



2AM-MRY MARY RIVER 2021 ANNUAL SECURITY REVIEW TELECONFERENCE

January 27, 2022

Good morning Chair, Nunavut Water Board members, QIA, and Baffinland representatives.

I would like to thank the Nunavut Water Board for organizing this teleconference and giving us the opportunity to present Crown-Indigenous Relations and Northern Affairs Canada's (herein referred to as CIRNAC) position on the estimated reclamation costs associated with Baffinland's Mary River Project covered under licence 2AM-MRY1325 amendment #1 for the 2022 Work Plan.

My name is Lauren Perrin, Water Management Specialist. Joining me today is

- Andrew Keim, Acting Manager of Water Resources,
- Bridget Campbell, Water Resource Coordinator,
- Marcus Bermann, Acting Director of Resource Management;
- Karola Toth, Consultant support from SNC-Lavalin.

CIRNAC retained SNC-Lavalin to develop a marginal reclamation cost increase for 2022 which included the following;

- A Review of work described in the 2022 workplan;
- A Review works that were carried forward from 2021; and
- Reconciliation for activities not carried out as planned.

Crown-Indigenous Relations and Northern Affairs Canada is a regulatory intervener. The Water Resources Division works to conserve, protect and increase understanding of Nunavut's water resources; provides advice to the Nunavut Water Board and, supports water planning and policy development including developing water monitoring programs in Nunavut.

CIRNAC's roles and responsibilities, mandate, and obligations are based on the prevailing legislation.

Presentation :

CIRNAC's 2022 global estimate of security , based on the information submitted to date in BIMC's 2022 Work Plan is **\$106,471,393**.

Of that estimate, \$ 2,784,218 is allocated to Crown Liability. This represents a reduction of \$3,782 for the Crown.

The following is a list of clarifications and recommendations CIRNAC wishes to address with Baffinland regarding their 2022 Workplan items.



Comment	Issue	Resolved/Unresolved
1	Contaminated Soils in Ore Storage Areas	Unresolved
2	Expanding the groundwater monitoring and sampling program.	Unresolved
3	Water Treatment	Unresolved
4	MS-08 Liner Observations	Unresolved
5	Expansion of the mine site landfill (2021-10, 2022-1) and landfarm (2019-18)	Unresolved
6	New Ore Stockpile Area (2022-2) & Run of Mine Stockpile (2019-23)	Unresolved
7	Damaged Liners and culverts	Unresolved
8	CIRNAC awaiting disturbed area calculation	Unresolved
9	Phase 2 Equipment Mobilization	Resolved
10	Phase 2 Equipment Demobilization	Resolved
11	BIMC Owned Equipment numbers and associated security	Unresolved
12	2021 Addendum Tranche 1 and Tranche 2 cost reductions do not match 2022 EBS values.	Unresolved
13	Column G Table 9.3 of the BIMC 2022 Work Plan appears to be calculated incorrectly.	Resolved
14	Several items in the 2022 EBS are missing from the text of the 2022 Work Plan	Unresolved
15	Table 8.1 of the 2022 Work Plan lists fuel as a volume, while the 2022 EBS lists fuel as a lump sum \$62,000.	Unresolved
16	BIMC included 20% Contingency	Resolved
17	ICRP Rev.5, has not been updated	Unresolved
18	BIMC estimate considers 3 years for Closure and 15 years for Post-Closure monitoring	Unresolved
19	Long term criteria for permafrost conditions	Unresolved
20	Studies and instrumentation	Unresolved
21	Engineering Fees	Unresolved
22	Inflation	Unresolved
23	2020 Arbitration Outcome unit rates.	Unresolved