



2 August 2018

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RE: Response to Comments
Mary River Project – 2018 Work Plan - Modification Request No. 7
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, Fisheries and Oceans Canada (DFO)² and the Qikiqtani Inuit Association (QIA)³ regarding Water Licence Modification Request No. 7.

Baffinland thanks all stakeholders for providing feedback on Modification Request No. 7. It is noted that CIRNAC acknowledges all responses provided by Baffinland to their initial comments were satisfactory, and that the current comment with respect to 2018 Work Plan Item No. 1 (Milne Port Laydown Areas) was not provided in the review comments received on 11 April 2018. This lack of coordinated review provided by CIRNAC has unnecessarily complicated and extended the review period. Baffinland requests that all stakeholders provide a fulsome and complete review of Modification Request submissions in future to mitigate multiple rounds of comments and responses. Additionally, Baffinland requests that the Nunavut Water Board (NWB) provide additional guidance on the comment and response process.

¹ CIRNAC (2018) Re: Crown-Indigenous Relations and Northern Affairs Canada's follow up to response to comments on Baffinland Iron Mines Corporation's Modification Request No. 8 – 2018 Upgrades at the Mine Site and Milne Port (Water Licence 2AM-MRY1325 – Amendment No. 1). Letter dated 1 August 2018

² DFO (2018) Subject: 2AM-MRY1325 Distribution Review & Comment Request Response to Comments on Modification No. 7 Qikiqtani Region-OLAE

³ QIA (2018) Re: Responses to Comments, Mary River Project – 2018 Work Plan – Modification Request No. 7, Type 'A' Water Licence – 2AM-MRY1325 – Amendment No. 1. Letter dated 1 August 2018.



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,

A handwritten signature in black ink, appearing to read "Chris Murray", written over a horizontal line.

Christopher Murray
Environmental & Regulatory Compliance Manager

Attachments:

Attachment 1: Baffinland Response to Comments

Attachment 2: Figure 7-3 from FEIS Volume 7

Cc: Karén Kharatyan (NWB)
Fai Ndofo (Qikiqtani Inuit Association)
Bridget Campbell, Wajid Daouda, Sarah Forté, Ian Parsons (CIRNAC)
Mark D'Aguiar, Laura Watkinson (DFO)
Grant Goddard, Megan Lord-Hoyle, Tim Sewell (Baffinland)

Attachment No. 1

Baffinland Response to Comments

Table 1 - Baffinland Responses to Comments
Modification Request No. 7, Type A Water Licence 2AM-MRY1325

Comment No.	Comment/Question	Baffinland Reponse
CIRNAC		
1	<p>CIRNAC has concerns with the proposed Milne Port Laydown Areas being expanded over water bodies, as was stated in our February 12, 2018 letter to the Board during the Annual Security review.</p> <p>Baffinland asserts that no construction will occur within thirty one metres (31m) of a fish bearing water body. However, Licence 2AM-MRY1325 - Amendment No. 1, Part D, Item 25 states:</p> <p><i>The Licensee shall prevent the deposition of debris or sediment from entering into or onto any Water body, with respect to the construction of access roads, site laydown pads and areas or other earthworks. These materials shall be disposed of at a distance of at least thirty one (31) metres from the ordinary High Water Mark in such a manner that they do not enter the Water.</i></p> <p>We note that Baffinland has also used the wording regarding distance from fish bearing water bodies in the Civil Design Criteria they submitted. However, the water bodies as described in the licence are not limited to those that are fish bearing.</p> <p>At the locations where Baffinland proposes to build laydown pads 3 and 5, their site map indicates there are ponds and streams, which matches our observations on site in August 2017, when the water bodies in question were still visible at the end of the summer. Baffinland is suggesting the water bodies are now depressions holding standing water at freshet or during rainfall events. They should substantiate this claim. By CIRNAC's interpretation of Part D, Item 25, to build over top of these water bodies would directly contravene the licence.</p> <p>CIRNAC is aware of Part G, Item 2 in the licence that allows the proponent to make modifications in contravention to the licence conditions with written approval from the Board. However, CIRNAC does not agree that the laydown areas should be extended over these water bodies. Since Baffinland will shortly be beginning a Nunavut Impact Review Board review process where the impacts of filling in a series of ponds and streams in the Phillips Creek valley can be assessed, we recommend waiting until this review has occurred.</p>	<p>As described in the modification request (Table 1), the areas the laydowns are proposed to be constructed in have 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.</p> <p>Per Section 4.5.3.4 of Appendix 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 have been identified as not fish bearing. While the laydown will result in additional surface disturbance, they are fully contained within the existing assessed Milne Port PDA.</p> <p>In accordance with their license conditions, Baffinland is not proposing to construct these laydowns until the modification request is granted, as per Part G, Item 2. If the request is granted, then Part D, Item 25 will be superceded by the modification reques for the water bodies in question. 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 laydowns cannot be constructed in an environmentally protective way under the existing approvals.</p>
DFO		
1	<p>DFO-FPP notes in Table 2 of 2AM-MRY1325 Project Modification Request No7 Part 1of 6, under Freshwater Aquatic Environment on page 5, it states: "None of the proposed modifications are situated within or immediately upstream of fish habitat." DFO-FPP further notes in section 3.1.3: Identification of any Potential Impacts to Receiving Environment on page 9, it states: "Ponded water will be displaced and drainages will be rerouted; none of the ponds or drainages are fish-bearing but eventually report to Phillips Creek which is fish-bearing" and section 3.4.3: Identification of any Potential Impacts to Receiving Environment (page 14) further states "...drainages will be rerouted consistent with the Milne Port Water Management works detailed in Section 3.5; none of the ponds or drainages are fish-bearing but eventually report to Phillips Creek which is fish-bearing during open water."</p> <p>The Milne Port laydown area modifications have the potential to cause negative impacts to fish and fish habitat for several of the ponds that are proposed to be modified under Modification No. 7. DFO-FPP notes that Baffinland has stated that "none of the ponds or drainages are fish-bearing", however DFO-FPP also notes that limited baseline information has been provided to support this conclusion. DFO-FPP is unclear what information, baseline data/ studies were used to inform the non-fish bearing status of the ponds and drainages. In the absence of adequate baseline surveys conducted for each of the ponds and drainages affected by the modification proposal, DFO-FPP is unable to adequately assess Baffinland's conclusions of impacts.</p> <p>However, should the noted ponds be determined to be fish bearing, DFO-FPP would require Baffinland to submit a 'Request for Review' prior to construction of the laydown areas.</p> <p>Therefore, DFO-FPP recommends Baffinland provide baseline data and associated rationale to support Baffinland's conclusion that the impacted ponds are non-fish bearing.</p>	<p>See above response to CIRNAC concern. Baseline information was provided in the FEIS Appendix 7C "Freshwater Aquatic Biota and Habitat Baseline Synthesis Report 2005-2011" (North/South Consultants, January 2012). Figure 7-3 from this report (appended), demonstrates the identified fish bearing waters in the Milne Inlet area, and as can be seen the ponds/watercourses in question have been identified as not fish bearing.</p>

Table 1 - Baffinland Responses to Comments
Modification Request No. 7, Type A Water Licence 2AM-MRY1325

Comment No.	Comment/Question	Baffinland Reponse
QIA		
1	QIA's third comment regarding environmental monitoring is that, as per the applicable Management Plans as listed by Baffinland in its response, monitoring during construction will be limited to visual inspections and the following of operational plans. There remains a gap in what will be monitored during construction to demonstrate that the design requirements are achieved. An example of what would partially achieve satisfactory construction monitoring would be QA/QC monitoring of construction materials at a set frequency.	Regarding monitoring of construction materials; material used for construction will be either clean waste rock or quarry material from approved sources, which undergoes QA/QC and is tested for geochemical stability prior to use on Site consistent with the relevant Quarry Management Plans, in accordance with Part D, Item 12 of the Type A Water Licence. New water management infrastructure will be assessed during the bi-annual geotechnical investigation, consistent with Part D, Item 18 of the Type A Water Licence.
2	QIA appreciates Baffinland's submittal of engineering drawings, but notes that the Mine Haul Road – Culvert Layout Drawing (Attachment 2) was issued for permitting. Baffinland should provide a detailed "Issued for Construction" drawing as required.	Baffinland has met the conditions for a Modification Request under Part G, Item 3(f) of the Type A Water Licence by providing drawings signed by a Professional Engineer for the Mine Haul Road. Issued for Construction (IFC) drawings will be provided sixty (60) days prior to construction per Part D, Item 2 of the Type A Water Licence.

Attachment No. 2

Figure 7-3 from FEIS Volume 7

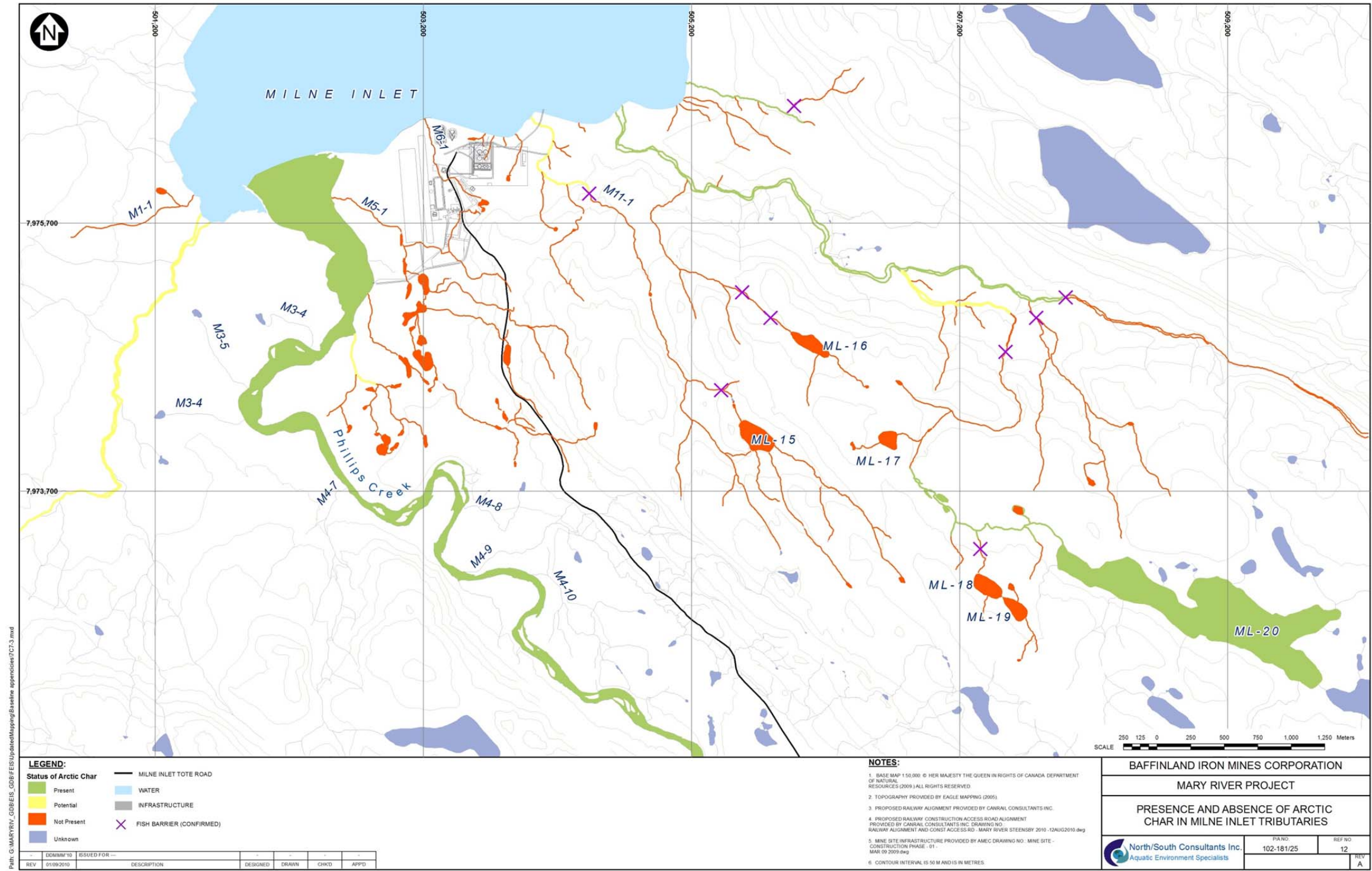


Figure 7-3. Arctic char distribution in waterbodies in the Milne Port Area.