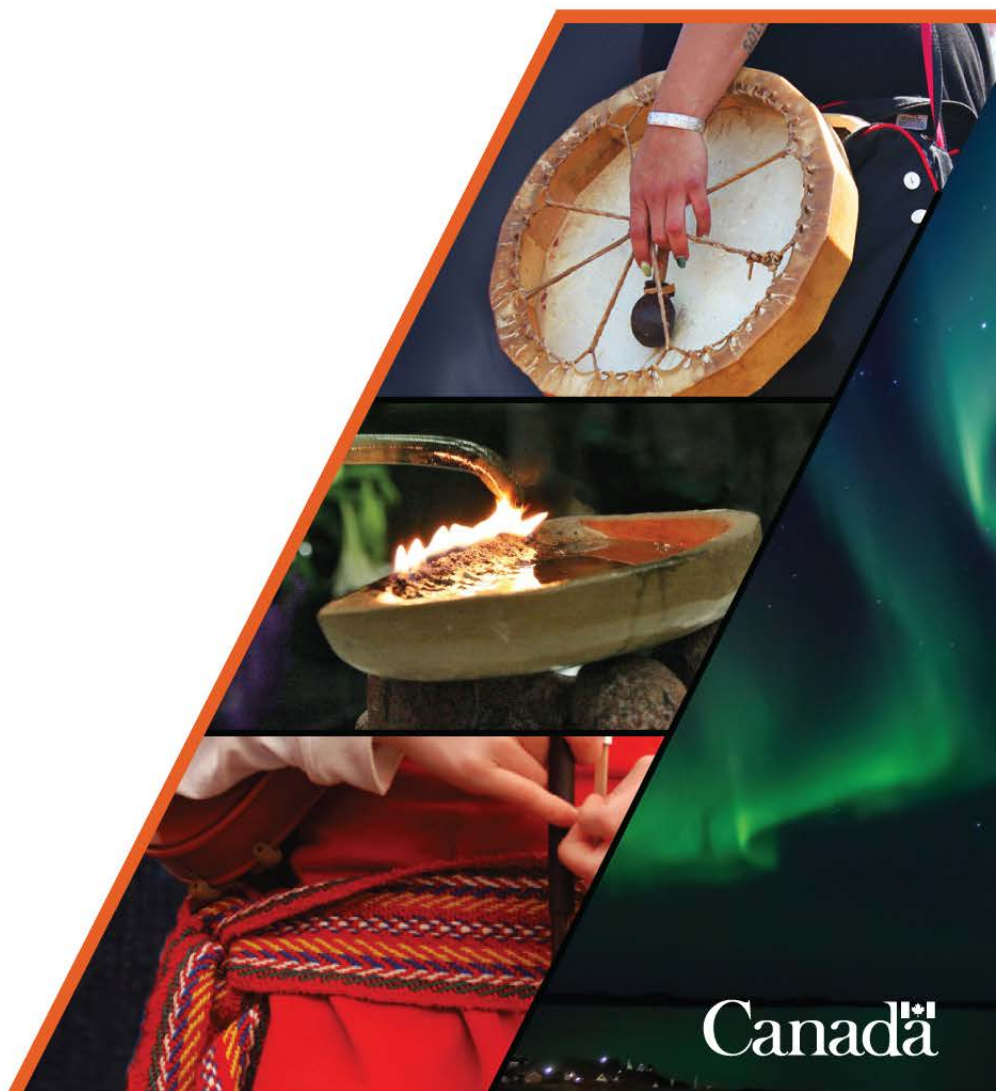




CIRNAC Comments to NIRB

Re: Mary River Project. Production Increase Proposal Extension Request



Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
08MN053
Our file - Notre référence
1276644

February 03, 2020

Ryan Barry
Executive Director
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0
Via electronic mail to: info@nirb.ca

Re: Mary River Project. Production Increase Proposal Extension Request

Dear Mr. Barry,

Thank you for the opportunity to review Baffinland Iron Mines Corporation's (Baffinland) Information Package submitted to the Nunavut Impact Review Board (NIRB) to consider further modification of Conditions 179(a) and 179(b) of Project Certificate No. 005 (the 6 Mtpa Extension Request).

On September 30, 2018, the Minister of Intergovernmental and Northern Affairs and Internal Trade and the Minister of Crown-Indigenous Relations on behalf of the other responsible Ministers directed NIRB to amend Project Certificate No. 005 to increase Baffinland's permitted trucking and shipping from 4.2 million tonnes per year (Mtpa) to 6 Mtpa until December 31, 2019, subject to the conditions presented in the responsible Ministers' Decision. The original expiry date of the production increase specified in the Ministers' Decision was anticipated to provide sufficient time for Baffinland's Phase 2 Development Proposal review process. The Phase 2 Development Proposal review has been extended past December 31, 2019 and Baffinland requested the NIRB to further extend the transportation and shipping of 6 Mtpa of ore until the end of 2020.

Baffinland's 6 Mtpa Extension Request summarizes how concerns identified in the NIRB's August 31, 2018 Reconsideration Report and Recommendations and the Minister's September 30, 2018 decision letter have been addressed. Of particular importance are potential long term impacts from increased shipping, primarily to marine mammals, and the impacts of dust generated by increased ore transportation. Further, Baffinland reaffirmed their commitment to implementing a Project Stabilization Approach that was developed with the Qikiqtani Inuit Association (QIA) in the summer of 2018. This approach was critical to the QIA's support for the original 6 Mtpa project proposal. Baffinland has also summarized its need for maintaining iron ore production through Milne Port at 6 Mtpa; an overview of dust management and monitoring activities; marine mammal monitoring activities; and the implementation of a third party verification process to review compliance with the conditions of their NIRB Project Certificate and Inuit Impact Benefit Agreement.



Government of Canada comments:

As per the 6 Mtpa Extension Request, Baffinland is requesting the NIRB to modify Conditions 179(a) and 179(b) as follows:

- 179(a) Until December 31, 204920, the total volume of ore shipped via Milne Inlet may exceed 4.2 million tonnes per year, but must not exceed 6.0 million tonnes in any calendar year. After December 31, 204920, the maximum total volume of ore shipped via Milne Inlet in a calendar year returns to 4.2 million tonnes per year, unless ~~this condition has been further modified under section 112 of the Act~~ otherwise directed.
- 179(b) Until December 31, 204920, the total volume of ore transported by truck on the Milne Inlet Tote Road may exceed 4.2 million tonnes per year, but must not exceed 6.0 million tonnes in any calendar year. After December 31, 204920, the maximum total volume of ore transported by truck on the Milne Inlet Tote Road in a calendar year returns to 4.2 million tonnes per year, unless ~~this condition has been further modified under section 112 of the Act~~ otherwise directed.

After careful review and consultation with other federal interveners, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), on behalf of the other federal departments and agencies reviewing the 6 Mtpa Extension Request, recommends that the NIRB reject the proponent's proposed revision that replaces reference to section 112 of the Act with the phrase "unless otherwise directed".

The proposed revision introduces ambiguity and it is our opinion that the project certificate is issued pursuant to the *Nunavut Planning and Project Assessment Act* and the authority to amend the project certificate must be found within its provisions. Should the 6 Mtpa Extension Request be approved, CIRNAC recommends that NIRB revise the Terms and Conditions to read as follows:

- 179(a) Until December 31, 204920, the total volume of ore shipped via Milne Inlet may exceed 4.2 million tonnes per year, but must not exceed 6.0 million tonnes in any calendar year. After December 31, 204920, the maximum total volume of ore shipped via Milne Inlet in a calendar year returns to 4.2 million tonnes per year, unless this condition has been further modified under section 112 of the **[NuPPA]** Act.
- 179(b) Until December 31, 204920, the total volume of ore transported by truck on the Milne Inlet Tote Road may exceed 4.2 million tonnes per year, but must not exceed 6.0 million tonnes in any calendar year. After December 31, 204920, the maximum total volume of ore transported by truck on the Milne Inlet Tote Road in a calendar year returns to 4.2 million tonnes per year, unless this condition has been further modified under section 112 of the **[NuPPA]** Act.



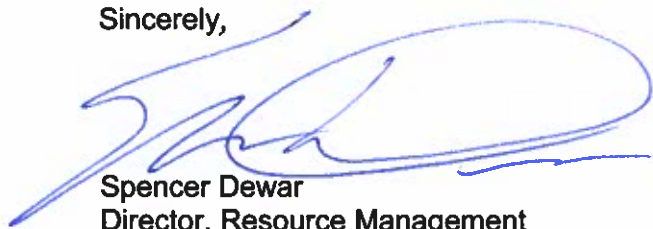
CIRNAC's technical comments:

During the technical review of Baffinland's application and supporting documents for the Production Increase, Fuel Storage and Milne Port Accommodations Modification Proposal (2018) and Mary River Phase 2 Project Amendment, CIRNAC identified a series of potential concerns related to the Project's impacts on the biophysical environment and socio-economic matters. In most instances, these concerns have been sufficiently resolved for the purposes of the environmental assessment. Based on the evidence considered to date, CIRNAC has concluded that, for aspects within CIRNAC's mandate, the proposed production increase extension is not likely to cause significant adverse environmental effects.

During the technical review CIRNAC has identified issues related to the Acid Rock Drainage and Metal Leaching (ARD/ML) characterization within ore and waste rock from Deposit 1. To address the identified ARD/ML issues, Baffinland submitted, on December 31, 2019, a revised Waste Rock Management Plan which is currently being reviewed by CIRNAC. The Department acknowledges Baffinland's effort to manage ARD/ML and will provide detailed comments on the status of the ARD/ML issue during the Mary River Phase 2 Technical Meeting in March 2020.

CIRNAC appreciates the opportunity to provide comments and looks forward to working with the NIRB and Baffinland throughout the further review phases related to this Project. Should you have any questions, please contact Alex Chaikine at (867) 975-4587 or by e-mail at alexandre.chaikine@canada.ca.

Sincerely,



Spencer Dewar
Director, Resource Management

