



ᑎᓄᓐᓂᓐ ᑕᓄᓐᓂᓐ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

**File: 2AM-MRY1325
Modification No. 12**

August 02, 2019

Megan Lord-Hoyle
Vice President, Sustainable Development
Baffinland Iron Mines Corporation
Suite 300 – 2275 Upper Middle Road East
Oakville, Ontario, Canada L6H 0C3

Email: megan.lord-hoyle@baffinland.com

RE: Licence No. 2AM-MRY1325 Type “A”; Mary River Project, Baffinland Iron Mines Corporation; Modification No. 12 - Milne Port Ore Stockpile #1 and Water Management Expansion; Request for Reconsideration

Dear Ms. Lord-Hoyle:

On May 3, 2019, the Nunavut Water Board (NWB or the Board) received a request by Baffinland Iron Mines Corporation (BIMC or the Licensee) for Modification No. 12 (the Request) to the amended Licence No. 2AM-MRY1325 (the Licence) issued to BIMC for the Mary River Project (the Project). In the Request, the Licensee outlined that the ore stockpile expansion was necessary in order to “optimize stockpiling and ship loading operations”.

On July 22, 2019, the NWB issued its decision stating:

... the proposed upgrades are inconsistent with the scope of activities considered under the Licence issued to the Project. The Board believes that the Licensee did not provide sufficient evidence that the reconfiguration and enlarging the area of the stockpile are not sought solely with the intent to prepare for potential Phase 2 Expansion. The Board notes that proposed modification of Stockpile No. 1 is part of the “Phase 2 Development” Project Proposal that is currently assessed by the Nunavut Impact Review Board (as shown in Figure 1 excerpted from TSD 02: Project Description Mary River Project Phase 2 Proposal). Therefore, the NWB advises the Licensee that an approval of the Request as submitted will be withheld at this time.

On July 24, 2019, the Licensee requested that the NWB reconsider its decision and provided the following clarification:

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) Addendum2 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...

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.

It should be noted that the configurations of the stockpile as sought under the Request and as outlined in the *Addendum to the Final Environmental Impact Statement Mary River Project – Phase 2 Proposal* revised September 2018 (FEIS) and submitted by BIMC to the Nunavut Impact Review Board differ. On July 31, 2019, the Licensee provided additional clarification:

The figure referenced in the FEIS shows the footprint of Stockpile 1 consistent with the footprint approved under Modification No. 9. Both figures demonstrate that the expansion of Stockpile No. 1 in either form is not considered part of the Phase 2 proposal. Furthermore the figure from the FEIS demonstrates that the expansion of Stockpile 1 to the footprint being sought under Modification No. 12 was not even considered at that stage, and is not part of the Phase 2 proposal or required for the stockpiling of materials under Phase 2.

Copies of all documents received in support of the Request can be accessed through the NWB's Public Registry and FTP site using the following link:

[ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/6%20MODIFICATIONS%20\(G\)/Modification%20No.%2012%20Milne%20Port%20Ore%20Stockpile%20No.1%20&%20Water%20Mgmt%20Expansion/](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/6%20MODIFICATIONS%20(G)/Modification%20No.%2012%20Milne%20Port%20Ore%20Stockpile%20No.1%20&%20Water%20Mgmt%20Expansion/)

NWB's Review and Decision

The NWB, having fully reviewed the Licensee's request in the context of interveners' comments and recommendations, potential impact of the proposed activities on the freshwater environment, and consistency of the proposed activity in relation to the scope of the Licence, as well as the clarification provided by the Licensee in its request for reconsideration, determined that the upgrades proposed are consistent with the scope of activities considered under the Licence issued to the Project. Therefore, by way of this correspondence and in accordance with **Motion No. 2019-A1-005** and Part G, Item 1 of the Licence, the Board authorizes BIMC to undertake the upgrades in accordance with BIMC's Request. The authorization takes into account BIMC's commitments made during the technical review process.

In addition, the Board advises the Licensee that in accordance with Part G, Item 2 of the Licence, changes in excess of those authorized under this modification, may constitute a separate potential modification or amendment to the Licence, which may require respective determination(s) from the Nunavut Planning Commission (NPC) and/or the NIRB prior to receiving any

consideration(s) and/or determination(s) from the NWB. Further, in keeping with Part G, Item 4 of the Licence's terms and conditions, the submission of post-construction information, including as-built plans and drawings, shall remain applicable to this authorization.

Should you have any questions regarding the above, please contact the NWB Licensing Department by email to licensing@nwb-oen.ca or by phone at (867) 360-6338.

Sincerely,

Lootie Toomasie
Nunavut Water Board, Chair

LT/ak/rqd

Cc: Distribution List – Mary River