



NIRB File No.: 08MN053

NWB File No.: 2BE-MRY----

QIA File No.: LUA-2008-008

AANDC File No.: N2011T0027

April 9, 2012

To: Hamlets & Hunters and Trappers Organizations

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|-----------------|----------------|
| ▪ Cape Dorset | ▪ Kimmirut |
| ▪ Coral Harbour | ▪ Pond Inlet |
| ▪ Clyde River | ▪ Resolute Bay |
| ▪ Grise Fiord | ▪ Hall Beach |
| ▪ Igloolik | ▪ Arctic Bay |
| ▪ Iqaluit | |

Sent via email

Re: NIRB's 12.10.2(b) Determination for Baffinland's "Mary River Project 2012 Work Plan" Project Proposal, NIRB File No. 08MN053

Dear Parties:

In December 2011, Baffinland Iron Mines Corp. (Baffinland) submitted its "2012 Mary River Project Work Plan" application, requesting that the Nunavut Impact Review Board (NIRB or Board) allow some of Baffinland's exploration and development activities to begin before the NIRB completes its ongoing Review of the Mary River Mine project (NIRB File No. 08MN053). This type of request for activities is to be allowed, or "excepted" from Review by Section 12.10.2(b) of the Nunavut Land Claims Agreement (NLCA).

The NIRB requested that members of the public provide comments to the Board about Baffinland's request to allow activities to proceed separate from the NIRB's Review of the Mary River Mine Project. The NIRB received comments from the following agencies regarding Baffinland's request:

- Qikiqtani Inuit Association;
- Government of Nunavut;
- Aboriginal Affairs and Northern Development Canada;
- Fisheries and Oceans Canada;
- Transport Canada; and
- Environment Canada.

After an assessment of Baffinland's application, comments received from parties, and consideration of the potential for ecosystemic and socio-economic impacts arising as a result of proposed activities, on March 5, 2012 the NIRB issued a determination which allows for certain proposed activities to be "excepted" from the NIRB's ongoing Review of the Mary River Mine Project, subject to the Board's recommended Terms and Conditions to be imposed by agencies responsible for issuing permits for the activities proposed by Baffinland. The NIRB's March 5, 2012 determination **does not include** approving the exception of the overwintering of a 10 million Litre (ML) fuel barge in Steensby Inlet from the NIRB's Review of the Mary River Mine Project.

The NIRB's NLCA 12.10.2(b) decision is **not** a determination for the NIRB's Review of the Mary River Mine Project, and is **not** an approval of the Mary River Mine Project. The NIRB must complete its Review process before a decision about the proposed Mary River Mine will be issued.

The following activities proposed by Baffinland as part of its 2012 Mary River Project Work Plan application have been allowed as exceptions from the NIRB's ongoing Review, pursuant to NLCA 12.10.2(b):

General: Open Water Marine Shipping

- Total two sealifts for fuel and Jet A fuel tanks to Milne Inlet site; and
- Total four sealifts for fuel, equipment and materials to Steensby site.

At Milne Inlet

- Construction and operation of a landfarm to treat contaminated soil and snow as fuel tank is decommissioned.

At the Mary River Site

- Install two new 1.5 Million Litre Jet A fuel tanks (may be delayed until 2013); and
- Ongoing analysis of waste rock to identify chemical features (approximately 3200 metres of drilling in 2012).

At Steensby Inlet

- Install and use of a 46 person camp;
- Construction and operation of water and sewage treatment facilities to service the existing camp and the new 46 person camp;
- Install a piping system to drain treated sewage discharge into Steensby Inlet;
- Temporary storage of solid wastes generated, to be transported for disposal off-site;
- Install a wash trailer facility to service the existing 40 person camp (showers, sinks and toilets);
- Install and use 7 x 100,000 L storage tank containers at Steensby Inlet for storing diesel and Jet A fuel;
- Expansion of sea-based geotechnical investigation program at proposed dock locations;
- Staging/storage of construction equipment and material required for the development of the Mary River Project; and
- Overwinter storage of a 10 million litre fuel barge in Steensby Inlet.

The NIRB's determination regarding activities proposed in Baffinland's 2012 Mary River Work Plan **does not include the overwintering of a 10 Million Liter fuel barge in Steensby Inlet.** In addition to the historic and current public concern raised regarding the marine overwintering of fuel barges, the NIRB also had questions about who would take responsibility for regulating the overwintered fuel barge, if allowed to proceed. As no regulatory agency is currently responsible to license the overwinter storage of marine-based fuel barges, the Board felt that no safe and effective mitigation and monitoring of potential impacts of such storage could be assured. As such, the Board determined that it could not allow the overwintering of a fuel barge to be excepted from its ongoing Review of the Mary River Mine Project.

On March 9, 2012 Baffinland provided the NIRB with an update regarding the NIRB's determination, and indicated that it would no longer be pursuing the proposed activities in the application, except those which have previously been approved by all permits, licences and approvals. No new activities are planned to be undertaken.

All materials regarding Baffinland's 2012 Mary River Project Work Plan application, including the NIRB's March 5, 2012 12.10.2(b) determination, are available from the Board's online public registry at: <http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/08MN053-BAFFINLAND%20MARY%20RIVER/2-REVIEW/14-12.10.2%20EXCEPTIONS/>.

The NIRB appreciates the participation and engagement of community organizations and members of the public in the ongoing Review of the Mary River Project. If you have any questions about the NIRB's Review or how you can become involved, please contact Kofi Boa-Antwi, Technical Advisor, by telephone toll free at 1-866-233-333 or by email at kboa-antwi@nirb.ca.

Sincerely,



Amanda Hanson
Director, Technical Services
Nunavut Impact Review Board

cc: Erik Madsen, Baffinland Iron Mines Corporation
Mary River Distribution List