

August 29, 2014

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**Re: Application for amendment to the Type 'A' Water Licence 2AM-MRY1325 clarifications**

Dear Sean,

As a follow up to the call with the NWB on August 27<sup>th</sup> 2014, Baffinland is submitting the following clarifications:

1. Dust Suppression Sources along the Tote Road

Baffinland confirms that the water sources identified in Attachment # 2 (Hydrology Assessment of Water Sources for Dust Suppression along the Tote Road Mary River Project - Early Revenue Phase dated July 11 2014 ) of the application are the sources being applied for as draw points for dust suppression on the Tote Road. No other additional draw points are being applied for.

Baffinland would also like to clarify the Project is requesting 1,500m<sup>3</sup> per day of water from the identified water sources identified in Hydrological Assessment required for dust suppression along the Tote Road. Baffinland would like to refer the board to Table 8 of the Hydrological Assessment found in Attachment # 2 of the Type A Water Licence Amendment Application which identifies proposed daily maximum withdrawal amounts from each water source. This water required for dust suppression along the Tote Road is above the 299m<sup>3</sup> per day being requested for in the construction and operation Phases of the Project.

2. Envisioned timelines for Construction and Operation Phases of the Project

Baffinland confirms that the definitions for "Construction Phase" and "Operation Phase" outlined in Schedule K of the existing Type A Water Licence 2AM-MRY-1235 are still appropriate.

The timelines for the construction and operation phases of the project moving forward are shown in Attachment # 1 of this letter.

Baffinland would like to note that as the Project moves ahead in a phased approach, the construction and operation phases will be occurring concurrently and corresponding increases in water requirements are anticipated. Additional personnel will be required to support ore transportation, stockpiling and shipping activities at Milne Port during operations and this will result in additional domestic water consumption. The amendment for the Type 'A' Water Licence 2AM-MRY1325 will consolidate under one licence all requirements for the construction and operation of the Mary River Project.

### 3. Sewage Treatment Expansion

Baffinland confirms that in order to accommodate the additional workforce required for the construction and operation phases, the existing Rotating Biological Contractor (RBC) type Sewage Treatment Plant (STP) will be brought back into commission and operated in accordance with the terms and conditions of the existing Type 'A' Water Licence 2AM-MRY1325.

To ensure Baffinland's proactive approach to managing impacts on the environment, an additional off-spec sewage effluent storage capacity proposed under the renewal and amendment for the Type 'B' Water Licence is requested to be developed at Milne Port. The Polishing Waste Stabilization Pond (PWSP) pond was proposed under the renewed Type 'B' Licence 8BC-MRY1314. Additional off-spec sewage effluent storage capacity will be provided in the form of a PWSP similar in design to the existing PWSP approved and constructed in 2013 at Milne Port. This additional off-spec sewage effluent storage capacity has been included in this application as a contingency if the existing off-spec sewage effluent storage capacity is not deemed sufficient based on current operations. In the event additional off-spec sewage effluent storage capacity is required at Milne Port, the effluent will be trucked to and from the facility.

No other sewage treatment expansion is anticipated at this time.

### 4. Tote Road Upgrades

The Tote Road upgrades are an integral part of the Approved Project and this work was approved under Project Certificate No. 005. The DFO Authorization NU-06-0084 enables Baffinland to undertake the works on water crossings (bridges and culverts).

Upgrades, realignments, changes to road grade and works on any associated water crossings were reviewed and approved under Project Certificate N0.005 as described in Volume 3 of the Final Environmental Impact Statement issued on February 2013.

### 5. Security

Baffinland is currently undergoing the Annual Security Review for Project and an updated security estimate will be issued to all relevant parties as per the Annual Security Review Process, required under Type A Water Licence, 2AM-MRY1325 Item #1, Part b). Baffinland recognizes that the Ore Dock is located on Crown Land and the security amount will be subject to review with AANDC. All other project infrastructure built in

2014 is located Inuit Owned Land (with the exception to a 10km section of the Tote Road) and security estimates will be agreed upon with the QIA.

We trust that this information is sufficient for the Nunavut Water Board to proceed with Baffinland's request for an amendment to the Type 'A' Licence 2AM-MRY1325. Please do not hesitate to contact me if there are any additional information requests or clarifications required.

Respectfully,

A handwritten signature in black ink, appearing to read 'O. Curran', with a stylized flourish at the end.

Oliver Curran  
Director, Sustainable Development

CC     David Hohnstein (NWB)  
       Erik Madsen (BIM)  
       Jim Millard (BIM)

## **Attachment 1**

### **Mary River Project Timeline for Construction and Operation Phases**

### Table 1 Mary River Project Timeline for Construction and Operation Phases

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