

**File No.: 2AM-MRY1325** 

November 4, 2019

To: Mary River Distribution List

Subject: Licence No. 2AM-MRY1325 Type "A"; Mary River Project, Baffinland Iron

Mines Corporation, Process Guidance Annual Security Review Associated

with 2020 Work Plan

## Dear Parties:

Please be reminded that the Annual Security Review associated with the 2020 Work Plan (the ASR), as required under Licence No. 2AM-MRY1325 (the Licence), issued to Baffinland Iron Mines Corporation (Baffinland or the Licensee) for the Mary River Project (the Project), has commenced with the receipt of the 2019 Work Plan. The ASR process is intended to determine the extent of any difference between the reclamation security currently posted for the Project, taking into account any recently completed progressive reclamation work, the Licensee's 2020 Work Plan, and other relevant factors. In preparation for the ASR, the Nunavut Water Board (NWB or the Board) takes this opportunity to provide stakeholders and interested parties with an overview of the upcoming ASR process, including an anticipated timeline of activities associated with the NWB's conduct of the ASR in the attached Table 1.

As required by the Licence, the ASR shall be conducted in accordance with Part C and Schedule C of the Licence. Although Table 1 outlines a projected timeline for the ASR, the Board may, with adequate notice to parties, adjust the timelines and events to ensure that all 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 15, 2019.

This year's ASR process will be conducted in two stages as was done for the ASR processes for the preceding years. The first stage of the process requires stakeholders and/or interested parties to provide feedback on the following question:

Is the existing total reclamation security amount as set by the Board in accordance with the 2019 Work Plan adequate to reflect the scope of activities and undertakings proposed by Baffinland in the proposed 2020 Work Plan?

Type "A" Water Licence 2AM-MRY1325 ASR associated with 2020 Work Plan

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 that 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 <u>clear directions and basis</u> for the specific points of divergence.

The second stage of the process involves confirmation from the Licensee, the Qikiqtani Inuit Association (QIA), and Crown-Indigenous Relations and Northern Affairs (CIRNA) regarding the amount of financial security posted by the Licensee for reclamation of the Undertaking under the Licence and the commercial lease with the QIA, and whether updates to these amounts are currently being considered or required. This information should be provided to the Board on or before **December 13, 2019** so that consideration can be given to all relevant submissions in determining the total amount of financial security to be held under the Licence prior to Baffinland commencing activities under the 2020 Work Plan.

The 2020 ASR differs from its past iterations due to the ongoing review of Baffinland's application for Licence amendment associated with the Phase 2 Expansion Project. Therefore, the parties are requested to consider the difference between the activities under current Licence and its requested amendment during the 2020 ASR process.

Should you have any questions regarding the above, please direct them to the NWB Licensing Department by email to <u>licensing@nwb-oen.ca</u>, or to Assol Kubeisinova, Technical Advisor, by email at <u>assol.kubeisinova@nwb-oen.ca</u> or by phone at (867) 360-6338 Ext. 31.

Sincerely,

NUNAVUT WATER BOARD

Stephanie Autut Executive Director

Attachment: Table 1

Table 1: Licence No. 2AM-MRY1325; Projected Timeline for the Annual Security Review Associated with the 2020 Work Plan

Event	Date
The Licensee filed a copy of its 2020 Work Plan as required under Schedule J of the Licence.	November 1, 2019
The Licensee, Crown-Indigenous Relation and Northern Affairs (CIRNA), and the Qikiqtani Inuit Association (QIA) provide comments with respect to the ASR process and timelines proposed in this Table.	November 12, 2019
CIRNA, the QIA and any other interested parties file written submissions regarding the Licensee's 2020 Work Plan and any updates to the reclamation security estimates for the Project.	November 22, 2019
The Licensee files any updated information regarding additional security amounts posted with the QIA and territorial or federal authorities that have issued authorizations to the Project, including CIRNAC.	November 29, 2019
Licensee files its response(s) to interveners' submissions regarding reclamation security associated with the 2020 Work Plan.	
The NWB holds a teleconference regarding the ASR associated with the 2020 Work Plan.	December 6, 2019
All involved parties file updates and/or addenda to the intervenor submissions (filed by November 22, 2019) and Licensee submissions (filed by November 29, 2019) based on the discussion and commitments at the teleconference.	December 11, 2019
NWB to issue an ASR decision that advises the Licensee and interested parties of the total financial security required to be posted prior to commencement of the 2020 Work Plan under Part C, Item 1 of the Licence.	January 22, 2020
Licensee to file any additional reclamation security amount required as determined by the NWB and set out in the ASR decision in accordance with Part C, Item 1 of Licence No. 2AM- MRY1325.	February 2, 2020