



Nunavut Planning Commission
P.O. Box 1797
Iqaluit, NU X0A 0H0

December 19, 2017

Dear Sirs:

Re: Baffinland Application to Amend Appendix Q of the North Baffin Regional Land Use Plan

Baffinland would like to thank the Chair, members of the Nunavut Planning Commission (the Commission), members of the Commission staff, Pond Inlet community members, and all other participants to the informal public hearing, for organizing, conducting, and participating in the meeting. Baffinland was pleased to provide further information on the amendment application during the informal public hearing, to answer questions from members of the Commission, to listen carefully to the concerns of the Hamlet of Pond Inlet, and individuals, and to do our best to respond to those concerns in a transparent and constructive way.

In response to comments made by community members during the informal public hearings, information requests made by the Commission during the course of the informal public hearings, and in response to a letter from NIRB dated November 30, 2017, Baffinland is pleased to provide the following additional information:

1. **Schedule A:** Response to NIRB Letter to NPC of November 30, 2017
2. **Schedule B:** Summary of Benefits
3. **Schedule C:** Restricted Activity Zone Map
4. **Schedule D:** Letter to GN and QIA from Baffinland dated December 19, 2017

In this final submission, Baffinland will summarize the key points respecting the application for amendment, what was learned during the course of the review of the application and the informal public hearing, and Baffinland's constructive responses to the submissions and presentations.

Baffinland has applied to the Commission for an amendment to Appendix Q of the North Baffin Regional Land Use Plan (NBRLUP) to allow for the use of rail within the existing Milne Inlet Tote Road and Marine Transportation Corridor. Extensive information has been filed by Baffinland in support of this application, demonstrating that the proposed amendment complies with the requirements of the NBRLUP, including Appendices J and K. The Government of Nunavut (GN) and the Department of Indigenous and Northern Affairs (INAC) have also filed submissions with the Commission in support of the proposed amendment. In addition, letters in support of both the Mary River Project and the proposed amendment have been filed with the Commission by residents of various North Baffin communities, the municipality of Igloolik, Qikiqtani Industry Limited and the NWT & Nunavut Chamber of Mines.

Baffinland is aware, however, that during the course of public hearings in Pond Inlet on December 4 and 5, 2017, opposition to the proposed amendment was expressed by members of the Mary River Phase 2 Review Committee, the Mittimatalik Hunters and Trappers Organization (MHTO) and some individual residents. In addition, subsequent to the hearings, letters objecting to the proposed amendment were filed by the Resolute Bay and Hall Beach Hunters and Trappers Organizations.

The substance of such objections fall into one of two categories, neither of which are germane to land use planning.

First, concerns have been expressed in relation to the potential adverse environmental effects of the construction and operation of a rail through the existing transportation corridor, including dust, limitations on hunter access, and potential impacts upon caribou and other wildlife. While such concerns are clearly important, since Baffinland has complied with the requirements of Appendices J and K of the NBRLUP (to the extent they are applicable to this application), the Nunavut Impact Review Board (NIRB) is the more appropriate forum for the identification and assessment of environmental effects. The potential environmental effects of the Phase 2 Project Proposal, including the construction and operation of rail, will be comprehensively addressed during the NIRB process, should the Phase 2 Project be allowed to proceed to environmental assessment and community members will be afforded an opportunity to voice their concerns during public hearings.

In particular, during the informal public hearing, Baffinland provided a summary of caribou-related mitigation for rail (see our memo of November 29, 2017 filed on the NPC public registry prior to the public hearing). This summary provides a listing of caribou protection measures established through the NPC and NIRB processes related to the Mary River Project (including the Southern railway) and the Early Revenue Phase Project. These caribou protection measures are detailed and extensive. Again, Baffinland is fully committed to a full review of these caribou protection measures as they would pertain to the construction and operation of a Northern railway. This issue will clearly be the subject of comprehensive review and consideration in any environmental assessment review process for the Phase 2 Project.

Secondly, concerns specific to Pond Inlet have been expressed in relation to the asserted inequitable distribution of economic benefits flowing from the Mary River Project under the Inuit Impact and Benefit Agreement (IIBA). The Mary River Project has been and continues to be a source of significant economic benefits both for the five North Baffin communities referenced in the IIBA and for the region and Nunavut as a whole. Issues related to the particular allocation of Project benefits mandated under the IIBA are beyond Baffinland's control and must be determined by Qikiqtani Inuit Association (QIA) in consultation with its membership. Such issues are not relevant to the substance of the land use planning amendment application. However, during the course of the public hearings, in response to questioning by Baffinland, participants were supportive of Baffinland and the QIA engaging directly with the community to discuss this issue. Accordingly, Baffinland is prepared to work in collaboration with the Government of Nunavut (GN), the Hamlet of Pond Inlet and QIA to address issues related to the distribution of benefits. On December 19, 2017, pursuant to Project Certificate Condition 160, Baffinland wrote to both GN and QIA proposing a meeting at the earliest possible opportunity to discuss this issue (See Schedule D to this Letter).

Baffinland submits that the entirety of the information which has been filed with the Commission supports the proposed amendment of Appendix Q of the NBRLUP and wishes to assure the Commission that it is committed to responding to community concerns relating to potential environmental effects

and distribution of benefits through the environmental assessment process as well as ongoing consultation and collaboration. Baffinland submits that the proposed amendment to Appendix Q to provide for multi-modal transportation supports the primary purpose of land use planning in the North Baffin Region and is consistent with the Broad Planning Policies, Objectives and Goals (2007).

Taking all of the above into consideration, Baffinland requests that the NPC recommend that Appendix Q of the NBRLUP be amended to provide for transport by rail within the existing transportation corridor to enable the Phase 2 proposal to proceed to environmental assessment.

Once again, Baffinland thanks the Commission and its staff, and all of the participants in the informal public hearings for their input and guidance. We thank the people of Pond Inlet for their hospitality.

Thank you,

A handwritten signature in black ink, appearing to read "T. Burlingame".

Todd Burlingame
VP Sustainable Development

Schedule A:

Response to NIRB Letter to NPC of November 30, 2017

In its letter to NPC of November 30, 2017 the NIRB indicated that, *“From the NIRB’s perspective, with the important recognition that the existing transportation corridor has been previously fully assessed by the NIRB, and that this information can and should properly inform the consideration of the current Amendment #3 Application, the NIRB has concluded that the majority of the specific information required by Appendices J and K of the NBRLUP that could reasonably be expected to be provided at this stage in the process has been provided.”* and additional evidence *could* be filed by Baffinland with the Commission to demonstrate that sufficient consideration has been provided to meet the spirit and intent of the Appendix K guidelines that transportation corridors shall *“be designed in accordance with existing and prospective land use capability including topography, soil, permafrost and wildlife; and be designed in accordance with the availability of granular supplies.*

Baffinland has prepared the following additional information on the topics of topography, soil, permafrost, wildlife and the availability of granular supplies.

Topography is an important consideration for construction of a railway, because railways have limitations regarding grade (i.e., steepness) and turn radius. The proposed alignment of the North Railway meets these design requirements. To meet these requirements, it was necessary to deviate from the Tote Road by circumventing the hill at km 67. Starting from Milne Port, the railway will run alongside the Tote Road within the Phillip’s Creek valley to the top of the watershed at km 57. From this point until km 84.5, it is necessary for the railway to deviate from the Tote Road alignment, travelling west of the road to circumvent a localized height of land to maintain acceptable grades for the railway. The only alternative to circling this hill would be to undertake a massive excavation, which would be both costly and create a large disturbance on the landscape. The maximum distance between the rail alignment and the tote road is 7 km, which is less than the 10 km wide transportation corridor concept presented by the Nunavut Planning Commission (NPC) in its Draft Nunavut Land Use Plan (NPC, 2016). From km 84.5 to the Mine Site, the railway once again parallels the Tote Road.

With respect to soils and permafrost, terrain mapping and geotechnical investigations have been completed along the length of the North Railway. While there are areas of ice-rich soils along the North Railway alignment, 25.5 km (about 25%) of the alignment is located on bedrock at or near the surface. Much of the bedrock that is present is covered by a thin till veneer, such that it is not easily seen. Most of the railway manages to avoid ice-rich soils.

With respect to wildlife, the railway location minimizes impacts to wildlife, mainly because it is located within the same corridor as the existing Tote Road. Caribou trails have been mapped along the length of the Tote Road, and caribou crossings will be incorporated into the rail embankment at locations of caribou crossings. The North Railway does not interfere with any important bird areas.

With respect to granular supplies, it should be noted that these matters are subject to change based on outcomes of the environmental assessment and detailed design. It is currently estimated that Baffinland would draw from the following aggregate sources in constructing the North Railway:

Quarry No.	Railway Chainage (km)	Approximate Footprint Area (m ²)	Type of Material	Current Estimated Volume (m ³)
Q1	2	200,000	Granitic Gneiss	
Q5	4.5	560,000	Granitic Gneiss	1,110,000
PQ2b	28	80,000	Limestone	160,000
PQ2a	28.9	80,000	Limestone	160,000
PQ4a	41.6	90,000	Limestone	180,000
PQ4b	42.5	90,000	Limestone	180,000

Existing quarry

This is PQ1a,b,c,d combined into one quarry at km 4.5 of the rail alignment

PQ5a	45.7	120,000	Limestone	240,000	
PQ5b	46.8	250,000	Limestone	500,000	
PQ6a	56.2	180,000	Limestone	360,000	
PQ6b	57.1	150,000	Limestone	300,000	
PQ9a	66	64,483	Limestone	225,000	
PQ9b	66	21,835	Limestone	75,000	
PQ10a	73.1	90,000	Limestone	180,000	
PQ10b	74.2	60,000	Limestone	120,000	
PQ12a	84.5	120,000	Sandstone	240,000	
PQ12b	84.5	60,000	Sandstone	120,000	
PQ13	85.7	90,000	Sandstone	180,000	
PQ14a	96.7	40,000	Sandstone	80,000	
PQ14b	96	15,000	Sandstone	60,000	
PQ15a	101.5	40,000	Diorite	80,000	
PQ15b	102.3	22,500	Diorite	45,000	
QMR2	107	20,833	Diorite		Existing quarry
Q42	109	62,500	Diorite	125,000	

A number of potential rock quarries have been identified along the North Railway, demonstrating an abundance of aggregate available. These potential quarries are illustrated on the attached diagram in yellow and would be located in close proximity to the North Railway and existing Tote Road. These are new borrow pits which would be created and used along the Tote Road alignment to support site preparation/construction of the proposed railway system.

As described in some detail during the NPC public hearing, significant proportions of the construction aggregate required will come from rock cuts within the alignment itself, rather than from quarries. Currently, it is estimated that the amount of required quarried material would be reduced as a result of cut and fill, however the volume is subject to change based on outcomes of the environmental assessment and detailed design.

**Schedule B:
Summary of Benefits**

During the informal NIRB public hearing in Pond Inlet, Mr. Aglukark requested that Baffinland provide more details regarding the benefits that have been provided under the IIBA and other forums.

Table 1: Summary of Expenditures

Community Based Expenditures by Baffinland (since 2013 - see further details in Table 2 below. These are expenditures outside of the financial commitments under the IIBA)	\$772,458
Contracting – Inuit Firms and Joint Ventures (since 2013)	\$789,900,000
Inuit Employee Payroll (since 2014 – note this total does not include wages paid to Inuit employed by Baffinland contractors)	\$31,040,428
IIBA Direct Payments to QIA (since 2013)	\$35,423,000
IIBA Compliance	\$8,531,708
Note: In addition to these amounts, Baffinland has made annual payments to QIA under its Commercial Lease since 2014	

Further to the second line item, “Community Based Expenditures”, what follows provides a more detailed breakdown of expenditures by year and community.

Table 2: Community Based Expenditures 2013-2017

2013		\$40,827
	Donations (Corporate and Government Affairs)	\$40,827
2014		\$240,932
	Arctic Bay	\$3000
	Clyde River	\$3000
	Hall Beach	\$3000
	Igloolik	\$11,000
	Pond Inlet	\$5000
	Donations (Corporate and Government Affairs)	\$41,887
	Donations (Communications)	\$10,000
	Rents for office space in 5 communities and Iqaluit	\$178,375 (approx.)
2015		\$203,295
	Rents for office space in 5	\$140,082

	communities and Iqaluit	(approx.)
	Donations (Corporate and Government Affairs)	\$63,213
2016		\$115,210
	Rents for office space in 5 communities and Iqaluit	\$114,600
	Donations (Corporate and Government Affairs)	\$610
2017		\$172,194
	Rents for office space in 5 communities and Iqaluit	\$107,325
	Pond Inlet Donations	\$20,844
	Donations (Corporate and Government Affairs)	\$44,025
GRAND TOTAL		\$772,458

The following table provides recent examples of Baffinland's community sponsorship activities.

Table 3: Community Investment and Sponsorship 2017

Community	Amount	Activity
Pond Inlet	\$5000	Community-led Christmas Hamper Program
	\$17,000 (approx.)	School Lunch Program 1
	\$14,563.50	School Lunch Program 2 [to commence in Q1 2018]
	\$200	Door Prizes for Community Square Dance
Igloolik	\$500	Support for Community Christmas Raffle
	\$17,000	School Lunch Program [to commence in Q1 2018]
	\$5000	Community-led Christmas Hamper Program
Hall Beach	\$500	Support for community Christmas square dance and feast
	\$5000	Community-led Christmas Hamper Program
Clyde River	\$500	Support for community Christmas Activities
	\$5000	Community-led Christmas Hamper Program
	\$10,000	Emergency Family Travel
Arctic Bay	\$5000	Community-led Christmas Hamper Program
Iqaluit	\$250	Movie Days of Christmas
Nunavut	\$25,000	Support for the Arctic Inspiration Prize
North Baffin Communities	\$7000	Community Book Donations

Table 4: Community Investment 2017

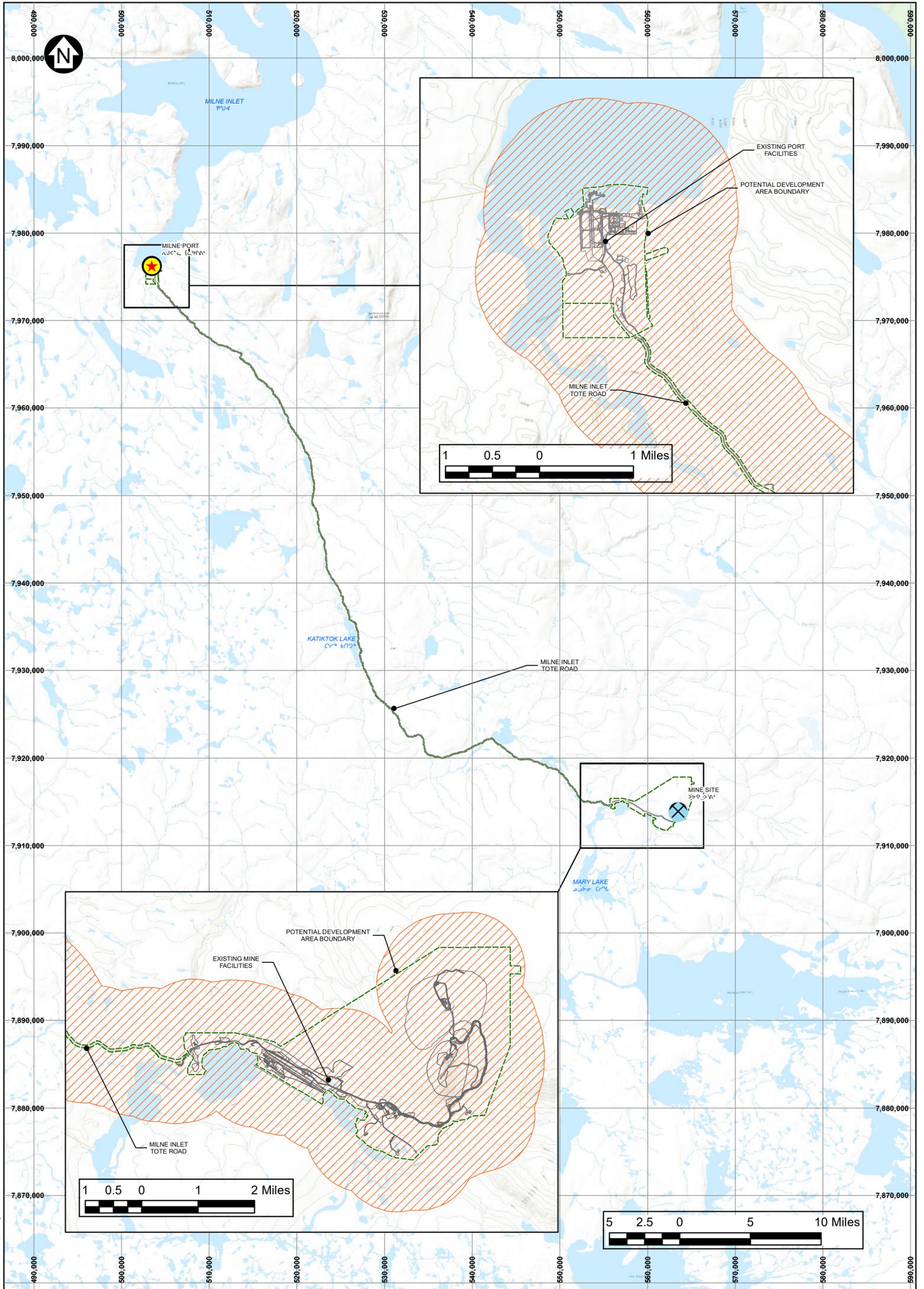
Item	Amount
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Baffinland & QIA Community Liaison Officer Training	\$17,000
Laptop Donations	\$28,200

The following table provides a more detailed breakdown of the IIBA compliance expenditures.

Table 5: IIBA Compliance Expenditures

Annual Fund Contributions	Education & Training Fund – 2014, 2015	\$2,000,000
	Business Capacity & Start Up Fund (Annual Contribution)	\$250,000 + administration costs
	Wildlife Compensation – One Time Contribution	\$750,000
	Community Wellness Fund – Annual Contribution	\$375,000 + administration costs
<ul style="list-style-type: none"> • Baffinland also contributes to a number of initiatives pursuant to the IIBA such as paid positions (IIBA Coordinator and IIBA Education and Training Coordinator), QIA external consultant costs to support participation in project monitoring and permitting, and various meeting costs (Joint Executive Committee and Joint Management Committee). • Additional expenditures are made on matters such as water compensation, translation, scholarships and bursaries and IIBA compliance. 		



LEGEND:

- MILNE PORT
- POTENTIAL DEVELOPMENT AREA (3855.4 HECTARES; 10.5% OF RESTRICTED ACTIVITY ZONE)
- MINE SITE
- RESTRICTED ACTIVITY ZONE - 1 MILE FROM ALL FACILITIES INCLUDING THE TOTE ROAD (36785.9 HECTARES)
- MILNE INLET TOTE ROAD

NOTES:

1. BASE MAP: ESRI ONLINE MAPPING.
2. COORDINATE GRID IS IN METRES. COORDINATE SYSTEM: NAD 1983 UTM ZONE 17N.
3. THIS FIGURE IS PRODUCED AT A NOMINAL SCALE OF 1:400,000 FOR 11x17 (TABLOID) PAPER. ACTUAL SCALE MAY DIFFER ACCORDING TO CHANGES IN PRINTER SETTINGS OR PRINTED PAPER SIZE.

BAFFINLAND IRON MINES CORPORATION

MARY RIVER PROJECT

RESTRICTED ACTIVITY ZONES

Knight Piésold
CONSULTING

PIA NO. NB102-181/39 REF NO. NB17-00839

FIGURE 1

REV 0

REV	DATE	ISSUED WITH TRANSMITTAL	DESCRIPTION	AMH DESIGNED	DJA DRAWN	RAC REVIEWED
0	18DEC17	ISSUED WITH TRANSMITTAL				



Qikiqtani Inuit Association
Igluvut Building, 2nd Floor
P.O. Box 1340
Iqaluit, NU, X0A 0H0

December 19, 2017

Attention: Levi Barnabas

Government of Nunavut
Department of Environment
P.O. Box 1000, Station 1360
Iqaluit, NU, X0A 0H0

Attention: Steve Pinksen, Assistant Deputy Minister

Re: Distribution of benefits from the Mary River Mine

We are writing to follow up on the recent Nunavut Planning Commission (the Commission) public hearings held in Pond Inlet on Baffinland's application to amend the North Baffin Regional Land Use Plan to allow rail as a mode of transportation within the existing transportation corridor.

During the public hearings, one of the key issues expressed by community members was that they were not satisfied with the distribution of benefits from the Mary River Mine. Upon questioning by Baffinland, those participants were supportive of Baffinland and the QIA engaging directly with the community to discuss the issue.

In addition to the commitments contained within the IIBA, the distribution of benefits is addressed in Condition 160 of Project Certificate No. 5, "*The Government of Nunavut and the Qikiqtani Inuit Association are encouraged to cooperate to ensure in a broad sense, that Project benefits are distributed across impacted communities and across various demographic groups within these communities in a manner that best offsets any Project-related impacts to infrastructure or services*".

Baffinland has provided significant benefits to Nunavut and to Inuit and is committed to working with the GN and QIA respecting the appropriate distribution of benefits. In addition to the monetary benefits, Baffinland continues to provide training, employment and business opportunities to the residents of the North Baffin as well as Nunavut in general. This was recognised by participants during the hearings and in written submissions to the Commission.

Baffinland is requesting a meeting to discuss the information shared by community members through the NPC process and consider potential strategies to work with the community to address their concerns.

Baffinland suggests the meeting occur in Iqaluit as soon as possible to address this critical issue. We look forward to discussing these important issues with you soon.

Thank you,

A handwritten signature in black ink, appearing to read "T. Burlingame". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Todd Burlingame
Vice President, Sustainable Development

CC

Ms. Daisy Koonoo, Mittimatalik Hunters and Trappers Organization
His Worship, Joshua Katsak, Mayor, Hamlet of Pond Inlet
Mr. Brian Aglukark, Director of Policy and Planning, Nunavut Planning Commission
Mr. Ryan Barry, Executive Director, Nunavut Impact Review Board