and should any amendments be required to the Type "A" water licence, Baffinland would reapply for these in due course. With the submission of this new addendum document, it will mean that there will be more meetings here in Pond Inlet once this document is submitted to review this application.

In summary, Baffinland recognizes and acknowledges that these hearings for the next three days for the Type "A" water licence will have nothing to do with this early revenue phase project. So this was just an update.

In the next few slides, I would like to discuss

the status of our Type "B" water licence and the recent Type "B" -- the new recent Type "B" application applied for.

Baffinland would like to remind all parties that we do have an existing Type "B" water licence that allows us to undertake activities listed on this slide, and this licence expires next April, April 5th, 2014. It is Baffinland's intention to maintain this licence for ongoing exploration activities in the future, so we'll be applying to renew that Type "B" licence.

We threw in a few photos here. This is an aerial photo of one of the crossings on the Tote Road between Mary River and Milne Inlet.

Baffinland intends to retain this existing Type "B" water licence for ongoing exploration. One of the issues identified from the technical meetings was to outline what activities would remain under the existing Type "B" licence and what activities would be moved into the Type "A" water licence. Baffinland provided this information to all parties and the Nunavut Water Board last October 31st.

There was also a request to outline what amount of security would remain with the Type "B" licence and what would be transferred to the new Type "A" licence. Later in this presentation, the breakdown of securities will be presented, but as a result of the updated

closure cost, Baffinland will be requesting that the amount of security in our Type "B" licence be reduced to $1.25 million.

I will now touch base on the new Type "B" water licence application that was recently applied for. On March 12th, 2013, after consultation and recommendation by the Nunavut Water Board Staff, Baffinland submitted a new Type "B" application that would allow various earthworks related to the approved project to commence during this transition time until the Type "A" licence is issued. These earthworks will see the construction of another 5 million litre fuel tank at Milne Inlet, a new lined polishing pond for sewage at Milne Inlet, a new lined fuel storage area for future fuel tanks at Milne Inlet, as well as camp lay-down areas for future camps that will be brought in later this fall.

Once again, when the new Type "A" licence is issued, all these activities with this new Type "B" licence will be transferred to that Type "A" licence.

This slide here shows a photo of the existing Milne Inlet site, and it provides a good idea of what we're discussing in this new Type "B" application. The photo shows the existing facilities at Milne Inlet. You will note that there is already one 5 million litre tank situated inside a lined engineered berm structure. That tank was constructed a couple years ago, and now

all the diesel fuel from the bladders that were located here has been transferred into this 5 million litre tank. So one of the things we'll be asking for is the construction of another 5 million litre tank that will be located or situated right beside this other one, so similar activity that was already approved.

And there will be again a new polishing pond -- you don't have the old one here -- but located -- we asked to be built in the same location, and some earthworks, we have an existing camp here, but we want to build some pads with crushed material so that they'll be built, so when the sea lift comes in, those new camps can be placed on those pads. So this Type "B" application is strictly for earthworks to be done between the period of May until about July 1st.

So just a quick update on the water compensation agreement. Baffinland and the QIA are currently negotiating an operational lease, and this will also include provisions for a water compensation agreement. Baffinland and the Qikiqtani Inuit Association have recently reviewed drafts from each other, and discussions continue between both parties while these hearings are ongoing. Baffinland and the QIA are well aware that a water compensation must be agreed upon between the Inuit landowner and the Proponent before the Minister issues a water licence. But as noted

earlier, this should not hold up these hearings that we are undertaking this next three days. Both the QIA and Baffinland will continue to keep the Board updated in discussions, and parties will notify the Board in writing when an agreement has been reached.

I will turn it over now to Oliver to touch base on a few of the other areas.

MR. CURRAN: Thanks, Erik. I'd like to now provide an overview of the Type "A" water licence application. This slide summarizes how the information in the Type "A" application is organized. So as you can see, there were 12 attachments covering all aspects required in the application. So we have everything in here from quarry documents, water crossings, documents related to explosives, and preliminary mine closure plan. There's a whole bunch of attachments included, and the licence is actually behind us on the table here, the water licence application.

The next section here is on geotechnical aspects and permafrost, which are very important considerations as they relate to the construction of facilities and infrastructure. So as an example, I've put this diagram on the screen which shows a cross-section of the railway embankment on ice-rich soils with the following features. So starting on the bottom here, you have your existing ice-rich soils overlane by a

layer here of thaw-stable sand and gravel, and so that remains frozen. And then this portion here is all of the quarry material for the railway embankment, and on top of that is where you actually build the railway. So this is an important example of how the permafrost is preserved.

So a very important part of this Type "A" water licence application relates to water use. And this table here lists water intake locations for various camps and the requested annual permit limits in cubic metres. So you see along here, we have all the different project areas, Milne Inlet, Mary River, Steensby Port, and some of the rail camps, and then over on the right-hand side here are the various permit limits in cubic metres per year.

So water management aspects include a wide range of measures and controls that are used to manage water across the site. So the advantage of this project is that there is no processing plant or mill that adds chemical reagents, and hence, there is no processed water or mine tailings to contain in ponds. This is unique for mining operations and makes the project very similar to a large quarry operation in many aspects.

With regard to the waste rock and ore stockpiles, runoff will be directed to sedimentation ponds and monitored for quality prior to discharge to the

receiving environment. Discharges for more stockpiles and waste rock stockpiles will meet all established effluent criteria, and I'll review some figures a little bit later on showing these features.

So moving on to water quality. With regard to water quality, the following issues were identified by agencies during previous meetings and in their submissions to the Board. So I have some main bullet points listed here. So the first is treated sewage and oily water effluent and their associated discharge limits. The second is mine contact water and the application of the mining metals effluent regulation, as well as pit water quality and legacy issues. The third was landfarm and landfill runoff and seepage, water crossings related to construction and decommission of crossings and construction and post-construction monitoring, and lastly, sediment and erosion control during construction and operations. The next several slides will speak to these aspects.

So we'll first look at the treated sewage and oily water effluent. And I'll skip over this slide because the next slide shows the layout of Milne Port, and so I'll show you some of the discharge locations there. So there will be two main effluent streams at Milne Port. The first will be the treated sewage effluent from the sewage treatment plant, and the second will be

the effluent stream from the oily water treatment plants.

So on this diagram here, I'll just show some of the important features here. So that photograph that Erik had up before of the steel tank, that would be located over here, but really what we have is just one discharge to an existing ditch, a nonfish-bearing ditch, which flows into Milne Inlet over here. This is the ocean. So there's only one combined discharge where the sewage effluent and any of the water, treated oily water, would be discharged here, and that would run into Milne Inlet, and it's very important to note that that discharge would have to meet all of the effluent criteria in the water licence.

And so I'll move to the next slide and show you a layout of Steensby Port and describe the discharge location there. So this is a layout of Steensby Port. So we have the island here, the ore stockpile, and any runoff from the ore stockpile would be collected in a sedimentation pond, and the discharge or outfall to the ocean would be right here. And then we would also have another outfall similar to the one I showed you at Milne Port where any of the -- this treated sewage effluent and oily water from any of the maintenance shops over here, again, it would be a combined discharge, and the outfall to the ocean would be right

there. So at Steensby Port, there's only two discharges.

And I'll describe the discharges at the mine site a little bit later. This is just a photograph of the existing camp at Steensby. This is what is there at Steensby right now, and similar to the photograph of Milne Port, the Type "A" water licence covers a lot more infrastructure than what's there, so the development area would be much larger than what we're showing here.

So this is a layout of the mine site, and just to point out some of the features we've been talking about throughout the day, the existing camp is located here with the existing airstrip. This is Camp Lake where the water is taken from. We have the open -- this will be -- this is Deposit No. 1, and this will be the location of the open pit, and this will be the location of the waste rock stockpile. So -- and this is the Mary River flowing this way here.

So the mine site also has a quite simple layout in terms of discharges. Any of the natural runoff, so any snow and water that melts on the waste rock stockpile, will run this way into this sedimentation pond, which then runs down into Camp Lake. And then water running this way will go to this sedimentation pond, which runs down this tributary to the Mary River. And then

there's only two other discharge locations. There's a run-of-mine ore stockpile here, so any discharge from there would go to the Mary River this way, and then we have treated sewage effluent, which would be discharged here, as well as the ore stockpiles, any discharge from the ore stockpile would be also discharged to the Mary River here. And similar to Milne Port and Steensby Port, any discharge to any of these water bodies has to meet the criteria within the water licence.

And this table is just an example of the proposed limits for treated sewage effluent discharge to freshwater. And as you can see from the table, there are many parameters that are examined. So we're looking at a number -- the water has to test for a number of parameters, including phosphorus, oil and grease, pH. There's a number of them here. And this table shows the proposed limited for oily water treatment at maintenance shops, and again, there are many chemicals that are examined, and these are industrial waste guidelines in Nunavut. So the guidelines that would be -- that would likely be in the water licence would be those discharge criteria for Nunavut.

So now I will speak to water that has come in contact with our mining activities, and I'll just skip over this slide and address it in the figure. So this

is just a reminder of our mine contact water. So our mine contact water is anything that's come in contact with the ore stockpiles, which are here and here, or anything that's come in contact with the waste rock stockpile, which is water flowing from here and there. So there's only four discharges for mine contact water at the mine site.

So water quality modelling indicates that the waste rock stockpile and open pit area runoff water will not contain concentrations of metals in excess of discharge requirements based upon the mining metals effluent regulation discharge criteria. So we're well below that criteria. However, in the event that ongoing water quality modelling or field monitoring shows a trend towards effects on the receiving water quality that adaptive management will be considered, and I'll have a flow diagram that describes that in a little bit more detail later on.

So now moving on to waste management. So we've had a lot of questions today related to the waste rock, and this schematic describes how we will -- how the waste rock stockpile will be segregated. So Jim and Fernand have been talking a lot about the potentially acid-generating material, so that would be situated in the stockpile here, and any of the nonpotentially acid-generating rock would go over top, and the idea

with this configuration is that you want the permafrost to move up and freeze in this area, because essentially the colder you can keep that potentially acid-generating rock, the less chance there is that you'll have runoff containing metals.

So geochemistry is very important in order to understand what the quality of the water might be flowing from the waste rock stockpile, so I have a couple slides to deal with that. So geochemical modelling is performed on waste rock and for understanding pit water quality, and the following slide provides a schematic of how this will be done.

And just by the way, if any of you are interested in seeing what a sample of the waste rock actually looks like, we have a core sample of it here. So when we're talking about waste rock, this is what we're talking about.

So this is a schematic which attempts to show the modelling that was done, the geochemistry modelling. Essentially here, this is, if you can imagine, this is the predicted stockpile, and you have precipitation, snow and rain in the summer, and it filtrates through the waste rock pile, and this would be the water in those ponds that I showed you before. So before the water leaves these ponds, you have to ensure that it meets the criteria, and then the water leaves those

ponds, and it goes into the receiving environment.

So it will go -- let's just talk about Mary River. So once this water stream goes into the Mary River, there's a monitoring program that takes place for the life of the project to measure what the water quality is in the river but also do studies on the fish and other life in the water body to ensure that there are no effects.

And so now we'll move on to management plans. So as we've talked about before, management plans are based on the principle of continual improvement and adaptive management and is important to focus management plans on mitigation measures and monitoring of aspects that will ensure three main points right here. So those points are project certificate terms and conditions are implemented, that the Type "A" water licence terms and conditions are met, and that company commitments, goals, and objectives are achieved.

So contingency planning is a topic that many of you would have heard about in the final hearings held in Pond Inlet in July. There was a lot of discussion on contingency planning. So related to the water licence an emergency response and spill contingency plan was submitted with the water licence application. This management plan will be updated on an annual basis, and the plan was updated already and submitted

to the Nunavut Water Board on March 31st to support the 2013 work plan. The next update is scheduled for the end of 2013.

So now I'll spend a bit of time on monitoring as this is very important for the life of the project. So everything we've talked about in the water licence relates to meeting certain criteria, and monitoring is going to ensure that those criteria are met and that those criteria are adequate for protecting aquatic life.

So I showed this flow diagram earlier today, and essentially it shows -- it's a layout of how monitoring will be done for water and sediment quality in areas adjacent to the mine site. So essentially on this side, on this side of the diagram is your study design. So you have your study design at the top here, and the monitoring data, you're ensuring that the data is of good quality and makes sense, and then you're doing a statistical analysis of that data.

So essentially what that means is right now for the last five or six years at Mary River, we've been collecting data on water and fish, and when the mine goes into operations, you're collecting more information, and you want to find out if you're having -- if you want to have an early warning system to track if you're having an effect on the environment.

So then we progress to Step 2, and you want to be able to compare to widely used criteria that are used across Canada and also in the Arctic. And so here there's different levels of action based on that criteria. There's a low level, a medium level, and a high level of action, and then along the right-hand side here is all the management responses that can be taken. So this ranges anywhere from evaluating the data and confirm that you're meeting your objectives within the AEMP, or the high action here would include further risk assessment to determine what the actual risk or effects are on aquatic life and mitigation to prevent further -- well, you do action to try to correct any problems that you're seeing.

So that concludes my part of the presentation, so I'll hand it back to Erik to speak on closure, reclamation, and security bonding.

MR. MADSEN: Thank you, Oliver, I just have a few slides here. I'll be very brief.

This slide visualizes that Baffinland is virtually mining a mountain, and it will take years of open-pit mining, approximately ten years, before the pit reaches a level where an actual bowl or open pit will be formed. Then mining will continue for an additional 11 years, and that is when there will be pit walls in the pit, and that they will be exposed to weathering.

Through ongoing drilling and characterization of the rock, Baffinland will have more of a complete understanding of the potential water quality generated from the exposure of these pit walls over this ten-year period. All of this updated information will be required by the Class "A" licence to be submitted to the Board on a regular basis for review.

Just want to show an example of how reclamation could be done. There's three slides ahead that show -- this one here shows the existing facilities at Milne Inlet. This was photos taken in 2011. This next slide shows the Milne Inlet site after mobilization, and we're hoping that the sea lift end of July, August, and September, when all the materials come to site, this is what the Milne Inlet site would start looking like, bringing equipment and supplies in and then also moving it to down to Mary River. So this is an example of that.

And the last one here shows the site at Milne Inlet after successful completion of demobilization, removal of equipment, buildings, fuel tanks, and the contouring of the site showing what it would look like. So this is a simulation of how reclamation could be done in an area.

The last two slides will talk a little bit about security bonding. The numbers listed on this slide

show the overall estimated total security for both land and water, and it's estimated at $37.25 million. And out of that, the breakdown of these costs are 94 percent of those costs are related to land liabilities, and about 6 percent are water-related liabilities.

You'll see up here, as indicated earlier, the request is that 1.25 million stay in the Type "B" water licence because we already have a significant amount of security there in the Type "B", and we move this 22,650,000 over to the "A" licence, and we add the work that we're planning to do in 2013, it adds up to about $36 million. And these -- this latest cost estimate has been reviewed by Aboriginal Affairs and Northern Canada, as well as the Qikiqtani Inuit Association, and there appears to be an agreement on this amount of estimate up until the end of 2013.

Baffinland suggests that there should only be one security bond that covers both land- and water-related liabilities. Baffinland is open to the suggestion that the landowner, in this case, the Qikiqtani Inuit Association, hold this bond, or both the landowner and AANDC could hold this bond. This will require an agreement between Aboriginal Affairs and Northern Development and the Qikiqtani Inuit Association.

And the last point is as Baffinland has said,

Baffinland will not overbond, as this has been an issue around Nunavut for a number of years.

In conclusion then, on behalf of the Baffinland team and our consultants, we'd like to extend our appreciation to the Board and the Staff for hosting this community session this evening. It is our view we have put forward an application and a monitoring and management plans, including proposed licence conditions, that will allow the Board to consider and be in a position to develop and issue a Type "A" water licence that will mitigate and protect any future quality and quantity effects from the Mary River Project.

Baffinland looks forward to commencing 2013 work activities under the existing Type "B" licence, and then moving on to this new Type "B" application that we've applied for, and that will occur in mid May, and then to continue works once, and if this type Type "A" water licence is issued later, and hopefully by the end of June, early July. In doing this, this will allow opportunities for significant training and will allow the hiring of North Baffin residents to commence the construction of the Mary River Project.

Now, before we conclude our presentation, we do have a computerized rendition of what the Mary River site would look like, and we would like to play that.

It's only about, you know, 2 minutes long, but it will give people an idea of what the Mary River site will look like. It's all computerized. There's no sound to this, and it's not all to scale, but it will give people an idea exactly how the Mary River site will look, and I'll outline the key features as we move forward.

(VIDEO PLAYED)

So there's the airstrip on Mary River, and this moves down to the main facilities that we're building. There's the haul road up to the mine. This is where we're mining. This is a crusher on the side of the hill that will crush the rock down to size, and then we'll haul it down to the mine facilities. These are ore stockpiles located here. This is a power plant. We have Arctic corridors so people won't have to walk outside; they can walk from buildings through Arctic corridors. Here's our fuel tanks.

These are our accommodation buildings, about three floors, this is the kitchen area, probably a gymnasium inside there. This is the truck shop. We'll have large haul trucks to haul the ore. This here's an example of the conveyor system. It will be covered in the real one, and here is your railcars that will be loaded with ore, and they'll will be heading down to Steensby from this location.

So with that, Mr. Chairman, that concludes our Baffinland presentation for the community session.

Qujannamiik. Thank you.

MR. COTE: Thank you, Baffinland.

At this time, with the Chairman's permission, I'd like to suggest a short 10-minute break. I'd also, during that break, it seems as though Baffinland -- I hear Baffinland would be prepared to perhaps invite committee members to their posters and perhaps answer questions committee members may have on the posters. When we reconvene, we'll open it up to questions on the presentation that we just received from Baffinland.

So 10 minutes, Mr. Chairman? So 10 minutes, please.

(ADJOURNMENT)

THE CHAIR: Welcome back. Damien, you can carry on with what you were doing earlier.

PUBLIC QUESTIONS BAFFINLAND:

MR. COTE: Thank you, Mr. Chairman. We are just about to begin again, please. We will continue the community session. It is nice and bright outside, but we are aware of the time of the day. We will continue. If we need to continue tomorrow morning, we do have that option -- tomorrow evening rather, we do have that option, but we will continue for a little longer, and we'll see where the discussion

takes us. We are mindful of the time, however, and so we are taking that in observing how our process continues this evening.

We left off after Baffinland's presentation before the break, and I indicated that we would begin again with comments and questions, so you've been very patient listening to all these presentations. We would now invite any of you to come up to the mic if you have any questions and comments. Again, I would ask that you write your name on a piece of paper that we will have and also to make sure you have the mic and to state your name in the microphone, please.

So, Jaswir, at the back, if we have a list, please. Perhaps if you could approach the microphone here. We'll record names before we take questions. So the floor is open. I see a hand at the back, and we have a microphone. Just before you begin, we're clarifying a technical issue, so just bear with us, please, as we record your name.

MR. C. SANGOYA: All right, thank you, Mr. Chair. First of all, these statements written in Inuktitut, these document, I think there are -- the majority of share this that can read Inuktitut fluently. Yet, those who speak English understand the documents, but those of us who do read Inuktitut, some of the pages are completely gibberish in our dialect.

Are we to have a whole hearing even without understanding the documents?

For example, let me check first. What does this say here, Keelayray ninga (phonetic)? What is that talking about? Even we don't understand that statement. Is it okay not to understand the documents? I guess bilingual people are okay with us not understanding what's going on. I'll have other statements. I want these returned so they'll be written down.

Three items, I have three statements to make, three of them. One, we're dealing with issues that are very serious to our lives here in the community, and some of these statements I won't want people to make fun of because they're very important statements.

We community members of the Pond Inlet know that past that mountain towards Igloolik and Arctic Bay, the rivers flow that way, and from that mountain, it flows to this side. And the mountain and Amitausyo (phonetic), those lakes passed before that, both have fish in them. Lakes and marine ocean are different, and there are lakes in Mary River with fish that we know of.

And Baffinland is using those lakes for potable water, and pollutants have been found in those lakes, and these Baffinland guys are my friends, and they'll

stay my friends, but we have been told by employees that their water lake during the summer is full of condoms, and people pick them up along the shoreline. The fish have problems eating the condoms, and the river flows towards Igloolik, so I'm sure pretty sure Igloolik people will catch fish with condoms in their stomachs.

And the other item, here at Milne Inlet, the ocean is full of fish and assorted wildlife, many assorted wildlife. That so-called sonar, after somebody had placed a sonar on the sea bottom, all the animals fled the area. The Mary River employees stated they had not known about this sonar equipment, and when we're not informed of these events, those of us who use that area a lot, if the Nunavut Water Board will just approve their application, we will be seriously, deeply hurt.

And the third item, after the ship had been up there in that area and after they have brought up the sonar from the sea bottom, the wind started blowing from that way, from the west. We found many dead cod washed up along our shores. Baffinland stated they had never heard of this. When they had not heard of this, if -- when they say they haven't heard anything, and their approval is accepted, then this would hurt us more also. The ships used, I live in that area up there during the summer for the animals, for narwhal,

for seals are affected deeply by the ships, especially with the Coast Guard. Ships are the worst thing for our marine wildlife. If the Canadian Coast Guard will be allowed to pull up into that area along with the ships, the animals of that area will be affected very seriously. When there are narwhal, we don't go boating. We try not to walk around too much on land, but these Mary River people, they'll be going up there back and forth, free will.

We heard recently that in northern Quebec, there's a mine near there. Raglan, is it? There was a pond with many fish, but women are told, Don't eat the fish because there are pollutants now in the fish, and they may cause abnormal pregnancies in women. And the mining company says, We are not polluting anything.

As per the slides today, they showed us exactly the same thing when that mine was starting up, and they stated that we'd be using the Co-op for employees, and they would hire employees here in the community, and once they got their approval, they let us go, and we've still not received an apology for those things. They stated they would hire people if they moved back to Iqaluit, and they're now using other contractors, and not even one apology was issued. If they're going to be this way, then this will hurt us more if the Nunavut Water Board will approve their application.

Thank you, Mr. Chair.

MR. COTE: Thank you for the comments. Baffinland?

MR. MISSAL: Thank you, Damien. Mr. Chair, my name's Greg Missal. I'm the Vice President Corporate Affairs with Baffinland. I do most of the community meetings in the North Baffin that we've had over the last few years, and including I think I've been here in Pond Inlet I think this is my eighth time since November, so we've had a number of meetings here, particularly in the last while.

Caleb, thank you again for your comments. I think most of the areas that Caleb covered off are things that Caleb's very passionate about, and he's brought up numerous times over the months in the last couple of years.

The first point that Caleb brought up was regarding I guess the reports of some condoms on the shorelines that he was concerned about affecting marine animals. We're not aware of that occurring, and if it is occurring, we'd certainly like to talk to the people that saw it so we can find out a bit more about it, but we're not aware of that happening.

The second point was regarding the sonar, I think anyone that's participated in any meetings here in Pond Inlet has heard about the concerns of what people

believe are possibly sonar equipment somewhere out near the mouth of Milne Inlet or somewhere in the Eclipse Sound area. No one really seems to know if it's there or who it might belong to. We know it doesn't belong to Baffinland. That has nothing to do with us, but as Caleb has mentioned, he's concerned about it, and we've heard that concern from other people here in Pond Inlet just as to what could be causing some of the things that they believe that they're seeing here.

Regarding the dead cod, again, that's something that we've heard come up here before. We don't have any knowledge of anything that we at Baffinland did to cause anything in terms of the dead cod that were spotted or observed. Again, that's something that we'd be happy to talk to the individuals more about who did see that, but we don't have any information on that.

Regarding shipping, as you can well imagine, shipping is one of the items that we talk about a lot at community meetings here in Pond Inlet. I think people here in Pond know quite a lot about shipping because there's a lot of shipping that occurs already in Eclipse Sound. I was here one time, it was I guess the summer of 2012, and there were six ships that were anchored out here, two cruise ships, a couple refueling ships, and a couple of freighter ships on one day in the summertime.

There's a lot of -- of course, the sea lifts come in. There's a lot of cruise ship activity that comes into Pond Inlet already. When we were here in January for a community meeting, we spent a lot of time talking about cruise ships, and I think one of the things that came up at that meeting was that there's basically no regulations that are in place for cruise ships in terms of monitoring or any of their activities that they're doing, and that's something that's a concern to the people here in Pond and in other communities as well.

And if you compare that to what, you know, Baffinland will be doing with its shipping activity, we're going to be monitoring, we're going to be reporting, we're going to have rules in place that we need to follow, but none of that actually exists for any of the cruise ships that come into this area.

Caleb touched on the point about local employees here in Pond Inlet. There was a lot of employment of people here in Pond Inlet when the bulk sample occurred in 2008. Of course, that was a short-term program where we employed it was a couple hundred people from the North Baffin region, and of course, when the bulk sample was finished, all of those people were let go because the actual -- the work was done.

And of course, after the bulk sample, Baffinland went through an ownership change over the course of

2009 and 2010, so it's been a -- it was a period of transition for Baffinland and for the Mary River Project, but of course, once we start constructing the project and building it as a mine site, we'll be able to employ people more regularly and on a full-time basis.

And then I guess just going back to Caleb's first point regarding some of the translations, we do the best job we can in terms of translations. We use a wide variety of translators from different communities in the Qikiqtani region. Every once in a while, we do get comments about some of the words in our presentations that people believe aren't quite the correct dialect, but we're constantly trying to get better on that, so I do apologize, Caleb, if the translation was off in this presentation.

Thank you, Mr. Chair.

MR. COTE: Thank you, Baffinland. I'd invite to the floor other comments, other questions from the audience.

MS. KOONARK: Leah Koonark from Arctic Bay. In Arctic Bay, we had Nanisivik. We had Nanisivik in the past in Arctic Bay. Wildlife implication, there were some wildlife implications by the hunters in our community. There were some hunters going out hunting. People who know the land very well, once there's a ship

there around, the animals had been going away, but after the mine closes, the animals are slowly coming back. The animals usually come back to its natural habitat very slowly. Those animals will go back to their places after leaving the area in the future. And our children and grandchildren will have jobs, of course, if that project were to go ahead. The animals will leave, but they will return, and so the children, grandchildren can expect to see animals in their time. They will see exactly the same animals that we see today, and I want people to understand this. This happened in our community; the animals have fled the area, but they are now -- hunters say the animals are starting to return to their natural habitat.

And I had wanted to explain that to those who are having a hard time dealing with this issue, but I can't wait for an approval. We survive on money these days. Our children, grandchildren, when they start working, they will be supported through monies, and I thank you, and I appreciate that you are trying to get this project up and going, and that's it.

MR. COTE: Thank you for the comments.

MR. MISSAL: Greg Missal of Baffinland.

I guess the only comment I would have on Leah's comment is that we get some very good perspectives when we visit Arctic Bay and have community meetings and

listen to the people talking about their experiences with the Nanisivik mine. We hear a lot of good things about the project. We hear about some of the concerns that they had with the project being there. Of course, it was a much different time for mining projects than what it is today in terms of the rules and regulations, and Arctic Bay provides a very good perspective on that for us, so thank you, Leah, for those comments.

MR. COTE: Thank you, Baffinland. Back to the floor for questions and comments.

MS. OOTAVA: Qujannamiik. I am Regiler Ootava. I grew up in this community. This is my concern: I think life is more important than money. Many of us will be affected, and we know this, not just through our food but through our lives.

In the past, back when we first went to school, our communities moved to this community, and then they started trying to live like southerners, I think they were at a loss back then when we were children, and once we matured and could figure out what to do, and we started understanding the southern ways through school, but we do know for sure that Inuit can't turn into Caucasians, and this I know to be true. Our food will always be our food.

And it's obvious that if the Nunavut Water Board approves their application, our fish will only be for

sport. Like you see on TV, sports fishing, you catch the fish, you hold onto it, and sometimes you even kiss the fish, and then you throw it back out in the ocean. I think this is what will happen to us if you do approve that, the licence, but they're my food, and it's our only healthy food. We don't have farms up here. We do have plant growth, but we only eat them during the spring/summer season, berries and blackberries.

That is our life, and we want this to be known that we don't survive just through money. It is starting to happen that people are surviving only through cash, but our lives are more important. My relatives had worked at Nanisivik, couples split up, children abandoned, these happened. And how will you deal with these issues? If you are to think only of money, you're going to destroy our lives. If you're going to treat life that way, then there needs to be a therapist that understands our ways, not just the southern way but in our own language too.

In that area is a hunt -- hunt -- narwhal hunting area. We have a cabin there. There used to be lots of seals up there, but lately there have been very few seals, and we're already being affected at your planning stages.

That is my only statement. Thank you.

MR. COTE: Thank you for those comments. Baffinland?

MR. MISSAL: Thank you, Mr. Chair. Greg Missal with Baffinland.

Thanks for those comments, Regiler. You raised a lot of important points, and a lot of points that we've heard as we visited many of the communities in the North Baffin. People are concerned about how a project like this may or may not affect their traditional activities. There hasn't been a project like this developed, and so people are curious, and they need to -- they feel the need to try and understand how it could affect them.

What we also hear in the communities is we get a lot of people telling us that they're concerned about the youth in their communities, and they're concerned about what the young people are going to do for jobs and for money because they don't spend the time on the land that some of the older generation does or the older hunters do. They're more based in the communities, and they do rely more on cash and on store-bought foods.

Quite often, we'll get Elders bringing their grandsons or their granddaughters to meetings and saying, You know, my grandson needs a job, I can't wait for you to get your project up and running because he

doesn't hunt, and he needs to have a job. So we do hear both sides of that concern in those questions, and we do take that into consideration.

Something that's going on here in Pond Inlet right now is a work-ready program, and some of you might have heard of the work-ready program, but if you haven't, the work-ready program is something that Baffinland have developed to try and inform people about what they need to think about if they're interested in getting involved in training or working at Mary River. We believe that there's a lot of great opportunities for people to work at Mary River, but we also understand that maybe working at Mary River won't be for everyone, but people need to understand what the expectations are, what the work rotations will be like, what they need to think about in terms of pressure on their families, because if the husband goes to work at Mary River, well, that means that his spouse or his wife may be at home with the children, and that might be very difficult for her to deal with that while he's away at work.

So the work-ready program is a place for people to talk about those challenges and to come up with strategies for dealing with those kinds of challenges. We do have counsellors and people that we are training, local people that we're training to actually lead these

programs. Joanna, who was here a little bit earlier, she's one of the people that are actually training to become one of the counsellors.

We've had very good feedback on that program, and I appreciate you bringing that up, Regiler, because it's a good opportunity for us to mention the work-ready program, which we're conducting in all of the North Baffin communities and will keep conducting as the project moves forward as well.

The final point that I would add to Regiler's comments was about professional counselling. That's something that we feel we're going to require as well. We will have Inuit Elders who will be at site to act as counsellors or mentors to any of the Inuit workers who are there and want to speak to that Elder. We will have a family assistance program as well, which is a counselling service for people both at the site and in the communities also where they can call people, they can call a counsellor and speak with them. So we are trying to keep all of those things in mind. We realize it will be a change, but we also want to do everything we can to try and make it as easy a transition as possible.

So, thank you, Mr. Chair.

MR. COTE: Thank you, Baffinland. We're back to the floor for the next question or comment. I

see a hand up. We'll go to you afterwards. Go ahead, sir.

MR. OOTAVA: I'll speak slowly so I (sic) understand my statements. We had a -- I worked on a ship at Mary River, recall we wore leather mitts, and we offloaded the ship, but we needed mitts every day, new mitts every day, and we would trade -- we would use each other's mitts because they would get too small for our hands.

So the Mary River people, the Baffinland approval are talking all nice things, but the actual stuff we did was scary. And we had heard too that when they were starting their studies at Mary River, that mountain is pretty high, and those of us who have gone up there know about this. It has creeks and rivers all over it, and that's probably the situation during drilling.

I heard that there was a wolf, dead wolf in one of the creek rivulets, and when that person who had discovered the wolf went to see it again, it was gone, and he thought perhaps the Baffinland people had hidden it. We don't want to talk all negative things because you do want a good job, but we do need to take into consideration other effects on how to deal with this.

And Baffinland's telling us other things now. Like, for example, they told us, We're going to go

through Steensby Inlet, but then they told us, We're going through Milne Inlet now. And we're trying to bring up good words with strength, but they keep changing things on us and telling things on us, and so we actually do notice people when they don't tell the truth to us, and so perhaps if we're told the same consistent things, then perhaps we would be more supportive of this project.

And I do thank you very much for giving me the opportunity to state my case.

MR. COTE: Baffinland?

MR. MISSAL: Thank you, Mr. Chair. Craig Missal with Baffinland. Thanks, Caleb, for those questions. It sounds like Caleb worked at Mary River during the 2008 bulk sample, which was -- which happened to take out some of the ore for testing.

I think the first point that was important that Caleb brought up was he made the comment about some of the work being a little bit scary, and I think that it's a good point because I think it kind of ties into a lot of the things that we're concerned about; the main one being safety. Safety is the absolute most important thing that we want to explain and have all of our employees follow at the mine site. We want every person who goes to work at Mary River to go home safely at the end of their shift, and in order for them to

work safely, they have to take proper training, and they have to have the proper orientations at site so that they know how to do the job that they're doing and that they do it as safely as possible. So that will be one of the biggest priorities that we'll have.

Now, one of the big differences that will start happening this year and continue on compared to the bulk sample in 2008 was that that bulk sample was a very short-term program by a company at that time, which was still Baffinland, but the company was a very different, very small company. We're now moving into a stage where this mine site's going to start to be developed. It's being developed by global companies which have very high safety expectations and very high standards that we want to achieve at Mary River, so we want to make sure that, you know, someone like Caleb who goes to work at Mary River isn't put into a situation where they think it's scary because they have to have the proper safety training and skills so they're not in that situation.

Caleb brought up the comment about the dead wolf at site. That was -- that's a comment we've heard a couple times as well here in Pond Inlet before. We don't have any information on the dead wolf, or we have no records of that or what happened in that situation.

Caleb also brought up the changes in plans, and

that's something that we've spent a lot of time thinking about and being concerned about because we don't want people in the communities to feel like we are changing our minds or changing our plans, but we also have to deal with reality, and the reality of the world at the moment is that these big mining projects are very difficult to get up and running in today's global economy.

Some people might know -- or everyone here might know that, you know, the European economy is in very bad shape at the moment. The development in China, which is what's driving a lot of the resource development in the world is slowing down. So many big mining companies and big projects all around the world are being scaled back; they're being put on hold; they're being cancelled; and we didn't want to be in that situation with Mary River. We wanted to find a way to get this project up and running.

It's been 50 years this year since our -- or last year I guess it was since Mary River was discovered. That's a very long time ago. Now, some Inuit probably knew Mary River was there a long time before that, but it's been 50 years since some prospectors actually staked those claims. So that goes to show you how long it's taken for us to get to this stage that we're at here today, and, you know, Erik and Oliver and their

team has spent the last five-and-a-half -- about five years getting the environmental approvals for this project. Baffinland spent a lot of time and money getting the project to this stage as well, and we're very close now to being able to starting to develop it.

When we changed our plans very early in 2013 to consider the early revenue phase, our president actually got on an airplane and came to Pond Inlet, Igloolik, and Hall Beach and talked to the communities about the change in the plans. That's how important we felt it was to get the information out to the communities as soon as possible. It was really the quickest way we could do it, and it was literally within a week after, you know, we realized we were going to have to change our plans that we conveyed that information to the North Baffin communities.

So we spend a lot of time in the communities here. We think we have a good relationship with the communities. As Caleb said, you know, he considers us friends. We've heard that before, and that's something that we want to maintain with the North Baffin communities. So thanks, Caleb, for those points.

Thank you Mr. Chair.

MR. COTE: Thank you, Baffinland. During this last exchange, I was notified that our current conversation is being broadcasted on the local radio,

so it's live, and we thought we'd point that out to everyone here. If you are not comfortable with putting your voice on the record in that form, there is a way to still get your points on the record, so please come and see us if you would prefer to do it that way. Otherwise, we will continue in this fashion, and I will invite to the floor again any comments or questions you may have. Go ahead, sir.

MR. KILUKISHAK: I want to make a statement. I had written name down, I think you know it. I'm Gamailie Kilukishak. I will relate a story after I've expressed my concern.

First of all, I will state this: In the years past, we've had ships coming in one year -- one ship one year, and all the time, the ship would come back was the next year, and that's how life was in the years we've left behind. It was a supply ship, one supply ship per year.

As the ships started increasing that came up to the north, animals' habit started to change as per the increasing numbers of ships coming up to the area, and we knew immediately that there had been oil exploration in our area, not necessarily close to the community, but we know there are hazards and dangers in offshore drilling, and some of them we know are okay to go ahead and drill. And we do know that the animals' habits are

changing, but this is my concern.

Through our waters when you started planning for that, for the ships to pass through our waters on their way to Milne Inlet, there was no way we would approve that, and we did not want to approve. The community of Pond Inlet did not want to approve that. When Baffinland wanted to go through Steensby Inlet, we approved the project because they said they would now be going through Steensby Inlet. And then we heard that only through summer to Milne Inlet ore transportation will occur. We don't like that. We're not happy about that as community members. I myself even thought if that's going to be the situation, then the Nunavut Water Board should deny Baffinland their licence. That's my thought.

And I'll ask about this, after every month, will you get new ones? Thank you. I don't understand what changes they will put in.

MR. COTE: Thank you, sir. I'll turn it over to Baffinland.

MR. MISSAL: Thank you, Mr. Chair. Greg Missal with Baffinland. Thanks for those comments Gamailie. Gamailie attends most of our meetings here in Pond Inlet each time we're here, so good to hear from him again.

You know, Gamailie presents one -- I guess, he

presents his opinion on it. We do hear others with the same opinion, but we do hear people supporting the idea of the shipping through Eclipse Sound to Milne Inlet. We meet regularly with the hamlet council here in Pond Inlet. We meet with the hunters and trappers organizations; we meet with business people. There's a lot of interest in this project being developed, and obviously we're going to develop it in the most environmentally responsible way that we can.

As I mentioned before, we just spent the last five years going through an environmental assessment phase with the Nunavut Impact Review Board, which, you know, obviously came as a part of the Nunavut Land Claim Agreement to ensure that responsible development occurs in Nunavut when it's been proposed and when it successfully moves through the environmental assessment process.

I guess I'd also mention that, you know, we now have a project certificate in hand. Part of the project certificate saw an approval for about 22 to 23 ships moving past Pond Inlet into Milne -- past Pond into Milne Inlet starting this summer in 2013, which is something that's already been approved in that project certificate. So lots of work's been done.

A lot of -- Baffinland's made a lot of commitments in terms of management plans and monitoring plans to

ensure that there's the absolute least effect possible to any of the marine mammals due to shipping, and those are all rules that we will be following as we move to develop the project. So thanks for the opportunity.

MR. COTE: Thank you, Baffinland. Just as a note on process, I'm just looking at the time, we had anticipated that there would be a lot of discussion, and we welcome that. We will likely continue for maybe another 10, 15 minutes.

I've consulted my Chairman, and we'd be prepared and likely to open this up again tomorrow at 7:00 PM, so if there are more comments and you don't feel like we'll have enough time tonight, tomorrow again in the evening will be another session, so I want to -- it will be here again, so I'll mention that now, and there are more presentations that will be given as well tomorrow.

For now, we'll continue, we'll take perhaps two, perhaps three more questions, and then for the many of us who were here since 8:30 this morning, it's been a long day, but we appreciate all this discussion, so we'll open it up to our next question and comment, please.

MR. QAMANIQ: Thank you. David Qamaniq.

First question under Number 27, key water management features, down at the bottom, it says

contingency would be to install water treatment if necessary. When will be -- who will -- when will it be -- when will Baffinland make a decision whether or not if a treatment centre is -- water treatment facility will be installed if necessary? When will Baffinland know if it's necessary or not?

That's my first question. Thank you.

MR. COTE: Baffinland?

MR. CURRAN: Thank you, Mr. Chair. It's Oliver Curran with Baffinland, and thank you for that question. It's a good question.

So to put it into context, what we're speaking about here is more of a closure situation where, over a number of years we'll continue to collect information and better understand what the resulting water quality would be from the open pit mine, and this is done in consultation -- this isn't Baffinland's decision. This is a decision that would be made in consultation with Aboriginal Affairs and the Water Board and other agencies, and so if the decision was made that treatment was required, then that would be a contingency.

But at this time, from the information we know right now, we don't think that treatment will be required, but it can always be brought in as an option if it was decided that it would -- that it was

required.

MR. COTE: Thank you. Please, go ahead.

MR. QAMANIQ: Thank you, and under 31, discharge location at Milne Port, I mean not only at Milne Port, but I guess there's a sewage treatment plant in Steensby as well, and you talk about oily water treatment plants, and you talk about sewage treatment plants as well. I'm not sure how good these treatment plants are. I never seen them before personally, but I don't know how well they are maintained, and I don't know how well they last, but if the Nunavut Water Board can consider putting -- adding backup treatment plants in case one of the treatment plants is not working because we only get sea lift once a year. I mean, you may be able to fly one up, but I don't know, I wonder if backup treatment plants can be considered by NWB in case their treatment plants fail in the future.

And I got some few questions, but I think you wanted to limit to two questions. Thank you.

MR. COTE: Thank you for that. As far as the Water Board is concerned, we're here, and we're collecting all that we hear. After that, we process everything, and we come up with something to submit for our Board for its consideration, so we've heard and taken note of your comment. I'll pass it along to

Baffinland.

MR. MILLARD: Yeah, thank you. This is Jim Millard from Baffinland. Thanks for that question; it's a great question.

I've been at site since 2008, and we've been successfully treating our sewage through our sewage treatment plants there and our oily water treatment plants for the last four years, and it's been very -- quite effective. Now, we have new plants coming in that are state-of-the-art and even better than what we have right now. So we have -- and these are being designed by a world-class engineering company. They're going to be very, very good.

Now, as far as a backup is concerned, there's a couple of points to consider. When we mobilize a treatment plant to the site, we don't just mobilize the treatment plant, but we mobilize a number of parts that will potentially require, in the event that the treatment plant breaks down, it's like a car or a snowmobile in the sense is that it consists of many different parts, and we will stock those parts and components that are likely to break down in a given year so that we have -- we can keep that plant running.

In the event that an unforeseen issue happens where we can't treat due to a breakdown or we, for some reason, don't have the part, we will -- we have ponds

where we can temporarily pump our sewage to hold. In the meantime, we would do what we can, fly parts up, fly whatever we need, fly the mechanics or the engineers to fix the problem on a timely basis. And in most cases, that would be, I would say, one week at the very most, and we have capacity with these ponds to contain the sewage or the oily water in the meantime. I hope that answers your question.

MR. COTE: Thank you, Baffinland. Sir?

MR. QAMANIQ: Thank you, and I guess I got some three or four questions, but I can ask them tomorrow morning if I have to. Thank you.

MR. COTE: Thank you. For clarification, it will be tomorrow evening. I will announce the details at the end of today's session.

MR. QAMANIQ: Okay, I will do that tomorrow evening then.

MR. COTE: Thank you.

MR. QAMANIQ: Ask the questions that I want to ask --

MR. COTE: Thank you.

MR. QAMANIQ: -- more, thanks.

MR. COTE: We'll perhaps take one more question for the evening.

MR. QAMANIQ: Someone else?

MR. COTE: Sure. And then I'll announce

the plans for tomorrow, and then we'll adjourn for the evening.

So do we have one more individual? Yes, sir, the floor is yours.

MR. ARREAK: Hi. Malachi Arreak. I am Inuk, and since you have interpreters, I'll be speaking Inuktitut.

Just a little quick note about Mary River. NIRB was already here. I spoke about the reason why Inuit selected lands. Now, we're talking about water, which is also another important part of Inuit lands and ownership therein. If you look, the Land Claim Article 19 speaks to Inuit-owned lands; Article 21 enter and access; Article 20 speaks to Inuit water rights.

Basically when we had started selecting lands, we had thought ownership of the water came with it. As part of our negotiations to get Mary River, we were told water does not form part of our ownership. Initially Inuit didn't have any water rights listed in the agreement, but if you look now at Article 20, it lists out all of the reasons why Inuit consider water one of our most important resources, and there are specific provisions related to the Water Board and especially in cases where there's not agreement between the developer and the owner, and I think it's important that the Water Board hear that this may come to a

cause, but I just want to speak about the fact that, historically, when Inuit found out we couldn't own water as part of our owning land, that we had to try to protect our land and our water through other means, and Article 20 highlights a lot of how Inuit tried to protect their lands, and in particular, it's important that Baffinland know that it's not just the land that Inuit are looking at but the water as well. Water is very important not just for life but for food and for all of the food that the animals feed off.

So I guess my question was is there -- does the Water Board have a process which is listed out in an agreement where Baffinland and QIA don't come to an agreement, there is a compensation provision in Article 20 specific to the Water Board?

And I wanted to raise that, and that's it for me. Qujannamiik.

MR. COTE: Thank you, sir. Finally we get a question at the Water Board, so we'll take this one. I'll pass it to Teresa.

MS. MEADOWS: Thank you, Damien. Thank you, Mr. Chair. Thank you, Malachi, for that question.

The short answer is that, yes, we do have a draft process in place for dealing with water user compensation.

The longer answer is that we've not been called on

as a Board to date in order to embark upon a process of water user compensation determination. It can be triggered, as you said, under the Land Claim under Article 20, it can be triggered by either the Inuit organization, in this case, the Qikiqtani Inuit Association, or it can be triggered by the Applicant for a water licence, in this case, Baffinland Iron Mines Corporation.

To date, we've not been requested by either party to engage in a water user compensation determination, but we also do not have, at this point, confirmation that water user compensation has been adequately addressed by the parties, and that is something that we will need confirmation of before the Water Board can consider issuing a licence.

MR. COTE: Thank you, Teresa. This I think brings us to a close for today's session. Now, in terms of tomorrow when -- if we're still on the radio, this is to all our friends in the community who might not be here with us today -- the hearing itself will resume tomorrow morning at 9 AM, Mr. Chairman?

THE CHAIR: (NO VERBAL RESPONSE)

MR. COTE: At 9 AM. It will be the continuation of what unfolded during the day today. In the evening at 7:00 PM, we will continue this meeting. So we will adjourn because it's getting late into the

evening, and we will continue this discussion tomorrow at 7:00 PM at the community centre, so same place, same time. There will be more presentations, and then there will be an opportunity to continue with the questions that we're having now.

So thank you for your patience. Thank you for coming this evening, and, Mr. Chairman, are we ready to close for the evening?

THE CHAIR: Yes, we are.

MR. COTE: So the meeting is adjourned for this evening. Thank you for coming. We'll see you in the morning.

(WHICH WAS ALL THE EVIDENCE TAKEN AT 10:31 PM)

CERTIFICATE OF TRANSCRIPT:

I, Karoline Schumann, certify that the foregoing pages are a complete and accurate transcript of the proceedings, taken down by me in shorthand and transcribed from my shorthand notes to the best of my skill and ability.

Dated at the City of Calgary, Province of Alberta, this 7th day of May, 2013.

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Karoline Schumann, CSR(A)
Official Court Reporter

EXHIBITS

APRIL 23, 2013