

August 13, 2013

Ms. Amanda Hanson Director, Technical Services Nunavut Impact Review Board P.O Box 1360 Cambridge Bay, NU., XOB 0C0

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Dear Ms. Hanson, Ms. Williston, Mr. Curran

Proposed Transportation Corridor – Conditional Conformity Letter

Re: Joint Review of Application to Develop a Corridor, Project Proposal for Early Revenue Phase (ERP) of Mary River Project, DFO File NU-07, NIRB File 08MN053

A project certificate was issued for the above-noted project in December of 2012. The proponent, Baffinland Iron Mines (Baffinland), asked the Nunavut Impact Review Board (NIRB) to reconsider the Mary River Project under Sections 12.8.2 and 12.8.3 of the Nunavut Land Claims Agreement (NLCA). As the ERP proposed physical works and physical activities not contemplated in the project proposals for

the Mary River Project previously submitted to the NPC, the NPC advised NIRB and the proponent on February 7, 2013 that a new conformity determination was required. On February 11, 2013, NIRB confirmed that it would require a conformity determination by the NPC prior to initiating the NIRB's reconsideration process. On June 24, 2013, the NPC received an application from Fisheries and Oceans Canada requesting a conformity determination for the ERP and forwarding the ERP project proposal for the NPC's consideration. The proponent was invited by NPC to make submissions on several issues on July 30, 2013, and provided answers on August 2, 2013. NPC considered these submissions as well as the proponent's detailed project proposals, correspondence, application to determine conformity questionnaire dated July 9, 2013, and NPC's prior conformity determinations for the Mary River Project. On August 6, 2013, the NPC requested that the proponent make an application for the development of a transportation corridor under section 3.5.11 of the North Baffin Regional Land Use Plan (NBRLUP). Baffinland submitted the requested application for an amendment to the NBRLUP for the development of a transportation corridor on August 9, 2013.

The NPC has completed its review of the above-noted project proposal and application to amend the NBRLUP. The project proposal conditionally conforms with the NBRLUP, provided that (1) the joint review process for the proposed transportation corridor provided in section 3.5.12 of the NBRLUP is completed, (2) the NPC makes a recommendation to the ministers on whether to amend the plan, and (3) the Ministers determine whether to amend the plan. For clarity, the NPC reserves the right to make its final conformity determination for the project proposal until after a decision by the Ministers has been made on whether to amend the plan. By this letter and additional enclosures, the NPC is forwarding the proponent's application to amend the NBRLUP for a transportation corridor to NIRB for their reference. Notification will be made to the Minister that the transportation corridor requires review under section 3.5.12 of the NBRLUP.

My office would be pleased to discuss with the affected parties how best to implement the joint review process under section 3.5.12 of the NBRLUP, and whether it may run in conjunction with or parallel to NIRB's proposed reconsideration review of the ERP.

Yours Truly,

Brian Aglukark,

Director Regional Planning

Cc: Mr. Bernie MacIsaac, QIA Ms. Phyliss Beaulieu, NWB

Ms. Tracey McCaie, AANDC