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NIRB File No.: 07EN012
DFO File No.: NU-06-0084
INAC File No.: N2007F0004
QIA File No.: LUA-2007-001

September 15, 2011

The Honourable Keith Ashfield
Minister of Fisheries and Oceans Canada
c/o Derrick Moggy
Fisheries and Oceans Canada
Iqaluit, NU, X0A 0H0

Via email: derrick.moggy@dfo-mpo.gc.ca

Re: Applications Exempt from Screening under NLCA Section 12.4.3: Baffinland Iron Mines Corporation's "Addendum to the Fish Habitat No Net Loss and Monitoring Program" and "Milne Inlet Tote Road Culvert Improvements" project proposals

Dear Derrick Moggy:

On September 12, 2011 the Nunavut Impact Review Board (NIRB or Board) received two applications from Fisheries and Oceans Canada (DFO) for Baffinland Iron Mines Corporation's (Baffinland) ongoing operation of the Milne Inlet Tote Road. The applications are associated with Baffinland's monitoring program and management plan that are required by DFO's *Fisheries Act* Authorization issued for Baffinland's "Mary River Bulk Sampling" project in 2007.

Please be advised that the NIRB received a positive conformity determination (North Baffin Regional Land Use Plan) for the original "Mary River Bulk Sampling" project proposal (NIRB File No. 07EN012) from the Nunavut Planning Commission on January 22, 2007 and a request for screening from Indian and Northern Affairs Canada (INAC, now Aboriginal Affairs and Northern Development Canada) and the Qikiqtani Inuit Association (QIA) on January 25, 2007. The proposal was screened by the Board in accordance with Part 4, Article 12 of the NLCA and on May 4, 2007 the NIRB issued the enclosed NLCA 12.4.4 (a) screening decision to the Minister of INAC and the President of QIA indicating the proposed project could proceed subject to NIRB's recommended project-specific terms and conditions.

The current application from DFO, the original NIRB Screening Decision Report (07EN012), as well as related file information is available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN012-Baffinland%20-%20Bulk%20Sampling%20Program/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL

As previously screened by the NIRB (File No. 07EN012), the “Mary River Bulk Sampling” project was located within the Qikiqtani region, approximately 160 kilometres south from the Hamlet of Pond Inlet. The Proponent indicated that it intended to conduct a “Bulk Sampling Program” during 2008 using the Milne Inlet Tote Road which connects Mary River and Milne Inlet.

The activities/components associated with this proposal included:

- Delivery of contractor mining and crushing equipment, camp materials and fuel in 2 ship voyages to Milne Inlet
- Upgrade of existing Milne Inlet tote road for all-weather use including:
 - Quarrying and placement of fill on road bed
 - Replacement and installation of culverts at watercourses
- Construction of 100-person all-weather tent camp at Mary River, adjacent to existing seasonal exploration camp
- Establishment of a temporary 30-person trailer camp at Milne Inlet
- Establishment of a temporary 12-person trailer camp part-way along the Milne Inlet tote road (Midway camp)
- Establishment of temporary fuel storage facilities at Mary River consisting of one 1.4 million litre (ML) diesel fuel tank farm, one 550,000L Jet-A tank farm, and one 1.25 ML diesel tank farm
- Establishment of temporary fuel storage facilities at Milne Inlet for 8 ML of diesel fuel and 90,000 L of Jet-A fuel
- Establishment of temporary fuel storage facilities Midway Camp for 20-30 200 L drums of diesel fuel
- Construction of a test rail embankment
- Drilling, blasting and storing of 169,300 dry tonnes (t) of weathered surface rock on top of Deposit No. 1 over one or two months
- Abandonment of a 169,300 t weathered iron ore stockpile
- Drilling, blasting and storing 250,000 t of iron ore bulk sample from Deposit No. 1 over three-to five months
- Hauling of the 250,000 t iron ore bulk sample from Mary River to Milne Inlet
- Temporary stockpiling of the 250,000 t iron ore bulk sample at Milne Inlet
- Loading of the 250,000 t iron ore bulk sample on 3 ships for a total of five voyages

CURRENT APPLICATION:

Baffinland is currently proposing to conduct additional habitat compensation works to replace unsuitable fish habitation works that were previously completed as per its Fish Habitat No Net Loss and Monitoring Program, and to carry out improvements to the Milne Inlet Tote Road culverts to meet the objectives set out in its Freshet Management Plan. These proposed activities are part of Baffinland’s efforts to maintain its compliance with DFO’s *Fisheries Act* Authorization in support of the ongoing operation of the Milne Inlet Tote Road.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided in support of the current applications, the NIRB is of the understanding that the proposed activities do not change the general scope of the original project components, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply in this case. Therefore, this application is exempt from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 4, 2007 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Li Wan, Technical Advisor, at (867) 983-4606 or lwan@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: James Millard, Baffinland Iron Mines Corp. (Jim.Millard@Baffinland.com)
Georgina Williston, Fisheries and Oceans Canada (Georgina.Williston@dfo-mpo.gc.ca)
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Phyllis Beaulieu, Nunavut Water Board (licensing@nunavutwaterboard.org)

Enclosed: NIRB Screening Decision Report, File No.: 07EN012 (May 4, 2007)