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KAVAMALIQUIYIKKUT

Ministère de l'Exécutif et des Affaires Intergouvernementales

Department of Executive & Intergovernmental Affairs

February 27th, 2012

Li Wan
Technical Advisor
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0A 0H0

via Email to: info@nirb.ca

RE: NIRB 08MN053 – Baffinland Iron Mines Corp.'s (BIMC) 12.10.2(b) Exception Application for the proposed Mary River project.

Dear Li Wan:

Thank you for the opportunity to provide comments on the information provided by Baffinland Iron Mines Corp.'s (BIMC) 12.10.2(b) Exception Application. The Government of Nunavut (GN) has reviewed the application and is supportive of the project subject to the NIRB regulatory process as laid out in the Nunavut Land Claim Agreement (NLCA).

The GN is of the view that approval of pre-development applications under Article 12.10.2 (b) of the NLCA will need to be granted in a manner that provides NIRB the flexibility to make any decision on the larger project.

The GN also has a number of comments, questions and concerns that can be found in the attached appendix.

We thank NIRB for providing the GN with the opportunity to review and provide comments regarding Baffinland Iron Mines Corp. 12.10.2(b) Exception Application and we look forward to receiving further information on this project. Please do not hesitate to contact our Avatiliriniq Coordinator, John Price at (867) 975-6071 if you have any questions or comments.

Qujannamiik,

Pauloosie Suvenga
Assistant Deputy Minister



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APPENDIX

Economic Development & Transportation

The Department of Economic Development & Transportation (ED&T) has reviewed Baffinland's 12.10.2(b) application package and supporting documents. According to the proponent, the proposed activities will cause an additional footprint of ~27ha covering the 3 main project sites (4ha at Milne Inlet, 3ha at the Mine Site, and 20ha at Steensby Inlet). The proposed activities are in addition to already approved/permitted activities at the 3 project locations. The Department of ED&T understands that the following activities broadly summarize the proposed work:

- Ongoing exploration activity
- Geotechnical studies
- Environmental baseline work
- Upgrading the existing 40 person camp at Steensby and installing an additional 46 person camp with supporting camp facilities
- Staging and storage of explosives
- Staging and storage of fuel, including a fuel barge to be anchored in Steensby Inlet over the winter
- Staging of construction equipment

The proposed work is scheduled for May to October, 2012, with a majority of the additional activity located at Steensby Inlet.

The Department of ED&T offers the following comments on the proposed activities.

Socio-Economic Considerations

The Department of ED&T wishes to remind the proponent that the Government of Nunavut expects mineral exploration and mining companies to use a Nunavut community as a logistical center for their operations (in accordance with Policy 3-1 of *Parnautit*, the Nunavut Mining Strategy). While the proposed work is for only 6 months (from May to October 2012), the GN encourages Baffinland to hire and train local residents and to utilize local businesses whenever possible.



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Department of Environment

The Department of Environment (DOE) has reviewed Baffinland Iron Mine's (the Proponent) second 12.10.2 exception application and supporting documentation in accordance with its mandate under the *Environmental Protection Act*, the *Wildlife Act* and the provisions of Nunavut Land Claims Agreement.

The DOE feels that the updated proposed scope of work is an appropriate level of work prior to the NIRB issuing a Project Certificate. The DOE would like to reiterate comments made from the review of the first 12.10.2 exception application regarding the lack of detail with proposed management plans. The 2012 Work Plan indicates that management plans have been developed to ensure that the commitments made by Baffinland will be respected (pg 8), but these plans are not included in the document or any appendices. The DOE requests that we be able to review these plans prior to start of the proposed activities.

Spill Contingency Issues

The DOE acknowledges an updated draft Emergency Response and Spill Contingency Plan (ERP), which presents an overview of credible accidents and spill scenarios likely to occur during the 2012 Work Plan. There is minimal detail in the Work Plan Oil Pollution Emergency Plan for Steensby Port and the Emergency Response and Spill Contingency Plan regarding the over-wintering of the barge in Steensby Inlet.

The DOE would like to have clarified the amount of fuel to be stored in this barge. The 2012 Work Plan indicates that there will be 10 ML stored, while the Oil Pollution Emergency Plan (OPEP) for Steensby Port mentions 7 ML.

The DOE would encourage the Proponent to include additional spill response procedures detailing procedures for cleaning a potential spill from the iced in barge. The following questions should be answered before the start of the 2012 proposed activities:

1. Please explain how fuel ullage will be monitored;
2. Please indicate how precise this monitoring method is in determining fuel ullage and, further, if a leak were to develop in the barge, how much product will have escaped before the loss is detected;
3. Please describe how the Proponent intends to respond to spills on and under ice. This information could be included as an additional potential fuel spill scenario in the ERP

Within the OPEP, the Proponent has listed the legislated requirements for spill response, but has failed to list Spill Contingency Planning and Reporting Regulations under the Nunavut Environmental Protection Act, which applies to the entire territory of Nunavut. Please refer to these documents when finalizing any spill response plans and procedures.



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Wildlife Issues

Wildlife in Nunavut is a fundamental component of the culture, landscape, health of people, the environment, and Inuit Qaujimajatuqangit. The DOE has reviewed the 2012 Work Plan for the Proponents' effects analysis on wildlife and wildlife habitat and is in agreement with the Proponent's evaluation that the activities proposed in the 2012 Work Plan are not likely to result in significant negative effects to wildlife.

There are, however, aspects of the proposed Work Plan that the DOE is looking for an increased level of detail. The DOE asks that more detail is provided regarding the Effects Assessment before the commencement of these activities. Although the Proponent indicates that further baseline data will be collected, these studies are focused around assessing impacts "in future years" and do not address the immediate need to verify the effectiveness of efforts to mitigate the short term effects from the 2012 season. It is essential to have a detailed effects assessment for the proposed 2012 work, as this will not be included under any effects assessment in the FEIS.

The GN would like clarification to the current analysis of the Marine Aquatic Environment Effects Assessment before the Pre-Development Work begins this field season. Table 5-6 indicates that sealift and refueling ship activities are predicted to have minimal effects on marine mammal activity because "few mammals are present" at the anticipated time of activity. The DOE requests that the Proponent provide clarification on how this determination was reached.

The DOE reiterates that the Wildlife Management Plan be updated to incorporate species specific mitigation measures with a particular focus on seasonal sensitivity (e.g., calving, denning, den emergence, etc).

Additionally, the DOE reiterates that the Proponent should develop a specific management plan for encounters with predators. It is the GN's expectation that a revised Management Plan with the above suggestions be submitted and agreed to by the GN before the commencement of the pre-development work.

These management plans should make direct reference to the Nunavut Wildlife Act where possible to better acknowledge the GN's role as a regulator and demonstrate an awareness of the protection measures currently in place for wildlife and wildlife habitat.