



April 26, 2013

Phyllis Beaulieu
Licencing Administrator
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

Re: 8BC-MRY – Baffinland Iron Mines Corporation Response to Comments from AANDC/QIA/NWB/EC on new Type B Water Licence Application

Dear Phyllis Beaulieu:

Baffinland Iron Mines Corporation (“**Baffinland**”) has reviewed the comments provided by Aboriginal Affairs and Northern Development Canada (“**AANDC**”) on April 19, 2013 and by the Qikiqtani Inuit Association (“**QIA**”), and Environment Canada (“**EC**”) on April 19, 2013 and the Nunavut Water Board on April 24, 2013. BIMC wishes to thank AANDC, EC and QIA for their participation in the licensing process, and to provide the following response to AANDC and QIA’s questions and comments.

Question/Comment	Intervenor	Baffinland Response
<p>BIMC did not apply to use any water for the Mary River Preparation Project. It is anticipated that they will obtain water from water sources approved under their existing water licence 2BB-MRY1114. While the water use during the pre-sealift may be within limits specified in the existing water licence 2BB-MRY1114, it is unclear whether water use during the sealift phase will be within limits.</p> <p>BIMC is asked to clarify that the current water use limit of 385 m³/day and the current capacity of the sewage treatment and solid waste facilities will be sufficient to support the occupancy level proposed during the sealift period.</p>	AANDC (General)	<p>Confirmed. The current water use limit and capacity of sewage treatment described in existing water licence 2BB-MRY1114 will be sufficient for the proposed activities.</p> <p>It is anticipated that the pending Type A Water License will be in place in advance of the sealift.</p>
<p>Block 12: BIMC indicated that the type of water use applied for is only to alter the flow of, or to store water. AANDC notes that the Q1 Quarry Management Plan proposes the construction of an access road from the Milne Inlet Tote Road to the Q1 Quarry and according to Figure B-1 (Milne Inlet Quarry Q1</p>	AANDC (General)	<p>As further detail, the watercourse crossing is a poorly developed overland flow path and is not fish habitat. All crossings will proceed in compliance with best practices and applicable regulatory requirements and in consultation with Fisheries and Oceans Canada.</p> <p>We will be placing a culvert in the flowpath</p>

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Drainage plan), the access road will cross a watercourse, potentially altering the flow of water. This watercourse crossing should also be indicated in Box 12 of the water licence application.		that was identified in this comment, and would like to request that the Nunavut Water Board include this culvert in the application for the new Type B Water Licence, as necessary.
Block 21 indicates that security in the amount of \$6,738,216 is currently held in relation to 2BB-MRY1114 and that additional securities will be posted in respect of the Mary River facilities. AANDC concurs the security noted above is for activities associated with the 2BB-MRY1114 and not for the activities proposed in this application. Security to be posted following the issuance of a Type A water licence may not be acquired in time to initiate construction activities proposed in this Type B application hence the need for security specific to this application.	AANDC (General)	<p>As this application pertains to limited ground preparation and earthworks to support more significant facility construction in the future, as per the enclosed memo, Baffinland estimates that the reclamation costs that are specific to these activities have been calculated at approximately \$122,000 (refer to attached technical memorandum).</p> <p>As is standard practice, Baffinland proposes to provide this security to the Minister within 30 days of issuance of the new Type B Water Licence. Once it is issued, Baffinland anticipates any security posted under the new Type B Water Licence will transition to the new Type A Water Licence, or will be discounted from any total calculation required under the new Type A Water Licence so the site preparation works are not double counted.</p>
Section 1.2.1 identifies the nearest receivers that are considered to be fish habitat and the distance from the quarry to fish-bearing water bodies. AANDC recommends that the distance to all nearest receivers (including the nearest nonfish-bearing receivers) should be included to ensure that there is no impact to the quality of fresh water (NLCA, Article 20, Part 2).	AANDC (Comments on Q1 Quarry Management Plan)	Generally, the quarry area is greater than 30 meters or more from all non-ephemeral water bodies. There are a few small ephemeral drainages that may cross into the quarry area from time to time. All water bodies including ephemeral overland flow paths are shown on the Quarry Q1 Drainage Drawing that was Appendix B to the Quarry Management Plan Milne Inlet Quarry (Q1). Also see Section 2.4.3 of the Quarry Plan which describes drainage management for the quarry. The hydrological regime around the quarry site has been well defined, and the appropriate direction of flows from site will be managed to maintain the natural flow patterns to the extent possible. If necessary, these drainages may be diverted from time to time in order to ensure all water impacted by quarry activities are directed away from the development area. As a contingency, sumps will be used if required.
Section 2.5: Potential impacts to water quality include dust, refueling activities, and blasting residue (section 2.4.3).	AANDC (Comments on Q1 Quarry)	The site management measures to be adopted are detailed in Section 2.4 of the Quarry Management Plan Milne Inlet Quarry (Q1)

<p>AANDC notes that there are three water bodies that receive water from the three flow paths from the quarry site identified in Figure B-1 (Milne Port Quarry Q1 Drainage Plan). AANDC recommends that these water bodies be included in the monitoring program proposed in Section 2.5. Water quality should be monitored at the quarry site under the proposed new Type B licence until it can be replaced by a Type A water licence.</p>	<p>Management Plan)</p>	<p>with further detail provided in Sections 2.2 to 2.10 of the Quarry Blasting Operational Management Plan (Appendix C of the Quarry Plan). The performance monitoring plan is described in Section 2.5 of the Quarry Management Plan with further details provided in Appendix C (Section 2.11) of the same document. In summary, the following are main features of the quarry water quality monitoring plan:</p> <ul style="list-style-type: none"> • There will only be discontinuous discharge from quarries – water runoff from quarries will be managed. • Turbidity/TSS and ammonia will be monitored near field by means of field testing methods and meters that are based on approved methodologies. • If field testing detects elevated TSS/turbidity and/or ammonia in collected runoff at levels acutely toxic (assumed to be greater than 20 mg/L Ammonia (as N)), further downstream sampling will be conducted near the discharge location to potential fish habitat for the parameters of concern as well as for acute toxicity. As per the plan, the flows at these locations must not be acutely toxic to fish. These downstream locations would include the water bodies that AANDC have identified in their IR. Baffinland will work with the AANDC and QIA inspectors to identify appropriate downstream monitoring locations during the quarry development. <p>For this reason, Baffinland suggests that the Type B Water Licence include a term that additional monitoring points may be required by the Inspector and identified at a future date together with the proponent. This will ensure that there will be continued flexibility in the monitoring program to account for changing site conditions.</p>
<p>Section 4.4: While rehabilitation of the Milne Inlet Tote Road was discussed, no reclamation is proposed for the access</p>	<p>AANDC (Comments on Q1 Quarry</p>	<p>All facilities will ultimately be reclaimed in the same manner as those described in relation to the Milne Inlet Tote Road.</p>

road from the Tote Road to the Q1 quarry (Figure B-1).	Management Plan)	
Appendix A, QIA quarry lease, Table 1 proposes a total material to be quarried as 600,000 m ³ but the lease allows only 50,000 m ³ . AANDC recommends that BIMC ensure they are authorized to quarry the amount of material proposed in this type B application.	AANDC (Comments on Q1 Quarry Management Plan)	Baffinland will ensure that all required approvals, including any Inuit and Crown surface approvals, are in hand before proceeding with quarrying activity.
It is unclear whether there will be a spill kit located at the quarry site. AANDC recommends that Baffinland provide the location and type of spill kit(s) located at the Q1 quarry site.	AANDC (Comments on Q1 Quarry Management Plan)	Spill kits will be strategically located at the Q1 quarry site.
Section 2.4: In the event there is potential for nitrogen compounds to adversely impact downstream water bodies, the following actions were provided: (a) storage of impacted water within the pit in constructed sumps, (b) pumping of water into tanker trucks for disposal in holding ponds or the sewage treatment plant, (c) other treatment options such as the careful discharge to the tundra or where there is abundant surface vegetation (approval may be required) after meeting regulatory requirements for water quality. AANDC recommends that this plan be consistent with other management plans (i.e., waste management plan, hazardous waste management plan, environmental monitoring plan, etc. and that it be in line with the other water licences for the Mary River Project.	AANDC (Comments on Quarry Blasting Operations Plan)	These activities will all align with the overall environmental management plans as well as all regulatory and Inuit approvals required for the Mary River Project. It is noted that if a Type A Licence covering these issues is issued, and once a plan is approved under the new Type B Licence, plans are to transition to the Type A Licence.
Section 2.8: All runoffs and snow melts will be contained in a lined designated location within the quarry. Runoffs will be released onto the tundra after meeting regulatory requirements for water quality. When available, AANDC recommends that BIMC provide the location of the quarry runoff collection pond and identify it on the map. AANDC further recommends that the proposed Type B water licence include discharge criteria for this "designated	AANDC (Comments on Quarry Blasting Operations Plan)	As required, the quarry runoff collection locations will change over time. Best efforts will be made to control and collect quarry runoff as required, however, it must be acknowledged that it is not possible to collect all runoff at all times from a typical quarry operation. The drainage and collection system will evolve over time based on site drainage conditions and location of quarry operations. AANDC inspectors will be made aware of the runoff collection locations. The water quality monitoring and criteria to be

location”.		applied nearfield and further downstream are described in our above response and are based on commitments made in the Quarry Management Plan for Q1 Milne Inlet .
Section 2.11 states that a performance management plan will be implemented to ensure that ammonium nitrate (AN) release to receiving waters from AN explosives is minimized and remains non-acutely toxic to aquatic organisms and that targets and methods to measure performance will be developed during quarry start up. AANDC recommends that a performance monitoring plan (complete with performance targets, corrective actions to improve performance and contingency measures to prevent the discharge of acutely toxic ammonia discharges to the aquatic receiving environment) be submitted to the NWB prior to any blasting activities.	AANDC (Comments on Quarry Blasting Operations Plan)	<p>The existing NWB approved Blasting Management Plan (included as Appendix C) includes a reference to performance monitoring at section 2.11, which will be developed in a site specific manner during quarry start-up in cooperation with the contractor and Inspector.</p> <p>In section 2.5 of the Milne Inlet Q1 Quarry Plan and also in the Blasting Management Plan, the basic objectives and general monitoring activities are described. Further site specific details for water quality sampling and monitoring have been provided in the above responses. As described above Baffinland will work with the AANDC and QIA inspectors to establish downstream sampling locations to ensure that surface runoff from quarries is not acutely toxic to fish bearing water bodies. Baffinland will be working proactively with its explosives contractor to ensure compliance and in particular to ensure nitrogen does not impact fish-bearing waters.</p>
AANDC notes that BIMC submitted management plans for the entire Mary River Project that include the existing Type B water licence as well as the proposed Type B and Type A water licences. Therefore, it is unclear whether some sections in the plan are considered to be within the scope of the new Type B water licence (Emergency Response sections 1-4, section 6.4 regarding wildlife protection, sections regarding landfarms, etc.)	AANDC (Comments on Quarry Blasting Operations Plan)	<p>Given the short term nature of the activities that will be covered under the new Type B Water License, in Baffinland’s view separate stand-alone plans for these activities should not be developed, as this will significantly increase administrative burden for both Baffinland and regulatory authorities, as well as the QIA.</p> <p>Rather, Baffinland will ensure that all activities will proceed in a manner that is compliant with Mary River Project management plans, as updated and submitted to the Board on March 31, 2013. This approach will ensure that the activities proceed in a manner that is compliant and protective, while reducing administrative duplication. The plans would transition to the Type A Water Licence, once issued. The sections of the plans which describe Type A activities would not be applicable until the Type A Water Licence is issued.</p>

Section 6.3 states that additional contaminated snow storage sites will be identified at Milne Port and the Mine Site in preparation for implementing the 2013 Work Plan. AANDC recommends that locations of these sites be provided to the NWB prior to commencement of activities.	AANDC (Comments on Quarry Blasting Operations Plan)	Contaminated soils will be placed in existing berms that are regulated under the existing Type B Licence for this purpose. The Inspector will be notified if any materials are placed in these areas.
Section 6.5 states that contaminated soil will be treated at the Milne Port landfarm. AANDC notes that construction of the landfarm is not proposed until after the Type A water licence is issued. A plan must be included for the storage, treatment, or disposal of contaminated soil in the event a spill occurs before the Type A water licence is issued. AANDC recommends that this information be provided to the NWB prior to issuance of the new Type B water licence. In addition to this section, there are other references to landfarms in sections 7.1.1.2, 7.4.1.1, 7.4.1.2, and 7.4.1.3. AANDC notes that landfarms would not apply to the proposed new Type B water licence.	AANDC (Comments on Quarry Blasting Operations Plan)	Baffinland does not intend to construct the Milne Port landfarm until after the Type A Water Licence is issued. If a spill occurred in the interim period, the contaminated soil would be placed within existing lined and bermed areas, as is currently the practice under the existing Type B Water Licence. All management plans and Inuit and regulatory requirements will be followed in relation to the proposed activities and so the risk of a significant incident is limited.
Section 7.1: Tables in this section indicate the fuel storage capacity (type and quantity) currently available on site (Table 7-1) and fuel storage capacity at each location in 2013 (Table 7-2). AANDC recommends that a table indicating fuel storage capacity for the 2013 Work Plan be included in the Type B licence, anticipating that a Type A water license may not be issued prior to the 2013 sealift season.	AANDC (Comments on Quarry Blasting Operations Plan)	Baffinland will not fill the fuel tank until after issuance of the Type A Water Licence (which is anticipated to occur by the end of June 2013). The sealift is expected to occur by the end of July 2013. Prior to filling the tank it will be non-destructively tested using approved methods as has been documented in the As-Built Construction Report (January 2012) that was submitted to the NWB for the existing 5 M litre tank already situated inside the bermed area.
Section 7.1 and Appendix C: Five types of spill response kits were identified for use. It is unclear what types and quantities of these kits will be used on site under the proposed Type B licence. AANDC requests clarification on the types of spill kits proposed under this water licence. Additionally, AANDC recommends that the spill kit figures	AANDC (Comments on Quarry Blasting Operations Plan)	Typical spill kits for the project are presented in Appendix C. The specific spill kits selected will depend on the specific activity at each location. During inspections, the AANDC inspector often reviews specific spill response equipment located on site. The appropriate spill kit type will be on hand for specific site requirements and we will work with the inspector to ensure that he/she is in

identify the type of spill kits located at each site (kits 1-5).		agreement with our approach.
Section 7.1 and Appendix H, Figure 1: According to the Milne Port 2013 spill kit locations diagram, it appears that there are no spill kits located at the quarry or borrow sites. AANDC requests clarification on whether there will be spill kits located at these sites.	AANDC (Comments on Quarry Blasting Operations Plan)	Yes, spill kits will be located at all of these sites.
Section 7.1.1.1: The distance and direction to the closest body of water was not provided in the event of a tank farm spill. AANDC is of the opinion that even if a spill is contained, the distance to the closest water body should be provided in the event that fuel spills outside the containment areas (contingency plans for worst case scenarios are suggested in INAC Guidelines for Spill Contingency Planning, 2007).	AANDC (Comments on Quarry Blasting Operations Plan)	As per the above, the fuel tanks will not be filled until after issuance of the Type A Water Licence. However, it is noted that in any event the fuel tank farm is located in excess of 30 m from the closest body of water. All water bodies in the vicinity are located on the Site Layout Plan provided in Appendix C of the Emergency Response and Spill Contingency document..
Section 7.1.1.2 states that in the 2013 Work Plan, twelve 10,000 L ISO-tanks will be required. In sections 3.2.3 and 3.2.4 of the 2013 Work Plan, twelve 100,000 L ISO-tanks are proposed. AANDC recommends that BIMC clarify the size and number of ISO-tanks to be used on site in 2013.	AANDC (Comments on Quarry Blasting Operations Plan)	The ISO tanks have 100,000 L capacity (the reference in section 7.1.1.2 is a typographical error). These tanks will not be delivered and used until the sealift.
Section 7.1, Table 7-2 states that the total storage capacity of fuel at Milne Port is 52.25 ML. However, a fuel capacity of 48 ML was originally proposed for Milne Port in the Final Environmental Impact Statement. AANDC requests clarification on the total capacity of fuel proposed at Milne Port.	AANDC (Comments on Quarry Blasting Operations Plan)	This comment does not relate to the proposed Type B Water Licence as this comment refers to post-sealift activity. That said, the fuel stored at Milne Port will not exceed the FEIS commitments.
Section 7.1.1.2: BIMC indicated that the distance and direction from a potentially ruptured ISO tank to the closest body of water “varies” and that the resources to protect in the event of a spill “varies”. AANDC recommends that BIMC provide the shortest distance (or range of	AANDC (Comments on Quarry Blasting Operations Plan)	No ISO tanks will be utilized as part of the new Type B Water License activities. Any future spills would be responded to in a manner consistent with the approved Emergency Response and Spill Contingency Plan.

distances) and a list of possible resources.		
Section 7.1.1.3: There are three references to an ice road in this section. Since water use was not requested in this application, AANDC recommends that this activity not be approved under this plan in the proposed Type B water licence.	AANDC (Comments on Quarry Blasting Operations Plan)	No ice roads are planned as part of the new Type B Water License activities.
Section 7.1.1.4: A scenario for a marine supply spill at Milne Port was not included in the new Type B application.	AANDC (Comments on Spill Contingency Plan)	Detailed scenarios relating to marine supply spills will be described in the Transport Canada reviewed Oil Pollution Prevention/Oil Pollution Emergency Plan, which will be submitted to Transport Canada and will be in place prior to sealift fuel delivery.
Index of major changes indicates that toxicity was added as a performance indicator for surface water samples in Table 9-2. AANDC notes that toxicity was not seen in Table 9-2.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	Toxicity is a performance indicator and will be added to the table.
Section 6.1 states that a temporary construction dock will be installed at Milne Port to facilitate the timely offloading of equipment and materials from ships. AANDC requests clarification on whether or not this dock will be constructed prior to issuance of the Type A water licence.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	No water licence is required for the temporary construction dock, which will be located on QIA lands. Construction of the facility will not commence until all required approvals are in place.
Section 6.1.3 states that drainage structures will be installed in 2013. AANDC requests clarification on whether the installation of these drainage structures is proposed under the new Type B application.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	We are constructing a series of laydown areas which will have some impact on drainage. Yes, the installation of the drainage structures will commence under the new Type B application.
Tables 6.1 and 6.2 provide an overview of facilities at Milne Port and Mine Site. AANDC recommends that BIMC identify the water licence under which these facilities are proposed (or at minimum, identify which facilities are proposed under the new Type B water	AANDC (Comments on Surface Water and Aquatic Effects Management	Please see attached table checklist.

licence). It is understood that the 2013 Work Plan is included as an appendix but it would benefit reviewers to have it in a tabular format so it is absolutely clear which facilities fall under the 8BC-MRY, 2BB-MRY and 2AM-MRY water licences.	Plan)	
Table 6.1 references a 49 person camp along the Milne Inlet Tote Road. AANDC notes that this camp is not proposed under this licence or any other water licence. AANDC also notes that if the camp is located on Crown land, an amendment to their land use permit may be required and should any use of water (i.e. diversion of water), any deposition of waste (i.e. greywater), or any storage of fuel be proposed at this camp, a water licence may be required.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	A 49 person temporary construction camp is not part of the new Type B Water Licence application.
Section 9 indicates that the performance indicators for water quantity and water quality are the on-going compliance with the terms and conditions of the water licence. AANDC notes that it may be advantageous to include criteria in tables 9.1 and 9.2.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	As part of the annual report under the existing Type B Water Licence, Baffinland included an update to the Comprehensive Environmental Monitoring Plan, which included appropriate criteria for performance indicators. These are re-attached to this letter.
Section 10.1, Table 10.1: AANDC recommends that BIMC clarify which of the routine inspection and monitoring activities are proposed for the new Type B licence and which are proposed for the Type A water licence.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	<p>The facilities that will be constructed as part of the new Type B Water License are:</p> <ul style="list-style-type: none"> • Sediment erosion control structures at Milne Port and mine site • Evidence of hydrocarbon staining or leaks from contaminated devices • Running by vehicles • All inspections listed for the borrow sites and rock quarries <p>The Type A Water Licence will include all activities listed in Section 10.1 and Table 10.1.</p>
Section 10.2.1 states that new monitoring stations were established and are presented in 2013 site drainage plans and in Table 4.2 of the Environmental Monitoring Plan (EMP). AANDC recommends that these monitoring	AANDC (Comments on Surface Water and Aquatic Effects	As per the above, this table was provided as part of the annual report for the existing Type B Water Licence and is re-attached to this submission.

stations be listed in a table and since the EMP was not submitted with this application, it is further recommended that the table be included in the Surface Water and Aquatic Ecosystems Management Plan.	Management Plan)	
Section 11 identifies data management and reporting requirements. AANDC recommends that monthly reporting be required under the proposed new water licence as proposed in section 11.2 of this plan.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	Baffinland anticipates such reporting would be required.
There are several sections in this plan that may not be considered within the scope of the proposed water licence application for construction activities. These are as follows: a. Sections 6.1.1 and 6.3.2: Contaminated snow ponds and contaminated soil landfarm b. Section 6.4: Railway construction c. Section 6.5: Steensby Port d. Section 6.6.1: Fuel transport to Mine Site for operation phase, railway construction phase, Steensby Port fuel storage and distribution e. Section 7: Water management – mining operation	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	To reduce administrative duplication, the purpose of these plans was to cover all activities that will be permitted under the existing Type B Water Licence as well as the new Type B and Type A Water Licences. Baffinland will not proceed with any Type A Water Licence facilities until the new Type A Water Licence is issued.
Appendix A: The table of concordance does not include potential water licence terms and conditions 2, 8, 10, 11, 13, 31, 39, 40, 33, 34, 64, 92, or 99.	AANDC (Comments on Surface Water and Aquatic Effects Management Plan)	The table of concordance will be updated to refer to the Project Certificate and the Type A Water Licence once issued. All activities proposed as part of the new Type B Water Licence and Type A Water Licence will proceed in accordance with the Project Certificate.
AANDC notes that BIMC did not submit an A&R plan or any information on restoration of the proposed activities in the event of any future closure or abandonment of the undertaking. While the reclamation of activities proposed in this application appear to be included in the Preliminary Mine Closure and Reclamation Plan submitted with the	AANDC (Comments Re A&R)	As per the attached, Baffinland has provided a stand-alone Abandonment and Reclamation memo relating only to the new Type B Water Licence activities to the NWB and QIA.

<p>Type A water licence application, the reclamation of activities in this application are not identified in an approved A&R Plan. AANDC notes that BIMC states that in the event that the Project does not advance, all work items described and constructed as per the 2013 Work Plan will be subject to reclamation, as per relevant regulatory and permit obligations. It is recommended that an A&R plan or at minimum more detailed information on the reclamation of activities proposed in this application be provided to the NWB for review and approval to ensure that BIMC has a plan for abandonment and reclamation of activities proposed in this application in the event that abandonment or reclamation occurs prior to approval of the Type A water licence or in the event that the Type A water licence application is delayed and/or denied.</p>		
<p>In the NWB's Guide 4: Completing and Submitting a Water Licence Application for a New Water Licence (NWB, April 2010) states that "The Board requires an applicant to submit a financial security assessment for all water licence applications (regardless of the project size)." AANDC notes that a security estimate was not provided with this application. It is understood that security will be furnished upon issuance of the Type A water licence for the activities proposed in this application and that security is currently held for abandonment and reclamation under the water licence 2BB-MRY1114. However, it is important to note that the security held under 2BB-MRY1114 may not be sufficient to provide for all activities under 2BB-MRY1114 and 8BC-MYR---. Also, it should be noted that security for the Type A water licence application will likely not be furnished until after issuance of the water licence. This means that there will be no security in place for this proposed Type B water licence in the event that the site is</p>	<p>AANDC (Comments re Security)</p>	<p>As per the attached, Baffinland has provided a stand-alone Abandonment and Reclamation memo relating only to the new Type B Water Licence activities to the NWB and QIA</p>

abandoned prior to issuance of the water licence. AANDC recommends that BIMC furnish a deposit for 2013 activities under water licence 8BC-MRY---- and apply this as a credit towards the security to be furnished for the Type A water licence 2AM-MRY----.		
Respecting that the type “B” application is intended to be interim in nature and relates to the type “A” application (for the same project) presently before the NWB, QIA strongly recommends that the type “B” licence carry a term of not more than one (1) year. QIA notes this aligns with the requested term under the General Water Licence Application, Proposed Term of Licence, (Section 25). Furthermore, QIA strongly recommends that the type “B” licence be subsumed into the type “A” licence once such a licence exists (assuming such a licence is approved).	QIA (Comments re Term of Licence)	BIMC does not have any concerns with this approach.
QIA notes that under the General Water Licence Application, Description of Undertakings (Section 9) the proponent clearly acknowledges that of the activities listed items number 2, 4 and 6 are for construction purposes only. QIA therefore strongly recommends that the operation, use, and maintenance of these facilities be permitted only under a type “A” licence, as currently being reviewed by the NWB.	QIA (General)	BIMC does not have any concerns with this approach as it wishes only to proceed with construction of these facilities under the new Type B Water License.
Regarding the specific activities applied for under the current application, QIA has requested and received confirmation from the NWB that comments previously filed by QIA in relation to the type “A” licence that pertain to the same project activities contained within the type “B” application can be referenced. QIA therefore directs the NWB to the following comments made by QIA on March 22, 2013 for the type “A” application: 1. Development of Q1 Quarry and Local Borrow Sources	QIA (General)	Baffinland’s responses to these matters are included in its filings relating to the Type A Water Licence.

<p>a. See QIA Final Type “A” Submission to NWB Section 2.5, Requests 1 to 4 on Page 8.</p> <p>2. Expand camp sewage facilities, such as construction of a second PWSP at Milne Inlet</p> <p>a. See QIA Final Type “A” Submission to NWB Section 2.1, Requests 3 and 4 on Page 5.</p> <p>3. Construction of 5ML steel tank (at Milne Inlet)</p> <p>a. See QIA Final Type “A” Submission to NWB Section 2.2, Request 1 on Page 5.</p>		
<p>A note of clarification, it is unclear to QIA whether the proponent also intends to include the following activities within the scope of 8BC-MRY:</p> <ol style="list-style-type: none"> 1. The erection and installation of emergency response building, 2. The erection and installation concrete batch plant, 3. The erection and installation emulsion plant, 4. The erection and installation maintenance shop, trades shops, warming shed and parking garage, warehouses, administration buildings and field offices. 		<p>All these activities will proceed under the new Type A Water Licence. Only the pads supporting these areas will be constructed under the new Type B Water Licence. A checklist is attached to clearly present this information.</p>
<p>QIA strongly requests that the NWB seek clarity from the proponent as to whether not an Abandonment and Reclamation Plan exists for the activities proposed, including a requirement to supply all parties with such a document in advance of final licensing.</p>	<p>QIA (Re Abandonment and Reclamation)</p>	<p>As noted above, the Abandonment and Reclamation Liability document submitted as part of the Type A Water Licence Application encompasses the proposed Type B Water Licence activities. We have attached a stand-alone Abandonment and Reclamation memo relating only to the new Type B Water Licence activities to the NWB and QIA.</p>
<p>Furthermore, QIA notes although the General Water Licence Application, Security Information (Section 21) makes reference to security through the following statement:</p> <p><i>“Security in the amount of \$6,738,216 is currently held in relation to 2BB-MRY0710. Additional security will be posted in respect of the Mary River facilities and will be the subject of</i></p>	<p>QIA (Re Security)</p>	<p>Further details regarding security bonding in relation to the proposed Type B Water License are provided above. The anticipated works proposed for this Type B will be transitioned into the Type A, once it is issued.</p>

<p><i>submissions during the hearing on the Type A Water Licence scheduled for April 2013.”</i></p> <p>While QIA understands the position put forward by the proponent, QIA believes parties need to respect the direction offered by NIRB on this very topic which states:</p> <p><i>“The Proponent shall meet with respective licensing authorities prior to the commencement of construction to discuss the posting of adequate performance bonding. Licensing authorities are encouraged to take every measure to require that sufficient security is posted before construction begins.”</i></p> <p>Given that all the activities applied for under the type “B” application would take place on Inuit Owned Lands, assuming the NWB approves a licence for the requested undertakings, QIA will undertake a review of financial security for the new activities proposed. Consistent with QIA’s comments throughout the review process of this project, QIA will hold security under a land lease and that security will be developed on the basis of QIA policies.</p> <p>QIA requests that the NWB take security held under land instruments into consideration when determining the overall security amount for the type “B” licence. QIA can undertake to provide the NWB with evidence as to what security is held by QIA once a final amount is determined. To assist the NWB in allowing for security adjustments under the type “B” licence QIA refers the NWB to the licence condition on security proposed by QIA on March 22, 2013 for the type “A” application.</p>		
<p>Section 6.1.3 of SWAEMP states the installation of drainage structures as mitigation measures at Milne Port during 2013. From NWB’s understanding this wasn’t included in the scope of the proposed new Type</p>	<p>NWB Technical Staff</p>	<p>Drainage plans were developed and included for Milne Port and Mary River Mine Sites as part of the Type B Application to accommodate the construction to be undertaken. Two drawings were included with the submission:</p>

<p>“B” Licence. Clarification is needed whether or not these structures are to be included with the scope of proposed activities.</p>		<ul style="list-style-type: none"> • Drawing H349000-2100-10-015-0001 Milne Port Site Layout and Drainage Plan; and, • Drawing H349000-4134-10-015-0001 Mine Site – Camp Infrastructure Drainage Plan <p>As shown on those plans, minor adjustments to drainage pathways will be required to accommodate the construction of camp pads, laydowns, and other structures. Minor overland flow drainage diversions will be required later in the year, but these will be constructed once the Type A Water Licence is issued. None of the drainage alterations are planned in waters that are fish habitat. These are the “structures” referred to in the SWAEMP document.</p>
<p>Tables 6.1 and 6.2 of SWAEMP list all existing and proposed facilities at Milne Port and Mine Site, respectively. Some of those facilities at Mine Site such as concrete batching plants, contaminated snow holding pond and others are planned in 2013 as reported. It is understood that installation of some of those facilities will be included within the potential Type “A” licence. However, regrouping these facilities according to the existing 2BB-MRY1114, and proposed Type “B” or potential Type “A” licenses would have been appropriate and helpful for reviewers.</p>	<p>NWB Technical Staff</p>	<p>See attached checklist which details planned activities for 2013 and corresponding regulatory approvals.</p>
<p>Sections 9 and 10 of the SWAEMP refer to the Comprehensive Environmental Monitoring Program and attached QA/QC Plan. These documents are not included with the application.</p>	<p>NWB Technical Staff</p>	<p>These documents were submitted to the Nunavut Water Board on March 31, 2013, as part of the annual update to the management plans associated with the submission of the 2012 Nunavut Water Board Annual Report for the Mary River Project under Type B Water Licence 2BB-MRY1114. The plan includes Table 4.1 (Water Quality And Quantity Monitoring Locations) that outlines the monitoring points associated with the existing Type B Licence. Included in this table are potential surface water quality monitoring locations downstream of the construction areas at Milne Port and the Mine</p>

		Site that form part of the Type B Application. It is likely that only several of these monitoring points will be active at any one time depending on when and where proposed site preparation construction activities are underway. Table 4.1 is attached. Monitoring location series MP-C- and MS-C- are the relevant monitoring locations associated with the proposed construction activities.
<p>The 2013 Work Plan included with ERSCP and SWAEMP describes activities that will occur in 2013 such as:</p> <ul style="list-style-type: none"> ○ Section 2.0 states that <i>a request for a modification to this licence (2BB-MRY1114) will be submitted shortly, for the construction of an additional 5ML fuel tank construction within the existing secondary containment as well as for the construction of a second PWSP pond at Milne Port.</i> <p>From the NWB understanding these activities are included in the scope of proposed new Type “B” licence?</p> <ul style="list-style-type: none"> ○ Section 3.1.2 states, among others, an upgrade (extend) of the airstrip runway at Milne Port; ○ Section 3.3 describes construction activities planned in 2013 such as: installation of emergency response building, construction and commission of two (or four as stated twice?) 10 ML diesel fuel tanks, construction of landfarm, and installation of diverse buildings at Milne Port; upgrade of Tote Road and possible establishment of a temporary 49 person camp; upgrade of the Mary River airstrip, construction of diverse buildings and installation of 4 x 0,5 ML double wall diesel and 1 x 0,05 ML double wall jet A fuel tanks; ○ Section 8.0 states a potential addendum to this 2013 Work Plan will be submitted in April 2013 highlighting additional activities to be undertaken in 2013 in order to execute the 2014 bulk sampling campaign. 	NWB Technical Staff	<p>Yes, the cited activities occur within the scope of the proposed Type B Licence.</p> <p>The upgrade of the Milne Port airstrip is no longer a component of the 2013 Work Program. The construction of buildings will occur under the future Type A Water Licence. Refer to the Project Description which forms part of the proposed Type B application for a comprehensive list of activities to be conducted under the proposed Type B Application. Bulk sample activities will not form part of the Type B proposed activities. Please refer to the attached checklist table for a list of activities to be conducted under the 2012 Work Plan and required authorizations.</p>

<p>The NWB believes that some activities and facilities described in the SWAEMP and attached 2013 Work Plan will be included with the potential Type “A” licence. However, a clear delineation between the scope of activities proposed under existing 2BB-MRY1114, proposed new Type “B” and potential Type A” licenses would have been beneficial for more efficient review of the environmental management plans. The NWB would encourage the BMIC to delineate the proposed activities in the management plans according to the existing Type “B” and proposed Type “B” and “A” licenses.</p>		
<p>The NWB notes, and as also stated by AANDC, that several sections in the SWAEMP are not related to the scope of the proposed new Type “B” licence and should have not been included with the application.</p>	<p>NWB Technical Staff</p>	<p>The management plans were submitted to support the 2013 Work Plan. The specific activities to be conducted under the proposed Type B are provided in the Project Description document that formed part of the application. Please refer to the attached checklist table for a list of activities to be conducted under the 2012 Work Plan and required authorizations.</p>
<p>Environment Canada has no comments at this time however EC should be notified if there are any changes to the project as further review may be necessary.</p>	<p>Environment Canada</p>	<p>Noted.</p>

If you have any questions regarding this submission, please do not hesitate to contact the undersigned directly at erik.madsen@baffinland.com or at 416.996.5523.

Yours truly,



Erik Madsen, Vice President
Sustainable Development, Health, Safety & Environment