

February 3, 2020

Ryan Barry Executive Director Nunavut Impact Review Board P.O. Box 1360 Cambridge Bay, NU, X0B 0C0

Sent VIA Email: info@nirb.ca

RE: <u>Request for Comment from Parties on Baffinland Iron Mines Corp.'s 6Mt/a</u> <u>Extension Request for the Mary River Project</u>

Dear Mr. Barry,

On January 8, 2020, the Nunavut Impact Review Board (NIRB) invited Parties to comment on Baffinland Iron Mines Corp.'s (Baffinland) 6 Mt/a Extension Request for the Mary River Project (the Extension Request). The Extension Request is a request to maintain the September 2018 Ministerial decision to increase transportation and shipping from 4.2 to 6 Million tonnes per annum (Mt/a) from Mary River to Milne Inlet (Original Increase). The Ministers amended Project Certificate No 005 Terms and Conditions 179(a) and (b) in order to reflect the Original Increase.

In the Extension Request, Baffinland is requesting the NIRB consider modifying Terms and Conditions 179(a) and 179(b) in a separate and distinct review process from the ongoing assessment of the Phase 2 Development Project Proposal (Phase 2).

The GN acknowledges Baffinland's Extension Request remains the same as the Original Increase application. The GN acknowledges Baffinland's position that it requires continuation of the 6 Million tonnes per year (Mt/a) production rate for the Mary River Project until December 31, 2020 while the NIRB completes the assessment of Phase 2. Our understanding of the Ministers' Original Increase decision was that these terms and conditions had specifically justified the December 31, 2019 date as appropriate to allow completion of the NIRB's assessment of Phase 2. As we know, Phase 2 is now proceeding into 2020.

During the 2018 NIRB assessment of the Original Increase proposal, the GN's concerns and recommendations were addressed by Baffinland. Concerning the Extension

Request, the GN maintains its position in support of the 6 Mt/a production rate. Namely, that:

- The reasons for which the Original Increase was permitted included allowing sufficient time for the NIRB to complete its assessment of Phase 2. This reason is now not capable of being met given that the Original Increase timeline has expired;
- Baffinland's Extension Request does not involve changes to the Project footprint or to any of the current environmental mitigation and monitoring plans that were put in place as a result of the Original Increase decision; and
- Potential mine stoppages due to a 4.2 Mt/a production limit will negatively impact the interests of Nunavummiut employed with the Project and may cause negative socio-economic impacts in Nunavut, and in the North Baffin region in particular.

The GN submits that it is open to the NIRB to conduct this reassessment of Terms and Conditions 179(a) and (b) in any manner it considers appropriate in the circumstances, pursuant to *Nunavut Planning and Project Assessment Act* s. 112. The GN supports the NIRB's contemplation of and decision-making regarding the Extension Request in the manner it has described in its letter of January 8, 2020.

For the foregoing reasons and as the NIRB's Phase 2 assessment is ongoing and Project Certificate 005 is currently subject to reconsideration, the GN finds Baffinland's proposed revisions to Terms and Conditions 179(a) and (b) reasonable. However, the GN recommends the proposed changes be further clarified from:

"...unless this condition has been further modified under section 112 of the Act otherwise directed."

To:

"...unless this condition has been further modified under section 112 of the Act otherwise directed by the Nunavut Impact Review Board."

The GN acknowledges the support of the Hamlets of Pond Inlet, Arctic Bay, Hall beach, Clyde River and Igloolik noted in their November 22, 2019 letters. The GN agrees that the Extension Request is appropriate to accommodate the ongoing assessment of the Phase 2 Development proposal and to avoid further employee demobilization.

The GN ultimately respects the NIRB's role in the regulatory process and awaits its decision regarding this important matter.

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[Original Signed By]

Natalie O'Grady Avatiliriniq Coordinator Government of Nunavut