

20% operational flexibility requested for a total of 4.2 Mt/a. The issue of operational flexibility was discussed at length during the Board's assessment of the Early Revenue Phase proposal for the Mary River Project and was given careful consideration by the NIRB in developing the terms and conditions of the amended Project Certificate No.005 which resulted from this process.¹ While the Board acknowledges the operational challenges encountered by Baffinland when planning ore transport within the approved limits, moving forward the NIRB expects that Baffinland will continue to make every effort to demonstrate adherence to Term and Condition 179(b) and all other terms and conditions of the amended Project Certificate No.005 for the Mary River Project.

The Board also notes that the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)* establishes a requirement for flexibility in relation to NIRB Project Certificates and allows for their terms and conditions to be reconsidered where deemed necessary:

12.8.2 NIRB may on its own account or upon application by a DIO, the proponent, or other interests, reconsider the terms and conditions contained in the NIRB certificate if it is established that:

(a) the terms and conditions are not achieving their purpose;

(b) the circumstances relating to the project or the effect of the terms and conditions are significantly different from those anticipated at the time the certificate was issued; or

(c) there are technological developments or new information which provide a more efficient method of accomplishing the purpose of the terms and conditions.

Should Baffinland further identify any potential challenges with complying with Term and Condition 179(b) of the Mary River Project Certificate in future, the Board invites the Proponent to consider whether the grounds for a formal reconsideration through section 12.8.2 of the *Nunavut Agreement* (above) have been met.

The NIRB appreciates the proactive notice provided by Baffinland regarding this matter. The Board will continue to work with Baffinland to ensure that its future reporting satisfactorily addresses any questions or concerns resulting from road haulage operations at the Mary River Project.

¹ See Section 6.4 of the NIRB Public Hearing Report for the Mary River Project: Early Revenue Phase Proposal, Baffinland Iron Mines Corporation, NIRB File No. 08MN053, pp. 157-162 (March, 2014).

Should you have any questions or require clarification related to the NIRB's monitoring program for the Mary River Project, please contact the NIRB's Monitoring Officer for the Mary River Project, Solomon Amuno, Technical Advisor II, at (867) 983-4603 or samuno@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Todd Burlingame, Baffinland Iron Mine Corporation
Megan Lord-Hoyle, Baffinland Iron Mine Corporation
Kate Tarutayeva, Baffinland Iron Mine Corporation
Mary River Distribution List

Enclosures (1): Baffinland Update Letter Re Mary River Shipping and Haulage (December 8, 2017)