28 June 2019

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RE: Response to Comments
Mary River Project - Modification Request No. 12
Type 'A' Water Licence - 2AM-MRY1325 - Amend. No. 1

Baffinland Iron Mines Corporation (Baffinland) provides the attached responses to comments received from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)[1], regarding Water Licence Modification Request No. 12.

We trust that the attached responses provide additional clarification on the proposed work and infrastructure changes at the Project. Please do not hesitate to contact the undersigned should you have any remaining questions or comments.

Regards,

Lou Kamermans
Director, Sustainable Development

Attachments:
Attachment 1: Baffinland Response to Comments
Attachment 2: Figure 7-3 from FEIS Volume 7

Cc: Chris Spencer (Qikiqtani Inuit Association)
Bridget Campbell (CIRNAC)
Christopher Murray, Steve Borcsok, Megan Lord-Hoyle (Baffinland)

[1] CIRNAC (2019) Re: Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) Reply to Baffinland Iron Mines Corporation Response to CIRNAC Comments on Modification Request No. 12 for Milne Port Ore Stockpile No.1 and Water Management Expansion for the Mary River Project, Water licence 2AM-MRY-1325 – Amendment No. 1. Letter dated June 21, 2019

Attachment No. 1

Baffinland Response to Comments

Baffinland

Table 1 - Baffinland Responses to Comments
Modification Request No. 12, Type A Water Licence 2AM-MRY1325

Comment No.	Comment/Question	Baffinland Reponse
	CIRNAC	
1	CIRNAC recommends that Baffinland provide more information to clarify whether further expansion is planned for the stockpile laydown area during Phase 2, and if so, to provide the intended dimensions and directions by which it will be expanded. If the stockpile is not to be further expanded during Phase 2, CIRNAC requests clarification on how the projected increase in ore stockpiling will be accommodated.	The proposed stockpile expansion area will be used in the 2019 season to achieve a total shipment of 6 Mt of ore, comprising both lump and fines products. Following the Phase 2 expansion, the stockpile expansion area (Stockpile #1) will be used for the fines product only, while the new Stockpile #2 will be used for the lump product. No additional stockpile space will be necessary from what has been proposed.
2	CIRNAC considers Stage 2 of this modification request to be prohibited under the Water Licence and therefore recommends that Baffinland seek an alternate storage arrangement for the Stage 2 portion of the ore stockpile laydown.	As described in the modification request (Table 1), the area that the stockpile expansion is proposed to be constructed in has been fully assessed within the FEIS and FEIS Addendum. Additionally, Table 2 compares the effects of the modification request to the Approved Project, including the Freshwater Aquatic Environment. Per Section 4.5.3.4 of Volume 7 (Freshwater Environment) of the FEIS Addendum, "The Milne Port facility will include infrastructure components situated on existing waterbodies" and further the "effects related to Project footprints in the Milne Port LSA on Arctic Char habitat are expected to be negligible and are not considered further". Figure 7.3 in Volume 7 of the FEIS (attached) demonstrates the identified fish bearing waters in the Milne Inlet area, and as can be seen the ponds/watercourses in question (stream M5-1 and two upstream ponds) have been identified as not fish bearing. While the Stage 2 stockpile area will result in additional surface disturbance, these are fully contained within the existing assessed Milne Port PDA. Additionally, though the ponds/watercourses in question were previously identified as not fish bearing, a further fish habitat assessment is currently being undertaken to confirm the results of the previous assessment. In accordance with their license conditions, Baffinland is not proposing to construct Stage 2 of the stockpile expansion until the modification request is granted, as per Part G, Item 2. If the request is granted, then Part D, Item 25 will be superceeded by the modification request for the water bodies in question. Further to this approval, Baffinland will submit a request for review to Fisheries and Oceans Canada for the Stage 2 stockpile expansion to confirm whether any mitigation measures are necessary. Given that the areas in question are located within the existing permitted and assessed Milne Port PDA, and the waters in question are not fish bearing, Baffinland confirms if the modification request is granted there is not anticipated to be any substantive reason the Stage 2 stockpile expansion cannot be constructed in an environmentally protective way under the existing approvals.
3	CIRNAC requests that Baffinland clarify the design criteria with respect to ponds construction.	As noted in CIRNAC's comment, Section 6.6 of the Civil Design Philosphy states that the design of the sedimentation ponds will be based on the Civil Design Criteria with the exception of the runoff coefficient which shall be 0.9. Section 7.4 which is referenced in CIRNAC's comment is from a separate document, the Civil Design Criteria, which is included as Appendix B to the Civil Design Philosophy. The statement in Section 6.6 of the Civil Design Philosophy that a runoff coefficient of 0.9 shall be used is specifically intended to supercede Section 7.4 of the Civil Design Criteria. Baffinland confirms that the design criteria for the ore stockpile expansion uses a runoff coefficient of 0.9 for the stockpile footprint.
4	CIRNAC request that Baffinland update the drawings to provide the following details: transfer towers and conveyor berms ends, placement of rip raps, and a clear statement indicating that NPAG material will not be used as rip rap.	As per Part D, Item 2 of the licence conditions, for-construction drawings must be submitted for all infrastructure and/or facilities designed to contain, withhold, divert or retain water and/or waste. The transfer towers and conveyor berm ends are not designed for these purposes. As such the drawings provide sufficient information for review of the infrastructure that is proposed to manage stormwater runoff from the expanded stockpile footprint. It is not clear what details on placement of rip raps is not present on the provided drawings. However, Baffinland can confirm that potentially acid-generating material will not be used as rip rap.

Attachment No. 2

Figure 7-3 from FEIS Volume 7

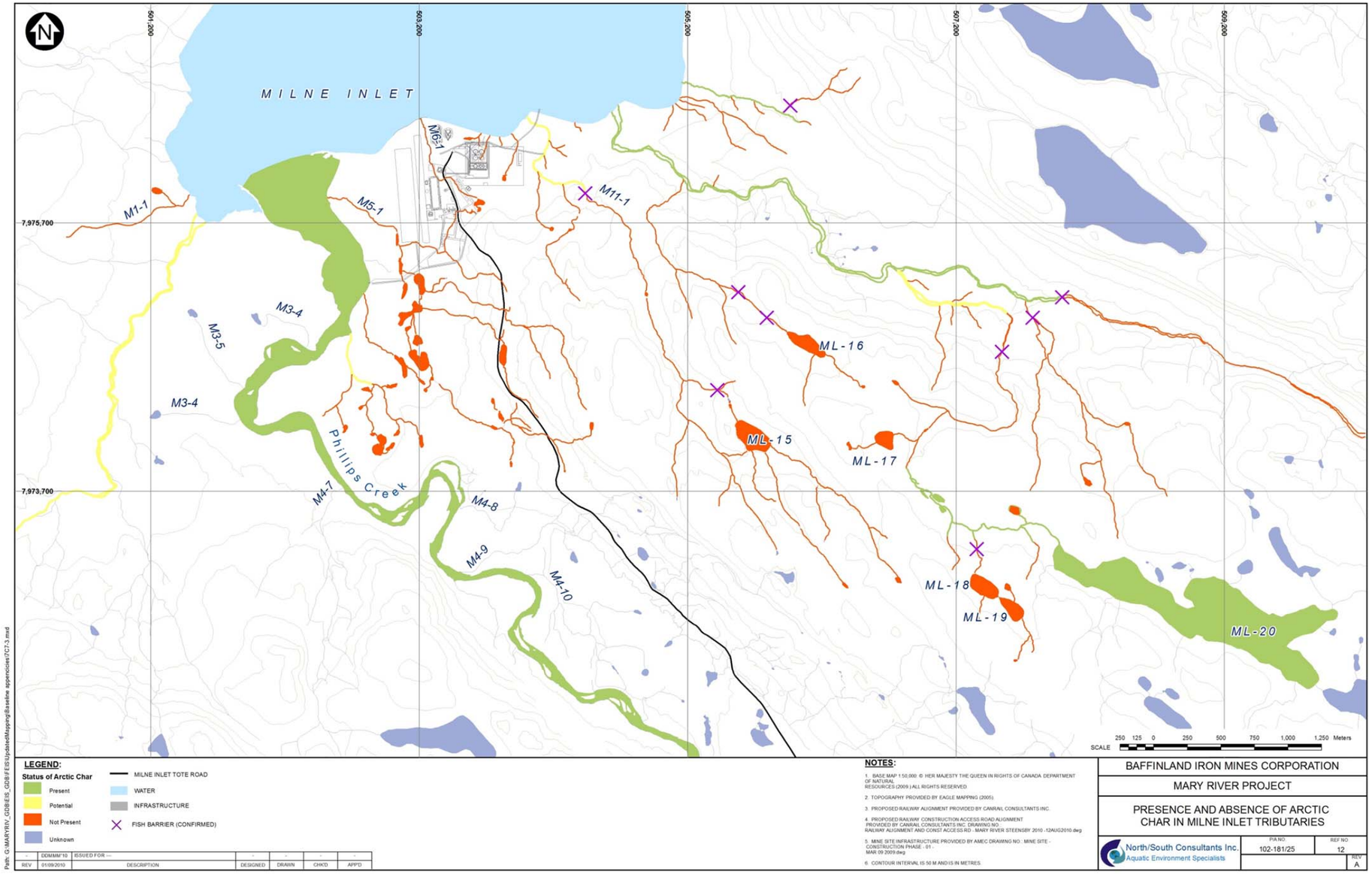

Figure 7-3. Arctic char distribution in waterbodies in the Milne Port Area.