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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

**File No: 2AM-MRY1325 – Amendment No. 1/
2017 – 2018 ASR Process**

November 3, 2017

To: Mary River Distribution List

Subject: Type “A” Water Licence No. 2AM-MRY1325 – Amendment No.1, Mary River Project; 2017 – 2018 Annual Security Review (ASR) Process and Guidance for Timing with Respect to the Annual Security Review Required Under Part C and Schedule C of Licence

Dear Parties:

The 2017 – 2018 Annual Security Review (ASR) Process, as required under the Type “A” Water Licence No. 2AM-MRY1325 – Amendment No. 1 (Licence), issued to Baffinland Iron Mines Corporation (BIMC or Licensee) for the Mary River Project (Project), is expected to commence on or about the first week of November 2017. The review process is intended to determine the extent to which any differential in the reclamation security currently posted for the Project, taking into account past and recently completed works, progressive reclamation, the Licensee’s forthcoming 2017 – 2018 work plan, and other relevant factors.

In preparation for this year’s ASR Process, the Nunavut Water Board (NWB or Board) takes this opportunity to provide stakeholders and interested persons with an overview of the process including the anticipated timelines and activities prior to official commencement of the process.

Similar to the previous years’ ASR Processes, this year’s ASR Process will be conducted in accordance with Part C and Schedule C of the Licence. To assist the Board, stakeholders, and interested persons, in achieving the relevant objectives set out in the Licence and process, the Board has included in **Table 1**, attached to this correspondence, as an outline of the anticipated events and timelines for this year’s ASR’s Process. It should be noted, however, that the Board may, following provision of adequate notice(s) to parties, adjust the timelines and activities contained in the **Table 1** to ensure that the Licence and process objectives are achieved. Parties wishing to provide feedback on the timelines and/or activities included in **Table 1** should do so by **12:00 p.m., MST, November 6, 2017.**

As in the past, this year’s ASR Process will be conducted in two stages. The first stage of the process requires stakeholders and/or in parties to provide feedback on the following question:

Is the existing total reclamation security amount as set by the Board in accordance with the 2017 Work Plan, adequate to reflect the scope of activities and undertakings proposed by BIMC in its 2018 Work Plan (to be filed with the Board by November 1, 2017 as required under Schedule J, Item 1 in the Licence)? (N.B.: Due to delays, BIMC is expecting to file its 2017 – 2018 work plan on November 6, 2017).

In addressing the above question, it is expected that stakeholders/interested parties will provide the Board with sufficient information regarding their key assumptions and inputs including any models used to generate and review the relevant reclamation estimate (s) pertaining to the Project. The Board requests where parties differ in their estimates on the amount of financial security necessary to ensure appropriate closure, reclamation, restoration, and post-closure measures for the undertaking, that the parties provide clear directions and basis for the specific points of divergence.

The second stage of the process involves confirmation from the Licensee, the Designated Inuit Organization (DIO), in this case the Qikiqtani Inuit Association (QIA), and relevant Federal Agencies regarding the amount of reclamation security posted by the Licensee for potential land and/or water reclamation based on requirements in the Type “A” Water Licence and/or other licence(s) subsumed by the Type “A” Licence and whether updates to these amounts are currently being considered or required. This information should be provided to the Board on or before December 6, 2017 so that consideration could be given to all relevant submissions in determining the total amount of reclamation security to be held under the Type “A” Water Licence for the 2017 – 2018 period.

If you have any questions or concerns regarding the above, please direct them to Sean Joseph, Senior Technical Advisor at Sean.Joseph@nwb-oen.ca, or to David Hohnstein, Director Technical Services, at David.Hohnstein@nwb-oen.ca.

Sincerely,

NUNAVUT WATER BOARD

Stephanie Autut
Executive Director

cc: NWB Public Registry

Attachment: Table 1

Table 1: Licence No. 2AM-MRY13250 – Amendment No. 1; Proposed Schedule for the 2017 – 2018 ASR Process

Date	Activity
November 6, 2017	Licensee, the Minister, and QIA to file information with the NWB regarding reclamation security currently held in accordance Part C and Schedule C of Licence No. 2AM-MRY1325 – Amendment No.1.
November 6, 2017	The Licensee to file with the NWB a copy of its 2018 Work Plan as required under Schedule J of the Licence.
November 24, 2017	Licensee to file any updated information regarding additional reclamation security amounts posted with the Designated Inuit Organization and territorial or federal authorities that have issued authorizations to the Project including the QIA and INAC .
December 6, 2017	Interested parties to file written submissions with the NWB in accordance with relevant section(s) of Schedule C, Item 2 of Licence No. 2AM-MRY1325 – Amendment No.1.
December 11, 2017	Licensee to file its response(s) to interveners’ submissions.
December 13, 2017	NWB to hold the ASR Meeting by Teleconference.
December 15, 2017	Parties to file revisions or addendums to written submissions based upon ASR Meetings with the NWB in accordance with relevant section(s) of Schedule C, Item 2, of Licence No. 2AM-MRY1325 – Amendment No. 1..
January 26, 2018	NWB to advise the Licensee and interested parties of the total reclamation security required for 2018 Work Plan under Part C, Item 1 of the Licence).
February 23, 2018	Licensee to file the total reclamation security amount for 2018 Work Plan (within thirty (30) days).