



Fwd: 2AM-MRY1325: Response to CIRNAC comments on Modification Request No. 12

Steve Borcsok <steve.borcsok@baffinland.com>

Tue, Jul 2, 2019 at 1:43 PM

To: "Zhong, David (AADNC/AANDC)" <david.zhong@canada.ca>, Lou Kamermans <lou.kamermans@baffinland.com>, Assol Kubeisinova <assol.kubeisinova@nwb-oen.ca>

Cc: "Campbell, Bridget (AADNC/AANDC)" <bridget.campbell@canada.ca>, Richard Dwyer <richard.dwyer@nwb-oen.ca>, "Okonkwo, Godwin (AADNC/AANDC)" <godwin.okonkwo@canada.ca>

Good afternoon David, hope you also had a great long weekend.

Please find our responses to your questions below in green, and a referenced figure attached. We would be happy to have a phone discussion tomorrow as well to discuss.

Thanks,

Steve Borcsok, P.Eng. | Permitting Specialist
Oakville - 2275
T: +1 416 364 8820 x5090



2275 Upper Middle Road East, Suite 300, Oakville, Ontario, Canada, L6H 0C3
www.baffinland.com

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From: Zhong, David (AADNC/AANDC) <david.zhong@canada.ca>

Sent: Tuesday, July 2, 2019 12:07 PM

To: Lou Kamermans <lou.kamermans@baffinland.com>; Assol Kubeisinova <assol.kubeisinova@nwb-oen.ca>

Cc: Campbell, Bridget (AADNC/AANDC) <bridget.campbell@canada.ca>; Richard Dwyer <richard.dwyer@nwb-oen.ca>;

Okonkwo, Godwin (AADNC/AANDC) <godwin.okonkwo@canada.ca>; Steve Borcsok <steve.borcsok@baffinland.com>

Subject: [External]RE: [EXTERNAL] Fwd: 2AM-MRY1325: Response to CIRNAC comments on Modification Request No. 12

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Good morning Lou,

I hope you have had a wonderful Canada Day long weekend.

I had a quick read of Baffinland's responses and CIRNAC's comments and do have a few questions that need clarification from Baffinland. As Bridget is away from the office until tomorrow and I am not completely familiar with this file, there might be more questions from Bridget upon her return.

1. In the response to CIRNAC Comment #1, Baffinland states that the purpose of the proposed stockpile expansion area will be for the production increase to 6 Mt. However, CIRNAC notes that the existing stockpile had the capacity to handle 5 Mt of ore production in 2018 and the proposed expansion, based on Figure 1, seems double the footprint of the existing stockpile. Also, Baffinland states that a new Stockpile #2 will be needed for the Phase 2 expansion. It is not clear where new Stockpile #2 will be located and how large its area will be. Figure 1.3 (attached) shows the Phase 2 proposal layout. Stockpile #2 is denoted on this figure as Lump Ore Stockpiles. As indicated in our earlier correspondence, The request to expand Ore Stockpile No. 1 is to ensure Baffinland has the ability in 2019 to (i) create multiple customer- owned piles, and (ii) provide for sufficient separation between the piles to ensure no co-mingling of different buyer's products. The area of Stockpile #2 is 21.4 ha.

2. CIRNAC Comment #2 seeks a clear justification for expanding the stockpile footprint over a water body and a discussion on potential alternative storage arrangements. Baffinland's response does not directly address either requests. For efficient bulk material handling, additional stockpile space must be located in the vicinity of the ore dock and shiploader. Development of stockpile space at a separate location further away from the ore dock would necessitate double handling of material to bring ore to the existing stockpile where the conveyor to the shiploader will be present. Logistically, this would not be efficient enough to meet the limited window to ship ore during the open water season. There is very little space to expand the stockpile in the vicinity of the ore dock so constructing over the water body is required due to the geography of the area. Expansion of the stockpile must also consider the alignment of the ore conveyor to the shiploader which should be designed to be as straight as possible for bulk material handling to be most efficient.

Figure 1.3 shows the layout of Milne Port as part of the Phase 2 proposal. While the proposed infrastructure shown in this layout remains within the NIRB assessment process, Baffinland has designed infrastructure improvements for the current operation with the understanding that the Phase 2 proposal is likely to be developed in the future. With this understanding, Figure 1.3 demonstrates that available room for development is very limited within the currently approved Project Development Area. Additionally, in anticipation of ore transport moving from truck to rail with the Phase 2 proposal, utilizing a separate stockpile area would require Baffinland to transport the material following secondary crushing to this separate stockpile, and then transport it back to the stockpiles during the shipping season.

I can be available for a phone discussion this afternoon if necessary.

Best regards,

David.

David Zhong, Ph.D., P.Geo. (B.C.)

Regulatory and Science Advisor

Water Resources Division

Resource Management Directorate

Nunavut Regional Office

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

P.O.Box 100

Iqaluit, NU. X0A 0H0

Tel: (867)975-4555

david.zhong@canada.ca

From: Lou Kamermans [<mailto:lou.kamermans@baffinland.com>]

Sent: Friday, June 28, 2019 4:04 PM

To: Assol Kubeisinova

Cc: Campbell, Bridget (AADNC/AANDC); Zhong, David (AADNC/AANDC); Richard Dwyer; Okonkwo, Godwin (AADNC/AANDC); Steve Borcsok

Subject: Re: [EXTERNAL] Fwd: 2AM-MRY1325: Response to CIRNAC comments on Modification Request No. 12

Hi Bridget, David

I would just add we can be available for a conference call that afternoon to provide any clarification if necessary.

Have a good weekend,

Lou

Sent from my iPhone

On Jun 28, 2019, at 3:21 PM, Assol Kubeisinova <assol.kubeisinova@nwb-oen.ca> wrote:

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Good afternoon Bridget, David,

I understand that Bridget is currently out of office, so this request is addressed to both of you. The Board received the attached correspondence from Baffinland on their request for Modification No. 12. Could CIRNAC please confirm if its information requests had been satisfied on or before **July 2, 2019 (17:00 ET)**?

Thank you,

Assol

