



24 July 2019

Assol Kubeisinova  
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**RE: Mary River Project - Modification Request No. 12**  
**Type 'A' Water Licence - 2AM-MRY1325 - Amend. No. 1**

On July 22, 2019, Baffinland Iron Mines Corporation (Baffinland) received correspondence<sup>1</sup> from the Nunavut Water Board (NWB) that approval of Modification Request No. 12 will be withheld at this time. The NWB asserted that the proposed modification is part of Baffinland's "Phase 2 Development" Project Proposal currently being assessed by the Nunavut Impact Review Board (NIRB), and believes that Baffinland did not provide sufficient evidence that the reconfiguration and enlargement of the stockpile area are not solely to prepare for the potential Phase 2 expansion. Baffinland maintains that the proposed modification is not part of the "Phase 2 Development" and is required as part of ongoing operations for the currently approved Project.

As part of the rationale for withholding this approval, the NWB referenced Figure 1 excerpted from Technical Supporting Document (TSD) 02: Project Description Mary River Project Phase 2 Proposal, which depicts the Phase 2 Proposal layout of Milne Port. Baffinland notes that this figure has been superseded by the attached Figure 1.3, which was submitted to the NWB on May 3, 2019 in Baffinland's updated Application for Amendment No. 2 of Type A Water Licence 2AM-MRY1325. Figure 1.3 identifies the proposed modification as 'Approved Infrastructure', separate and distinct from 'Additional Phase 2 Proposal Infrastructure' also depicted on this figure. Figure 1 referenced by the NWB does not depict the proposed modification considered in Modification No. 12, and instead depicts the stockpile expansion considered in Modification Request No. 9. Baffinland notes that his figure erroneously depicts the proposed modification from Modification Request No. 9 as Additional Phase 2 Proposal Infrastructure, however this Modification Request was approved for construction by the NWB on September 5, 2018 as

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<sup>1</sup> NWB (2019) RE: Licence No. 2AM-MRY-1325 Type "A"; Mary River Project, Baffinland Iron Mines Corporation; Modification No. 12 – Milne Port Ore Stockpile #1 and Water Management Expansion. Letter dated July 22, 2019

part of the currently approved Project. Baffinland regrets this error depicted in the referenced Figure 1, but rectified the issue with the updated Figure 1.3 provided in the May 2019 submission.

Baffinland wishes to further clarify that despite the error depicted in the aforementioned Figure 1, the expansion of Stockpile 1 is not now, and has not been, part of the Phase 2 proposal. The main document of the Final Environmental Impact Statement (FEIS) Addendum<sup>2</sup> submitted for the Phase 2 proposal contains Figure 1.4, Milne Port – Phase 2 Proposal, which depicts the stockpile expansion as Approved Infrastructure, and not Additional Phase 2 Proposal Infrastructure. Baffinland's December 2018 submission of responses to information requests<sup>3</sup> for the August 2018 Application to Amend Type A Water License 2AM-MRY1325 also presented a figure in response to information request CIRNAC 06, which depicts the stockpile expansion as Approved Infrastructure. In Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)'s July 17, 2019 letter to the NWB<sup>4</sup>, they stated that Baffinland "did not provide any explanation or rationale for the realignment of the stockpile matching the Phase 2 proposed rail infrastructure configuration". Baffinland provided this rationale in two separate submissions. Baffinland's June 14, 2019 letter<sup>5</sup> responding to initial comments from CIRNAC stated "The alignment of the stockpiles proposed under Modification No. 12 and the Phase 2 Amendment Application is only a reflection of the need to avoid interactions between the two, should the latter be approved. To be clear, Modification No. 12 is not a pre-construction activity for Phase 2." Baffinland's July 2, 2019 emailed response to further comments from CIRNAC stated "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."

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<sup>2</sup> Baffinland (2018). Mary River Project – Phase 2 Proposal, Addendum to the Final Environmental Impact Statement. Report dated August 2018.

<sup>3</sup>

<sup>4</sup> CIRNAC (2019). Re: Crown-Indigenous Relations and Northern Affairs Canada comments on 2AM-MRY1325 BIMC Response to Teleconference Comments. Letter dated July 17, 2019

<sup>5</sup> Baffinland (2019a). Re: Crown-Indigenous Relations and Northern Affairs Canada Review of Baffinland Iron Mines Corporation Modification Request No. 12 for Milne Port Ore Stockpile No.1 and Water Management Expansion for the Mary River Project, Water Licence No. 2AM-MRY1325 – Amendment No. 1. Letter dated June 14, 2019

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CIRNAC's July 17, 2019 letter also stated that Baffinland "did not provide an explanation for how the increased volumes of ore will be handled pending a production increase as part of Phase 2". Baffinland's June 28, 2019 letter<sup>6</sup> stated "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."

Throughout the application and review of the Stockpile No. 1 expansion modification request, Baffinland has maintained that the proposed expansion is a direct need based on commercial obligations under the existing approved project. While the expansion of Stockpile No. 1 will remain in use should Phase 2 approval be granted, construction and use of the expanded stockpile footprint is required irrespective of Phase 2 approval. Baffinland recognizes that while the design of the Stockpile No. 1 has directly considered the potential for future infrastructure associated with Phase 2, this could be misinterpreted that the design is linked to the construction of Phase 2. The design of Stockpile 1 was prepared in a manner that would accommodate future construction plans for Phase 2, minimize the area of disturbance required and overall project footprint, maximize the ability to manage water runoff, and overall efficiency for construction and operation of the pad. In light of the rationale presented above, Baffinland respectfully requests that the NWB reconsider their decision on Modification Request No. 12.

Regards,

A handwritten signature in black ink that reads "Megan Lord-Hoyle".

Megan Lord-Hoyle  
Vice President, Sustainable Development

Attachments:

Attachment 1: Figure 1.3: Milne Port Layout Phase 2 Proposal

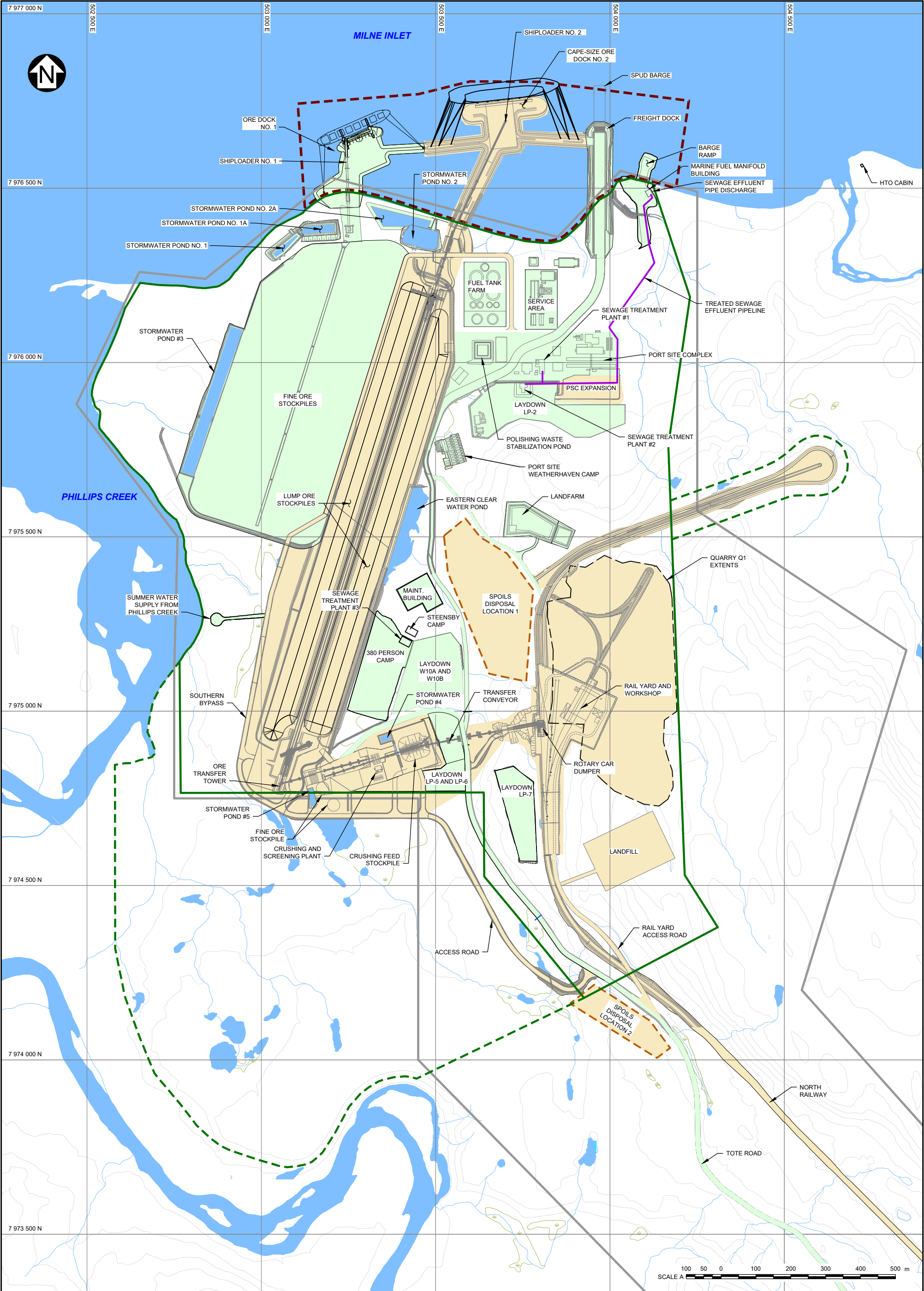
Cc: Chris Spencer (Qikiqtani Inuit Association)  
Bridget Campbell, David Zhong, Godwin Okonkwo (CIRNAC)  
Richard Dwyer (NWB)  
Christopher Murray, Steve Borcsok, Lou Kamermans (Baffinland)

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<sup>6</sup> Baffinland (2019b). RE: Response to Comments, Mary River Project - Modification Request No. 12, Type 'A' Water Licence - 2AM-MRY1325 - Amend. No. 1. Letter dated June 28, 2019

**Attachment No. 1**

**Figure 1.3: Milne Port Layout Phase 2 Proposal**



**LEGEND:**

- WATER
- SPOILS DISPOSAL LOCATION
- TREATED SEWAGE EFFLUENT PIPELINE
- QUARRY EXTENTS
- ROAD

APPROVED INFRASTRUCTURE

ADDITIONAL PHASE 2 PROPOSAL INFRASTRUCTURE

COMMERCIAL LEASE BOUNDARY

PROJECT DEVELOPMENT AREA

PROJECT DEVELOPMENT AREA EXPANSION FOR PHASE 2 PROPOSAL

FORESHORE LEASE BOUNDARY / MARINE PDA

**NOTES:**

- COORDINATE GRID IS UTM NAD83 ZONE 17N.
- TOPOGRAPHY PROVIDED BY EAGLE MAPPING (2005).
- CONTOUR INTERVAL IS 10 METRES.
- PROPOSED MILNE PORT INFRASTRUCTURE PROVIDED BY HATCH APRIL, 2019.

**BAFFINLAND IRON MINES CORPORATION**

**MARY RIVER PROJECT**

**PHASE 2 PROPOSAL**

**MILNE PORT LAYOUT**

**Knight Piésold**  
CONSULTING

P/A NO.  
NB102-181/53

REF NO.  
3

FIGURE 1.3

0 02MAY'19 ISSUED WITH REPORT

REV	DATE	DESCRIPTION	DESIGNED	DRAWN	REVIEWED
0	02MAY'19	ISSUED WITH REPORT	RAC	CJV	SRA