



June 12, 2022

Honourable Dan Vandal  
Minister for Northern Affairs  
Room 434, Confederation Building  
229 Wellington Street  
Ottawa, Ontario K1A 0A6  
By email to: [dan.vandal@parl.gc.ca](mailto:dan.vandal@parl.gc.ca)

Dear Minister Vandal,

We are writing to express our support for Baffinland Iron Mine's application to maintain annual ore production and shipping from the Mary River mine at 6 million tonnes.

This mine produces some of the highest-grade iron ore in the world and requires no concentrating, no processing and produces no tailings. This single mining operation currently contributes ~25% of Nunavut's GDP. In 2019, the year where Baffinland came closest to hitting its 6Mtpa transportation limit, Baffinland's Inuit employees earned over \$20M, Inuit firms were awarded contracts worth \$288M, Inuit labour force participated in more than 44,000 hrs of training, Baffinland paid the GN \$15.6M in payroll and gas taxes and Baffinland paid out \$12M in royalty and program payments. This high grade iron ore deposit has the potential to continue to provide substantial benefits to Nunavummiut and Canada for many decades to come. It is for this reason, that our Chamber is gravely concerned that the continued operation of this mine is at risk.

Mr. Minister, the fate of the Mary River Project, as of any mine in Canada, is bound to the price of the commodity being mined. Over the past 10 years, the price of iron ore has varied wildly. In 2012, the price of iron ore was approximately US\$145 per ton. By 2016, the price of iron ore declined dramatically to less than US\$50/t. From 2016 to 2021, the iron ore price see-sawed and then more than rebounded to over US\$200/t. Today the price sits at around US\$145/t, however, long term forecasts continue to see iron ore settling under US\$100/t, a price that Baffinland has publically explained on multiple occasions is on the wrong side of their break-even point to support a trucking operation. Companies like Baffinland are challenged to design developments and match production to the price at hand, and reasonably considered future demand. In the case of Baffinland their product is in fact a high value, ethical Canadian export necessary for society's shift to the Green Economy.

For the Nunavut regulatory regime to be workable and effective, it must allow developers the flexibility to adapt to variations in commodity prices. The 2018 NIRB Project Certificate Amendment approving a production level of 6Mtpa was a positive step and Baffinland's subsequent request to maintain this production level if Phase II was not approved was intended to maintain the viability of the mine. The current situation where Baffinland must go before the NIRB yet again to seek approval to maintain the 6Mtpa production level represents a grave risk to the future of the project.

Given that the NIRB has not identified any significant adverse effects of the Mary River Mine operating at 6Mtpa in its annual reports, it is unclear why Baffinland should be subject to further substantive NIRB review to maintain existing production levels. This situation is particularly hard to understand because

without maintenance of current production levels precious Nunavut jobs and contracts and benefits are put in jeopardy.

Mr. Minister, development and operation of mining projects in the north requires that large capital investments that are mobile on a global basis are attracted to a region which has some of the highest development and operating costs in the world. In order to do this successfully, it is critical that Nunavut and other northern and remote jurisdictions in Canada provide certainty of process. It is therefore important to note that the 2021 Fraser Institute Survey of Mining Companies indicates Nunavut's attractiveness for investment continues to slip due to concerns with process transparency, timelines and approval risks. We are concerned that the protracted NIRB rejection of the Mary River Phase II proposal will send a further chill through the investment and mining community at a time when there is so much opportunity to develop a vibrant and sustainable mining sector in the territory.

The Nunavut Agreement coupled with the significant mineral wealth and precedent setting Inuit co-management regime of resources has tremendous potential to support prosperity and growth for Nunavummiut. These attributes lay the groundwork for responsible mineral development that can help to support the future of Nunavut's communities, while also supporting energy transition in Canada and beyond.

Based on these factors, and in support of responsible resource development in Nunavut, we urge you to do what you can to support a timely review process that permits Baffinland to maintain its existing production levels. We strongly believe that keeping mining at Mary River strong, healthy, beneficial and environmentally responsible is in Canada's and Nunavut's best interests.

If there is anything we can do to help, please do not hesitate to reach out to us.

Yours truly,

**NWT & NUNAVUT CHAMBER OF MINES**



Tom Hoefler  
Executive Director

c.c.: Honourable P.J. Akeegok, Premier of Nunavut  
Olayuk Akesuk, President Qikiqtani Inuit Association  
Aluki Kotierk, President of Nunavut Tunngavik Inc.  
Honourable Dennis Patterson, Senator of Nunavut  
Brian Penney, President and CEO, Baffinland Iron Mines  
Paula Isaak, Associate Deputy Minister, Crown-Indigenous Relations & Northern Affairs Canada