



November 5, 2011

Mr. Erik Madsen
Vice-President Sustainable Development
Health, Safety and Environment
Baffinland Iron Mines Corporation
120 Adelaide Street West, Suite 1016
Toronto, Ontario M5H 1T1

Delivered by Electronic Mail

Dear Mr. Madsen

Thank you for your October 31, 2011 letter regarding the Baffinland Iron Mine Corporation's application for an amendment to the North Baffin Regional Land Use Plan (NBRLUP).

The Commission remains committed to continuing with implementation of the NBRLUP Terms 3.5.10, 3.5.11 and 3.5.12 and the steps of Nunavut Impact Review Board (NIRB) Part 5 Review. This includes the Commission's participation in the joint public review of the information provided to address the information and planning guideline requirements of the NBRLUP Appendices J and K.

The Nunavut Planning Commission is the authority on implementation and interpretation of its approved land use plans.

The Commission has recently learned that there may be independent interpretations of the NBRLUP being brought to the NIRB Part 5 review that contradict the Commission's position. These independent opinions prepared in isolation of the Commission only serve to cause confusion and are unhelpful.

It needs to be made very clear. The completion of the action component of NBRLUP Term 3.5.12 which reads, "*NPC may request the ministers to amend the plan to include the new transportation corridor*" has no effect on the Commission's positive conformity determination of April 30, 2008, the current NLCA NIRB Part 5 review, or the issuance of any permit, license or authorization.

To assist with Baffinland Iron Mines Corporation understanding of the Terms of the NBRLUP please note that the NBRLUP contains conformity requirements, actions and recommendations. These are identified in NBRLUP Chapter 3. Also see footnote 7 on Page 29 for additional clarity. Terms 3.5.11 and 3.5.12 contain both conformity requirements and actions which, although related, must be implemented independently. For instance the “actions” set out in Term 3.5.12 of the NBRLUP provides an option for the Commission to consider a plan amendment to “include the new transportation corridor.” It is important to consider that:

- an amendment to show the new transportation corridor means to add a map showing the final location of the corridor.
- the NBRLUP requires alternative routes to be considered as part of the plan amendment request. Therefore, it is conceivable that the final location of the bed of the railway could be altered prior to the final approval of the NIRB Hearing Report.
- The final decision on the location of the new transportation corridor will be based upon the final approved routing of the rail way.
- The completion of the action component of Term 3.5.12 has no effect on the Commission’s positive conformity determination of April 30, 2008, the current NLCA Part 5 review, or the issuance of any permit, license or authorization.

In summary the NBRLUP does not contemplate that a plan amendment be completed before the NLCA NIRB Part 5 project review is completed or before any permits, licenses or authorizations can be issued. The request to amend the NBRLUP requires that the final location of the railway be approved as the design of the transportation corridor is based upon the railways final location.

In my October 12 letter I indicated that the Commission “*will not be seeking an amendment to the NBRLUP.*” Implementation of NLCA 11.6.3 requires that the Commission provide a recommendation to the Minister of Aboriginal Affairs and Northern Development Canada and the Minister of Environment, Government of Nunavut. The recommendation must advise the Ministers on whether the request for plan amendment should be accepted or rejected in whole or in part. Although premature as our review is still underway there are a number of technical and administrative reasons why the Commission believes that the request for plan amendment may be rejected. None of these reasons reflect on Baffinland Iron Mines Corporation application for a request for plan amendment or the NIRB Part 5 Review currently underway. Again, because the NBRLUP Term 3.5.12 plan amendment provision is an action and not an outstanding conformity requirement the recommendation of the Commission to accept, or reject the plan amendment proposal in whole, or in part has no effect on the NIRB Part 5 review or the issuance of any permit, license or authorization.

Once the final decision on the completeness of the information requirements and the location of the bed of the rail way is made, the Commission will implement the requirements outlined in NLCA 11.6.3. The decision whether the NBRLUP should be amended to include a map showing

the location of a portion of the new transportation corridor located within the North Baffin planning region rests with government.

To summarize, the Terms 3.5.11 and 3.5.12 contain “actions” which are considered separate from the conformity determination requirements. The project proposal conforms to the conformity requirements contained in the NBRLUP and the project is proceeding through the NLCA NIRB Part 5 review. Once the Part 5 review is completed the Commission will implement the NLCA 11.6.3 requirements for plan amendment. The action under Term 3.5.12 does not affect the Commission's conformity determination or the process currently being undertaken by NIRB under NLCA Article 12 Part 5. Nor, does it infringe on the ability of regulators or land managers to issue permits, licences or authorizations.

There is one point in your letter that needs to be clarified. The Commission and NIRB will determine whether the information requirements of the NBRLUP Appendices J and K are met and make the decision public as part of the Pre-hearing Conference Report. The final alignment of the bed of the railway must be approved before the Commission will undertake the design of the transportation corridor. Once the information requirements are met and the final location of the railway bed is known the Commission will proceed with implementation of the plan amendment process established under the Nunavut Land Claims Agreement Section 11.6.3. Also, please note that the NIRB is not involved in the NLCA 11.6.3 plan amendment process.

Should the Baffinland Iron Mine Corporation receive information that is contrary to the interpretation of the NBRLUP Terms outlined above the Commission asks that you please forward the name of the individual and the organization they represent to my attention.

In closing, we look forward to continuing to work with Baffinland Iron Mines Corporation during the review of the information requirements provided in accordance with the NBRLUP. If the Commission may be of further assistance with explaining the Terms of the NBRLUP please do not hesitate to contact the Commission's Executive Director, Sharon Ehaloak.

Respectfully,

A handwritten signature in cursive script, appearing to read "Ron Roach".

Ron Roach
Chairperson

CC: Lucassie Arragutainaq, Chairperson, NIRB