



**NIRB File No.: 07EN012**

NWB File No.: 2BB-MRY1114

QIA File Nos.: LUA-2007-001, Q13C301

INAC/AANDC File Nos.: N2006C0036, N2007F0004,

2012QP0065, 2013QP0086

DFO File No. NU-06-0084

TC File Nos.: 8200-07-----

February 7, 2014

Erik Madsen  
Vice President, Sustainable Development  
Baffinland Iron Mines Corp.  
2275 Upper Middle Road East, Suite 300  
Oakville, ON L6H 0C3

Sent via Email: [erik.madsen@baffinland.com](mailto:erik.madsen@baffinland.com)

**Re: Application Pending NPC Conformity Determination and Request Confirmation from Authorizing Agencies for Baffinland Iron Mines Corp.'s "Bulk Sample and Ongoing Exploration at Mary River Deposit No. 1" Project Proposal**

Dear Erik Madsen:

The Nunavut Impact Review Board (NIRB or Board) received Baffinland Iron Mines Corp.'s (BIMC) application to renew and amend its Type B Water Licence with the Nunavut Water Board (NWB; File No. 2BB-MRY1114) directly from your office on December 15, 2013, with a revised submission being provided December 19, 2013. The NIRB received correspondence requesting the Board to consider the application and provide a determination as to whether additional assessment is required from the NWB on January 17, 2014. The submission as received from the Proponent and the NWB included the following documents as pertaining to the "Mary River Exploration Project":

- |                                                                                    |                                                           |
|------------------------------------------------------------------------------------|-----------------------------------------------------------|
| ▪ <i>Cover Letter to the NWB</i>                                                   | ▪ <i>Appendix 5 – Compliance Review</i>                   |
| ▪ <i>NWB Application for Renewal Amendment</i>                                     | ▪ <i>Appendix 6 – Directors and Officers Registration</i> |
| ▪ <i>Figure 1-2-1</i>                                                              | ▪ <i>Appendix 7 – Renewal NIRB Determination</i>          |
| ▪ <i>Appendix 1, 2, 3 – Executive Summaries in English, Inuktitut &amp; French</i> | ▪ <i>Appendix 8 – NPC Determination</i>                   |
| ▪ <i>Appendix 4 – Updated Project Description</i>                                  | ▪ <i>Appendix 9 – Map</i>                                 |

Please be advised that the NIRB received the original “Mary River Bulk Sampling” project proposal (NIRB File No.: 07EN012) from Indian and Northern Affairs (INAC; now AANDC) 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 Nunavut Land Claims Agreement (NLCA) and on May 5, 2007 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of INAC indicating the proposed project could proceed subject to the NIRB’s project-specific terms and conditions as recommended.

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL

As previously screened by the NIRB (File No. 07EN012), the “Mary River Bulk Sample” project was located within the Qikiqtani region, approximately 160 kilometres (km) southeast of the Hamlet of Pond Inlet. The Proponent indicated that it intended to conduct a bulk sampling program in 2008 using the Milne Inlet Tote Road connecting Mary River and Milne Inlet.

The NIRB notes that the Mary River Bulk Sample program as initially proposed and assessed by the Board was to take place over a period of **one year** and included the following activities:

- 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 550,000 Litre (L) 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;
- 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;
- 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 via truck along the Milne Inlet Tote Road from Mary River to Milne Inlet;
- Temporary stockpiling of the 250,000 t iron ore bulk sample material at Milne Inlet; and,
- Loading and shipment of the 250,000 t iron ore bulk sample on 3 ships for a total of five voyages.

## CURRENT APPLICATION:

BIMC is currently proposing to renew its Type B Water Licence with the NWB (File No. 2BB-MRY1114) for an authorization period of 25 years (to 2039), as well as to alter terms of the licence as outlined in its December 19, 2013 correspondence to the NWB as follows:

- Remove the general prohibition against camps currently included in the Type B Water Licence, and allocate 49 cubic metres per day (m<sup>3</sup>/day) for future domestic use when required.
- Amend the current definition of “Bulk Sampling” by removing the phrase “during the 2014 period” so that the ability to undertake bulk sampling is retained over the term of the licence.
- Clarify the definition of “secondary containment” to the effect that double walled hoses and tanks may constitute the “impermeable structure, external to and separate from primary containment” contemplated in this definition.
- Defer the requirement to update various plans as stipulated in the licence until after issuance of the renewed licence, given that further amendments will be under consideration by the NWB in the near term which may impact the updating of these materials and given that no exploration will be undertaken before the Type B Water Licence is renewed.

The application materials referenced the inclusion of the following additional activities associated with the Mary River Exploration Project:

- Mineral exploration drilling;
- Surface mineral exploration activities including mapping, sampling, geophysical surveys, geochemical surveys, mechanical trenching and stripping of surficial overburden;
- Geotechnical drilling programs;
- Activities in support of scientific and engineering studies related to the advancement of future expansion of the Mary River Project, including geotechnical investigations;
- Potential “Bulk Sampling Programs”;
- Construction and use of airstrips and icestrips;
- Construction of winter roads, stream/river crossings;
- Execution of sealifts for mobilization and demobilization of equipment and supplies along coastal areas adjacent to BIMC’s mining leases and mineral claims;
- Establish satellite camps to support exploration and drilling activities on BIMC’s mineral claims (up to 49 people each); and,
- Progressive reclamation programs associated with exploration programs.

Please note that materials pertaining to the Type B Water Licence amendment and renewal application as received by the NIRB can be accessed from its online public registry at the following location:

<http://ftp.nirb.ca/./01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN012-Baffinland%20-%20Bulk%20Sampling%20Program/01-APPLICATION/2013%20NWB%20RENEWAL%20AMEND/>.

As previously communicated to the Proponent and authorizing agencies<sup>1</sup>, it was and remains, the NIRB's understanding that the bulk sample program as initially proposed by BIMC and screened by the Board (NIRB File No. 07EN012) was a one-year project and that these activities have since been completed. Furthermore, the NIRB is of the opinion that any further bulk sampling activity, including at Deposit No. 1 or any of BIMC's other deposits on Baffin Island, have not been subject to environmental assessment. Following an initial review of materials supplied to the NWB in January 2014, it is similarly the Board's opinion that the following activities have not been subject assessment in accordance with the provisions of Article 12 of the NLCA<sup>2</sup>:

- Surface exploration activities to include trenching;
- Potential "Bulk Sampling Programs";
- Establish satellite camps to support exploration and drilling activities on BIMC's mineral claims (up to 49 people each);
- Construction and use of airstrips and icestrips at satellite camps;
- Construction of winter roads, winter stream/river crossings;
- Execution of sealifts for mobilization and demobilization of equipment and supplies along coastal areas adjacent to BIMC's mining leases and mineral claims;
- Access to specific areas which may require the construction of pioneer trails or roads as exploration drilling intensifies;
- Development of new infrastructure or water crossings which may require geotechnical investigations in other areas; and
- The proposed 25 year term to carry out activities.

The NIRB notes that section 4.0 of Appendix 4 submitted by BIMC to the NWB on January 15, 2014 makes reference to the "Mary River Exploration Project" relying in part on the infrastructure developed for the Mary River Project and permitted under NIRB Project Certificate No. 005 and the Type A Water Licence (No. 2AM-MRY1325). The NIRB however, remains unclear regarding the following aspects of the scope, and requests that Baffinland provide the following details to our office within 14 days' receipt of this correspondence:

- Volume of material to be removed via advanced exploration;
- Volume of material to be removed via bulk sampling on an annual basis and total;
- Number of years bulk sample program will be conducted;
- Confirmation of method of transportation to be used to move bulk sample material (i.e. truck along Milne Inlet Tote Road) including details regarding size of trucks, volume per load, number and frequency of trips;
- Planned storage of bulk sample material, including proposed location and volume of stockpile(s), and length of time to be stored;
- Details regarding proposed routing for winter roads, pioneer roads and trails, ice strips, and air strips, including maps;

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<sup>1</sup> Reference 12.4.3 letters stating as much (120618...others)

<sup>2</sup> The NIRB notes that the complete scope of activities included in the January 15, 2014 Project Description as submitted also included ongoing scientific, engineering, and geotechnical drilling programs which the Board can confirm *have* been subject to screening, and were allowed to proceed pursuant to the NIRB's NLCA 12.4.4 (a) determination (NIRB File No. 07EN004).

- Specific locations proposed for execution of sealift including areas slated for laydown and/or storage; and,
- Number of employees dedicated to the bulk sample and ongoing exploration program.

The NIRB acknowledges that section 2.1.13 of Volume 3 of BIMC's Final Environmental Impact Statement (FEIS) for the Mary River Project (NIRB File No. 08MN053) states that mineral exploration, geotechnical investigations and socio-economic and environmental monitoring studies during the construction phase will be staged from existing exploration camp facilities, and that mineral exploration will focus on Baffinland's nine ore deposits with section 2.4.6 noting that geotechnical and exploration drilling would continue at Deposits No. 2, 3, 3B, 4 and 5.

Further, section 2.4.1 of Volume 3 of the FEIS states that at the onset of construction, the Mine Site would utilize existing camp infrastructure from the bulk sample program as follows:

- The 120-person camp for exploration, geotechnical and environmental personnel;
- Related water supply; sewage treatment plant, ponds and outfall; and power supply;
- Existing airstrip;
- Laydown areas; and
- Temporary explosives magazines.

It was understood through the NIRB's Review of BIMC's Mary River Mine project (NIRB File No. 08MN053) that ongoing exploration activities would continue and that these would be largely staged from and supported by facilities at the mine site, however, it is recognized that additional works in support of ongoing exploration associated with the Mary River project not previously considered may be subject to assessment by the Board.

From the NIRB's initial review of materials submitted in support of the Mary River Exploration Project, as well as information available on the public registry as associated with the NIRB's Review of the Mary River project (File No. 08MN053), it appears that BIMC is seeking permission for works through its application to renew and amend the Type B Water Licence that have not been contemplated under either the NIRB's Project Certificate as issued for File No. 08MN053 or the Screening Decision as issued for BIMC's previous Bulk Sample (File No. 07EN012).

#### REQUEST INPUT FROM PARTIES

At this point, is unclear to the NIRB whether existing authorizations as issued for the Mary River Project (NIRB File No. 08MN053) or for the previous Bulk Sample program (NIRB File No. 07EN012) would continue to apply to the application under consideration, or whether these may require amendment to allow BIMC to conduct the works as currently requested in the application to the NWB. Specifically, the NIRB notes that relevant authorizations may have been issued by the following agencies:

- |                                                      |                               |
|------------------------------------------------------|-------------------------------|
| ▪ Qikiqtani Inuit Association                        | ▪ Environment Canada          |
| ▪ Government of Nunavut                              | ▪ Fisheries and Oceans Canada |
| ▪ Aboriginal Affairs and Northern Development Canada | ▪ Natural Resources Canada    |
|                                                      | ▪ Transport Canada            |

By copy of this letter, the NIRB requests that those agencies listed above, and/or others as may responsible for issuing authorizations for both the 2008 Mary River Bulk Sample Program (NIRB File No. 07EN012) and the Mary River Mine project (NIRB File No. 08MN053) provide the NIRB with confirmation of the following:

- a) Whether the original authorization(s) as issued by each department would continue to apply to the current proposal, including confirmation of expiration dates if applicable;
- b) Identify whether any additional authorization(s) or amendments to the existing authorization(s) may be required by each department, given the current scope of activities as proposed and confirm whether BIMC has made application for these, where applicable; and
- c) Any other matter of concern to the party as pertaining to the current application.

The NIRB requests that parties with jurisdictional authority over aspects of the previous Bulk Sampling Program and/or the Mary River Mine projects provide a response to the points above via email to [info@nirb.ca](mailto:info@nirb.ca) or by fax to (867) 983-2594, on or before **Friday February 21, 2014**.

Furthermore, as this project appears to be located in an area which requires conformity to the North Baffin Regional Land Use Plan pursuant to Article 11 of the Nunavut Land Claims Agreement (NLCA), the Board notes that it continues to await confirmation from the NPC as to whether any additional conformity determination may be required based on the application materials provided. By copy of this letter, the NIRB requests that the NPC forward its determination to our office as soon as may be practicable.

If you have any questions, please contact me via email at [ahanson@nirb.ca](mailto:ahanson@nirb.ca) or by telephone at (867) 983-4615.

Sincerely,



Amanda Hanson  
Director, Technical Services  
Nunavut Impact Review Board

cc: David Hohnstein, Nunavut Water Board  
Brian Aglukark, Nunavut Planning Commission  
Stephen Williamson Bathory, Qikiqtani Inuit Association  
Agnes Simonfalvy, Government of Nunavut  
Karen Costello, Aboriginal Affairs and Northern Development Canada  
Jeff Mercer, Aboriginal Affairs and Northern Development Canada  
Mark Dahl, Environment Canada  
Georgina Williston, Fisheries and Oceans Canada  
Rob Johnstone, Natural Resources Canada  
Meighan Andrews, Transport Canada  
Oliver Curran, Baffinland Iron Mines Corp.  
Mary River Distribution List