Baffinland Iron Mines Corporation Mary River Project - Phase 2 Proposal Updated Application for Amendment No. 2 of Type A Water Licence 2AM-MRY1325

ATTACHMENT 33

Life-of-Mine Waste Rock Management Plan

(226 Pages)



TBaffinland

Environment

Document #: BAF-PH1-830-P16-0031

Baffinland Iron Mines Corporation

LIFE-OF-MINE WASTE ROCK MANAGEMENT PLAN

BAF-PH1-830-P16-0031

Rev₀

Prepared By: Francisco Albor Consuegra

Department: Mine Operations

Title:

Mine Operations Superintendent

Date:

April 30, 2014

Signature:

Approved By: Tony Woodfine Department: Mine Operations

Title:

Date:

Mine Operations Manager

April 30, 2014

Signature:

The information contained herein is proprietary to Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied.

Baffinland		Revision: 0		
	Environment	Document #: BAF-PH1-830-P16-00	31	

DOCUMENT REVISION RECORD

Issue Date MM/DD/YY	Revision	Prepared By	Approved By	Issue Purpose
04/30/14	0	F. Consuegra	T. Woodfine	For Permitting
		FRAC	T.W	
11 - 2				
				7
				9
7.				
	•			

Index of Major Changes/Modifications

Item No.	Description of Change	Relevant Section
1	Update name and document number from H337697-0000-07- 126-0012 - Waste Rock Management Plan to BAF-PH1-830-P16- 0031 - Life-of-Mine Waste Rock Management Plan	Throughout Plan
2	Update Annex 3 Waste Rock Geological and Geochemical Characterization Program	Appendix 3
3	Update Baffinland's Commitments Section	Section 1.3
4	Update of Summary of Geochemical Sampling and Test Work based on mine rock ML/ARD report ("Mine Rock ML/ARD Characterization Report Deposit 1, Mary River Project, March 2014	Section 3.1.3
5	Update Performance indicators and Threshold sections to incorporate Type A Water Licence 2AM-MRY1325	Section 6
6	Addition of Appendix 6 - Phase 1 Waste Rock Management Plan (BAF-PH1-830-P16-0029)	Appendix 6

The information contained herein is proprietary to Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.

Note: This is an UNCONTROLLED COPY. All staff members are responsible to ensure the latest revision is used.

Environment

Issue Date: April 2014

Page 3 of 41

Revision: 0

Document #: BAF-PH1-830-P16-0031

TABLE OF CONTENTS

Ab	brev	viations	5
1	IN	TRODUCTION	6
1	l .1	Purpose	6
1	L. 2	Regulatory Requirements	6
	L.3	Baffinland's Commitments	
1	L. 4	Update of this Management Plan	
1	L.5	Relationship to Other Documents and Management Plans	9
2	TA	RGETED VECS	10
3	МІ	ITIGATION MEASURES	10
3	3.1	Nature of the Waste Rock and Geochemical Testing	10
	3.1	1.1 Regional Geology	10
	3.1	1.2 Deposit Geology	11
	3.1	Summary of Geochemical Sampling and Test Work	11
3	3.2	Field Test Piles	16
3	3.3	Construction of the Waste Rock Stockpile	16
	3.3	3.1 Deposition Strategy	16
	3.3	3.2 Guidelines Used to Develop the Waste Rock Stockpile	17
3	3.4	Quantities of Waste Rock Generated Over Mine Life	18
3	3.5	Phasing of Waste Rock Deposition over Time	19
3	3.6	Ore Storage	20
	3.6	5.1 Waste Rock Stockpile Area	21
	3.6	5.2 Mining area run-off	23
	3.6	5.3 Run-off Water Quality	23
	3.6	5.4 Run-off Water Treatment Alternative	23
4	CL	OSURE	29
2	l.1	Climate Change considerations	29
5	RO	DLES AND RESPONSIBILITIES	30
6	PE	RFORMANCE INDICATORS AND THRESHOLDS	31
7	М	ONITORING AND REPORTING REQUIREMENTS	32

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Life-of-Mine Waste Rock Management Plan

Environment

Issue Date: April 2014

_ -

Page 4 of 41

Revision: 0

Document #: BAF-PH1-830-P16-0031

/.1 E1	muent Quality Monitoring	32
7.1.1	Acute Toxicity Testing	
7.1.2	Water Quality Monitoring	32
7.1.3	Ground Temperature Monitoring	32
7.1.4	QA/QC	33
7.2 D	ata Management	33
7.3 R	eporting	33
8 ADAP	PTIVE STRATEGIES	34
9 REFE	RENCES	35
List of T	Table Roles and Responsibilities	30
	Discharge Performance Indicators Error! Bookmark not do	
List of Fi	igure	
Figure 3-1:	Placement of Waste Rock	18
Figure 3-2:	Evolution of the Waste Rock Stockpile over the Life-of-Mine	20
Figure 3-3:	: Water Management Structures for the Waste Rock Storage Area	22
Figure 3-4:	: Lime Treatment System	26
List of A	ppendix	
Appendix	1: Stormwater Management and Drainage System Design	
Appendix Evaluatio	2: Development of Permafrost in Waste Rock Dumps – Preliminary Geotechn n	ical
Appendix	3: Waste Rock Geological and Geochemical Characterization Program	

Appendix 4: Interim Waste Rock Stockpile Seepage Quality Model Report

Appendix 5: Interim Open Pit Water Quality Model Technical Memorandum

Appendix 6: Phase 1 Waste Rock Management Plan (BAF-PH1-830-P16-0029)



Environment	Document #: BAF-PH1-830-P16-00	
Life-of-Mine Waste Rock Management Plan	Revision: 0	
Life of Mine Moste Deal Management Dies	Issue Date: April 2014	Page 5 of 41

ABBREVIATIONS

Abbreviation	Meaning
ABA	Acid-Base Accounting
AEEMP	Aquatic Environmental Effects Monitoring Program
Baffinland	Baffinland Iron Mines Corporation
Ca-NP/AP	Carbonate Neutralization Potential
EHS	Environmental, Health, and Safety
EIS	Environmental Impact Statement
INAC	Indian and Northern Affairs Canada
MMER	Metal Mining Effluent Regulations
NPR	Neutralization Potential Ratio
ОВ	Overburden Cores
PAG	Potentially Acid-Generating
psammite	Psammitic Gneiss
ROM	Run-of-Mine
SFE	Short-Term Metal Leaching Tests
SWM	Surface Water Management
TGD	Technical Guidance Document
the Project	Mary River Project
TSS	Total Suspended Solids
VEC	Valued Ecosystem Component



	Environment Document #: BAF-PH1-830-P1		80-P16-0031
Life-of-Mine Waste Rock Management Plan	Revision: 0		
Life of Mine Waste Book Management Blan	Issue Date: April 2014	Page 6 of 41	

1 INTRODUCTION

1.1 Purpose

A waste rock disposal area designed for permanent storage of waste rock will be located north of the open pit. Based on the current mine plan, an estimated 640 Mt of waste rock will be generated from the mining of Deposit No. 1.

Open-pit mining will generate large quantities of waste rock that will be stored at dedicated locations and quantities of ore that will be stored temporarily in ore stockpiles while being crushed and transported to Milne and Steensby Ports. A modification of the mining plan has resulted in a smaller tonnage of waste rock being produced in the first years of operations. In order to effectively manage run-off during the slower build up of the waste rock dump a Phase 1 Waste Rock Management Plan (BAF-PH1-830-P16-0029), Appendix 6 is proposed and this is reflected in a smaller waste rock dump footprint and a diversion into Mary River to be constructed before the two main run-off collection ponds.

Waste rock and ore will require environmentally acceptable management and storage locations and practices. These materials have been characterized and grouped on the basis of geochemical static and kinetic test work. Environmental management plans are developed for each material group based on projected chemical reactivity and physical properties to ensure long-term environmentally acceptable storage. The Waste Rock Management Plan (WRMP) addresses the issues of siting, deposition of the waste rock, inspection, potential release of contaminants to the receiving environment, geotechnical stability, as well as closure considerations. As additional geochemical, geotechnical, and geological data are collected, and detailed engineering is completed, the management plan will be further optimized using an approach that protects the environment while operating in a cost-effective manner.

Baffinland's Waste Rock Management Plan satisfies the requirements of the Mine Site Reclamation Policy for Nunavut (AANDC, 2002).

1.2 REGULATORY REQUIREMENTS

Regulatory provisions related to mine site reclamation are enforced by the following acts and regulations:

- Territorial Lands Act and regulations
- Nunavut Land Claims Agreement
- Fisheries Act and regulations
- Canadian Environmental Protection Act; and
- Nunavut Waters and Nunavut Surface Rights Tribunal Act.



Environment		Document #: BAF-PH1-83	80-P16-0031
	Life-of-Mine Waste Rock Management Plan	Revision: 0	
Life of Mine Waste Book Management Dlan	Issue Date: April 2014	Page 7 of 41	

Runoff quality from the waste rock dumps must satisfy the requirements of the Metal Mining Effluent Regulations (MMER) SOR/2002-222 and meet the effluent quality requirements as outlined in Part F, Item 25 in Type A Water Licence 2AM-MRY1325.

1.3 BAFFINLAND'S COMMITMENTS

Baffinland provides adequate resources to implement and maintain the Environmental, Health, and Safety (EHS) Management System, including the necessary human, material, and financial resources. For Baffinland's Sustainable Development Policy, see below.



At Baffinland Iron Mines Corporation, we are committed to conducting all aspects of our business in accordance with the principles of sustainable corporate responsibility and always with the needs of future generations in mind. Everything we do is underpinned by our responsibility to protect the environment, to operate safely and fiscally responsibly and to create authentic relationships. We expect each and every employee, contractor, and visitor to demonstrate a personal commitment to this policy through their actions. We will communicate the Sustainable Corporate Policy to the public, all employees and contractors and it will be reviewed and revised as necessary on an annual basis. These four pillars form the foundation of our corporate responsibility strategy:

1.0 HEALTH AND SAFETY

- We strive to achieve the safest workplace for our employees and contractors; free from
 occupational injury and illness from the very earliest of planning stages. Why? Because our people
 are our greatest asset. Nothing is as important as their health and safety.
- We report, manage and learn from injuries, illnesses and high potential incidents to foster a workplace culture focused on safety and the prevention of incidents.
- We foster and maintain a positive culture of shared responsibility based on participation, behaviour
 and awareness. We allow our workers and contractors the right to stop any work if and when they
 see something that is not safe.

2.0 ENVIRONMENT

- We employ a balance of the best scientific and traditional Inuit knowledge to safeguard the environment.
- We apply the principles of pollution prevention and continuous improvement to minimize ecosystem impacts, and facilitate biodiversity conservation.
- We continuously seek to use energy, raw materials and natural resources more efficiently and effectively. We strive to develop pioneering new processes and more sustainable practices.

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Environment		Document #: BAF-PH1-83	80-P16-0031
Life-of-Mine Waste Rock Management Plan	Revision: 0		
Life of Mine Wests Book Management Blan	Issue Date: April 2014	Page 8 of 41	

We understand the importance of closure planning. We ensure that an effective closure strategy is
in place at all stages of project development and that progressive reclamation is undertaken as early
as possible to reduce potential long-term environmental and community impacts.

3.0 INVESTING IN OUR COMMUNITIES AND PEOPLE

- We respect human rights and the dignity of others. We honour and respect the unique culture, values and traditions of the Inuit people.
- We contribute to the social, cultural and economic development of sustainable communities adjacent to our operations.
- We honour our commitments by being sensitive to local needs and priorities through engagement
 with local communities, governments, employees and the public. We work in active partnership to
 create a shared understanding of relevant social, economic and environmental issues, and take their
 views into consideration when making decisions.

4.0 TRANSPARENT GOVERNANCE

- We will take steps to understand, evaluate and manage risks on a continuing basis, including those that impact the environment, employees, contractors, local communities, customers and shareholders.
- We ensure that adequate resources are available and that systems are in place to implement riskbased management systems, including defined standards and objectives for continuous improvement.
- We measure and review performance with respect to our environmental, safety, health, socioeconomic commitments and set annual targets and objectives.
- We conduct all activities in compliance with the highest applicable legal requirements and internal standards
- We strive to employ our shareholder's capital effectively and efficiently. We demonstrate honesty and integrity by applying the highest standards of ethical conduct.

Tom Paddon

President and Chief Executive Officer

September 2011



Environment	Document #: BAF-PH1-830-P16-00	
Life-of-Mine Waste Rock Management Plan	Revision: 0	
Life of Mine Meste Deak Management Dian	Issue Date: April 2014	Page 9 of 41

1.4 UPDATE OF THIS MANAGEMENT PLAN

The Waste Rock Management Plan (WRMP) will be updated based on the basis of findings obtained from the on-going waste rock geological and geochemical characterization program that is focused on current information gaps related to waste rock sampling, predictive geochemical sampling/testing programs, and better refining water quality modeling input parameters. Management reviews (see Section 8), incident investigations, regulatory changes, or other Project-related changes will also trigger updates of the WRMP.

1.5 Relationship to Other Documents and Management Plans

The following documents should be viewed in concert with the Waste Rock Management Plan and are included as Appendices:

Appendix 1: *"Stormwater Management and Drainage System Design"* Dated November 2011. Prepared by Hatch (H337697-0000-10-122-0001);

Appendix 2: "Development of Permafrost in Waste Rock Dumps-Preliminary Geotechnical Evaluation" Dated November 2011. Prepared by Thurber

Appendix 3: Mine Rock ML/ARD Characterization Report Deposit 1, Mary River Project". Dated March 2014. Prepared by AMEC.

Appendix 4: "Interim Waste Rock Stockpile Seepage Quality Model Report, Mary River Project". Dated January 2012. Prepared by AMEC.

Appendix 5: "Interim Open Pit Water Quality Model Technical Memorandum, Mary River Project". Dated January 2012. Prepared by AMEC.

Appendix 6: Phase 1 Waste Rock Management Plan, (BAF-PH1-830-P16-0029).

This WRMP should also be viewed in concert with the following additional plans:

- Waste Rock Dump Design Criteria (H337697-1130-20-122-0001) presented in Appendix 3B;
 Attachment 4; of the Final Environmental Impact Statement;
 - Construction Environmental Protection Plan (Hatch Document No. H349000-1000-07-126-0001).
 - Surface Water and Aquatic Ecosystems Management Plan (Baffinland Document No. BAF-PH1-830-P16-0036).
 - Interim Abandonment and Reclamation Plan. (Baffinland Document No. BAF-PH1-830-P16-0012).
- Volume 10, Appendix 10D-11 Terrestrial Environmental Effects Framework (Addendum to the Final Environmental Impact Statement)
- Volume 10, Appendix 10D-12 Environmental Monitoring Plan presented in Appendix 3B, Attachment 5; (Final Environmental Impact Statement).



Environment	Document #: BAF-PH1-830-P16-0031		
Life-of-Mine Waste Rock Management Plan	Revision: 0		
Life of Mine Weste Book Management Blan	Issue Date: April 2014	Page 10 of 41	

2 TARGETED VECS

Targeted valued ecosystem components (VECs) for this management plan are surface water quality and terrestrial wildlife.

3 MITIGATION MEASURES

3.1 Nature of the Waste Rock and Geochemical Testing

The detailed description of the regional and local ore deposit geology is provided in Appendix 3. A description of the regional and local geology of Deposit No. 1, taken from Appendix 3, is provided below. For a description of the methods used in geochemical testing, please see Section 3.0 of Appendix 6B-1 of the Final Environmental Impact Statement.

3.1.1 REGIONAL GEOLOGY

The northern part of Baffin Island consists of the ca. 3.0-2.5 Ga Committee Fold belt which lies within the Rae domain of the western Churchill Province (Jackson and Berman, 2000). The Committee belt extends north-east for around 2000 km from south-west of Baker Lake, Nunavut Territory to north western Greenland. Four major assemblages of Precambrian rocks have been identified within the Committee Belt. The iron ore deposits occur as part of the supra-crustal rocks of the Neoarchean aged (2.76-2.71 Ga) Mary River Group in the region. The Central Borden Fault Zone passes within 1 km to the south-west of the site. This fault separates the highly deformed Precambrian rocks to the north-west from the early Paleozoic relatively flat lying sedimentary rocks to the southwest. The generalized stratigraphic sequence of the Mary River group from top to base according to Young et al. (2004) and Johns and Young (2006) is:

- interbedded ultramafic and intermediate volcanic rocks
- quartzite
- Algoma-type oxide- and silicate-facies iron formation
- amphibolites; and
- psammite and sedimentary migmatite.

The thickness of individual units varies considerably across the area. Ultramafic and gabbroic intrusions in the form of small sills and dykes (<10 m in thickness) may occur within the sedimentary rocks, iron formation and amphibolite units (Johns and Young, 2006). Locally these intrusions have been observed to contain thin sulphide veinlets and disseminated sulphides. At the deposit scale, the overall sequence can be complicated by inferred early isoclinal folds and ramp and flat thrust faults (Young et al., 2004) which create complex and variable stratigraphic relationships. The contact between the Mary River



Environment	Document #: BAF-PH1-83	80-P16-0031
Life-of-wille waste rock wanagement Flan	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 11 of 41

group and gneiss basement rock are generally not directly exposed, being obscured by younger granitic intrusions.

Iron formation within the Mary River Group occurs as an oxide- and silicate- facies unit. Oxide facies iron formations vary from lean magnetite-chert to iron-ore quality deposits of magnetite and hematite (Johns and Young, 2006). Genesis of high grade iron ores is the result of the Hudsonian age deformation and metamorphism of enriched Archean Banded Iron Formation. The silicate—facies iron formation is generally thin and found in association with the oxide—facies, although it also occurs on its own. It commonly contains coarse garnet, anthophyllite, cummingtonite, and actinolite porphyroblasts.

3.1.2 DEPOSIT GEOLOGY

Deposit No.1 occurs at the nose of a syncline plunging steeply to the north-east (Aker Kvaerner, 2008). The iron formation occupies the nose and two limbs of this feature with a ~1300 m long northern portion and a ~700 m long southern portion. The footwall to the iron formation mainly consists of gneiss with minor schist, psammitic gneiss (psammite) and amphibolite. The hanging wall is primarily composed of schist and volcanic tuff with lesser amphibolite and metasediment.

The hanging wall primarily encompasses chlorite—actinolite schist and garnetiferous amphibolites. Meta-volcanic tuff is also a significant lithology identified in the hanging wall. The footwall mainly consists of quartz-feldspar-mica gneiss with lesser meta-sediment (greywacke) and quartz-mica schist. Microcline and albite are the predominant feldspars within the gneiss and biotite is generally more abundant than muscovite.

The iron ore deposits at the Mary River project represent high-grade examples of Algoma-type iron formation and are composed of hematite, magnetite and mixed hematite-magnetite-specular hematite varieties of ore (Aker Kvaerner, 2008). The iron deposits consist of a number of lensoidal bodies that vary in their proportions of the main iron oxide minerals and impurity content of sulphur and silica in the ore. The massive hematite ore is the highest grade ore and also has the fewest impurities, which may indicate it was derived from relatively pure magnetite or that chert, quartzite and sulphides were leached and oxidized during alteration of the iron formation.

Intense deformation and lack of outcrop limit the ability to subdivide by lithology on the basis of future mined tonnages. Rather, the waste material has been subdivided on the basis of zonal relationships around the iron ore as described in Table 1.

3.1.3 SUMMARY OF GEOCHEMICAL SAMPLING AND TEST WORK

A mine rock ML/ARD report ("Mine Rock ML/ARD Characterization Report Deposit 1, Mary River Project, March 2014." Prepared by AMEC) is presented in Appendix 3 and provides the geochemical data for the waste rock characterization to the end of 2013. This report will be updated as additional field and laboratory data become available.



Environment	Document #: BAF-PH1-83	30-P16-0031
Life-of-lyllife waste nock lylaliagement Flan	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 12 of 41

3.1.3.1 **SAMPLING**

Assessment of the potential for ML/ARD from mine rock has been undertaken primarily by sampling of the Project's archived exploration drill core. Sampling and analysis has been conducted in stages since 2006 (Knight Piésold 2008, Knight Piésold 2009, AMEC 2014). In addition to the archived drill core, three drillholes (318 m in total) were advanced in 2010 to specifically address a lack of representative waste material in the footwall of the deposit. An additional five boreholes including one in the hanging wall and four in the footwall (1290 m in total) were advanced in 2012 to specifically provide additional coverage of waste rock materials. Limited sampling of overburden material in the area has been completed.

The highly deformed nature of the deposit, the relatively high metamorphic grade and a lack of outcrop has largely restricted interpretation of waste material tonnages to a spatial (hanging wall and footwall) rather than a lithological basis. Thus, the waste material has been subdivided on the basis of zonal relationships around the iron ore for the hanging wall (HW) and footwall (FW). In 2011 spatial refinement of the waste rock model was completed that included subdivision of the HW and FW zones on the basis of broad geo-structural categories and observations of trends in observed sulphide mineralization. The subdivisions incorporate more schist dominated regions (hanging wall schist, HWS, and foot wall schist, FWS) occurring generally in close proximity to the iron ore. It has been observed that sulphide content in these regions while variable is typically higher than that in the more distal hanging wall and footwall material. The revised waste model also incorporated an internal waste (IW) subdivision (waste fingering within the ore zone) and a mineralized waste (MW) zone that has been identified as probable waste in the footwall. The boundaries of the subdivided waste rock distribution model were further refined in 2013 based on the additional 2012 drilling and characterization work.

For the detailed sampling programs conducted since 2010, samples were pre-selected using borehole logs within regular (~10 m) target intervals. All sampling was conducted or overseen by Baffinland geologists with experience at the deposit with the objective of selecting the most representative rock material within the target interval. Samples for ABA analysis comprised approximately one to two meter intervals of core.

For the 2011 and 2012 sampling programs the Baffinland geologists also systematically collected 10 to 15 cm of core that was visually representative of rock represented in adjacent ABA samples. ABA and mineralogy samples were described in the field according to standard rock coding for the site. It was recognized that the generally low NP and lack of carbonate as well as the low AP could add challenges to predicting the potential for acid generation for this project. Thus, a particular focus on the non-carbonate mineralogy was important.

For the 2012 waste rock drilling and sampling program sampling density for ABA analysis was increased slightly (~5-8 m) due to relatively low intersected rock volume afforded by this program from the relatively widely spaced boreholes. In addition, continuous sampling of each of the 2012 boreholes was completed at approximately 2m



Γ	Environment	Document #: BAF-PH1-83	80-P16-0031
	Life-oi-wille waste rock Management Flan	Revision: 0	
	Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 13 of 41

intervals with analysis for total sulphur and metals to assess down-hole continuity of mineralization in the waste units sampled.

In total for the entire waste rock volume 776 ABA and 376 mineralogy samples have been collected. An additional 259 samples have also been collected for the 2012 continuous sampling program described above.

3.1.3.2 STATIC TESTING

Static testing has included modified Sobek acid base accounting (ABA) with sulphur speciation and carbon analysis, net acid generation (NAG) testing, total element analyses, and short term leach analyses. Materials tested have primarily included waste rock (776 samples) with some testing of ore (21 samples) and overburden (7 near-surfaces outside of pit area).

Waste rock is characterized by generally low modified Sobek neutralization potentials (NP) and low sulphide contents with resulting low acid potentials (AP). Carbonate NP typically represents < 30% of the modified Sobek NP. Sulphide content in excess of 0.2% is generally predictive of an NPR (the ratio of NP/AP) less than 2. Overall, assuming that a NPR < 2 is representative of potentially acid generating (PAG) material and based on the current understanding of waste distributions in the pit, an estimated 11% of waste rock is expected to be PAG.

The static ABA sampling program completed in 2011 included a component of mineralogical work (see below) to improve the overall understanding of ML/ARD of the waste rock and particularly the source of non-carbonate acid neutralizing potential in the waste rock. This, along with kinetic testing, has been identified as a critically important consideration to support and better understand the adequacy of non-carbonate neutralization capacity in waste rock to limit acidic drainage.

Overburden from the pit volume has not been specifically tested. However, selected samplings of overburden from potential borrow areas around the site and along the proposed Tote Road to the north have been completed (Knight Piésold 2008, AMEC 2010a). Testing of these largely glacially derived surficial materials indicated they were generally low in sulphide content and in many cases contained abundant carbonate presumably derived from the local Paleozoic carbonate rocks that outcrop in the region.

3.1.3.3 MINERALOGY

Selected samples have been characterized by qualitative and Rietveld XRD (R-XRD), optical microscopy and SEM to better understand the waste rock mineralogy in terms of ML/ARD. Further information is available in Appendix 3, Section 4.3. Initial work was completed in 2012 and with follow up work initiated in 2013 and continuing.

3.1.3.3.1 QUALITATIVE MINERALOGY

Qualitative XRD work was completed on mineralogical samples collected in the 2011 field season. As expected, lithology plays a larger role in the mineralogy than the waste classification. Minerals that

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Environment	Document #: BAF-PH1-83	80-P16-0031
Life-OI-IVIIIIe waste Rock Wallagement Flan	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 14 of 41

appeared in most samples were quartz and clinochlore. Micas (e.g. muscovite, phologopite and biotite) are also common among the samples. Other major rock forming minerals including feldspars, amphiboles (cummingtonite and hornblende) were also present throughout a variety of lithologies and waste classifications. A variety of garnets and hematite were also present in a number of samples. Magnetite and sometimes illite and talc were observed primarily in banded and high grade iron formation samples.

Pyrite was the only sulphide that was identified in the qualitative XRD. It was detected in banded and high grade iron formations, gniesses, metasediments, amphibolites and schists.

Carbonates that were detected include siderite, dolomite, ankerite and calcite. Siderite was observed only in the high grade iron formation samples and ankerite was observed only in the banded and high grade iron formation samples. Dolomite was observed in the banded and high grade iron formations, amphibolites and the metasediments. Calcite was present in the amphibolites, metasediments and the volcanic tuffs.

3.1.3.3.2 DETAILED MINERALOGY

A selection of 20 samples representing a range of waste types and lithologies was submitted for detailed mineralogical characterization with results provided in Appendix 3. An additional set of 28 samples representing a range of waste types, lithologies and ABA characteristics was submitted for detailed mineralogical analysis in 2013 and work is in progress.

Additional mineralogical work is underway so interpretation of the 2011 results is considered preliminary. Overall, the samples contain mineral assemblages typical of at least amphibolite metamorphic grade. Sixteen (16) of the twenty (20) samples contained sulphides and a variety were identified in the rocks studied. The sulphides pyrite (FeS₂), chalcopyrite (CuFeS₂), pyrrhotite (Fe $_{(1-x)}$ S), and sphalerite (Fe,Zn)S were commonly identified as accessory minerals. Pentlandite, ((Fe, Ni, Co) $_9$ S₈) was identified in three samples and marcasite (FeS₂) was identified in one (1) sample. Only one sample contained measurable amounts of pyrite (1.8 wt.%, by Rietveld analysis). No sulphides were identified in four (4) of the samples and all other samples contained sulphide in trace amounts.

In most cases the sulphides were disseminated and fresh without oxidized shells and often included within silicate minerals.

The major rock forming silicate minerals observed in this study include: quartz, feldspar (plagioclase and alkali feldspar), amphibole (cummingtonite and hornblende), biotite, muscovite, and chlorite. Plagioclase composition spanned the range from albite to anorthite composition with the latter when present likely to be more prone to more rapid weathering. The other major rock forming mineral was the oxide magnetite, which occurred in iron formation.

The rocks observed in this study can be subdivided into five groups based on the relative abundance of the major rock forming minerals: quartz-feldspar-rich, amphibolite (composed dominantly of amphibole



Environment	Document #: BAF-PH1-83	80-P16-0031
Life-of-wille waste Nock Wallagement Flan	Revision: 0	-
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 15 of 41

and plagioclase), magnetite-rich, mica-rich (biotite and/or muscovite), and chlorite-rich. However, field lithological classifications (which may be based on additional textural information) generally do not coincide with the above subdivision. No carbonate minerals were identified in this study, however, the Leco carbon content of the corresponding ABA sample set (data not available at the time of sample selection) were all less than 0.21%. Carbonates may also be present as fracture fillings or coatings at spacings beyond that assessed in the detailed mineralogy.

3.1.3.4 KINETIC TESTING

Ten (10) waste rock samples were run in humidity cells for 53 weeks in 2008 and 2009. A further 17 waste rock samples were initiated in humidity cell tests in May 2011 for between 109 and 120 weeks of reported data. Nine (9) of these samples were standard humidity cells and eight (8) were NP depleted humidity cells designed to assess drainage quality in the absence of carbonate NP. The pH of most cells was in the range of 5.5 to 7 throughout testing. Of the 17 cells in operation since 2011, three cells exhibited slowly declining pH throughout testing reaching a minimum measured weakly acidic pH of between 4.5 and 5 after approximately two (2) years of operation (under laboratory conditions). Selected humidity cell tests are planned to continue.

Kinetic testing results and cold climate conditions at site suggest the lag time to acid on-set in PAG rock would be on the order of five (5) years or longer.

Total sulphide content of samples is weakly correlated with sulphate release rates; however, through the current periods of testing metal release rates and trends vary among the cells. Though metal release rates are generally low in most cells, release rates are the highest in the lower pH humidity cells with notable release rates for cadmium, cobalt, copper, nickle, lead and zinc in two (2) cells which also contain near worst case solid concentrations for these metals in Deposit 1 mine rock.

Work is continuing on mineralogical characteristics and kinetic testing to improve the understanding of the long term behaviour of the low NP and low AP PAG waste rock materials.



Environment	Document #: BAF-PH1-83	30-P16-0031	
Life-of-Mine waste Rock Management Plan	Revision: 0		
-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 16 of 41	

3.2 FIELD TEST PILES

Work is continuing to confirm the feasibility of developing field test pads at the site using selected waste rock material generated during early mine development. If feasible, field test piles will be setup and instrumented for both thermal monitoring and drainage quality. Operation and monitoring of such test piles would better inform the project about projected drainage quality and water quality modeling assumptions under site-specific cold climate conditions. Where field test piles are established, laboratory testing representative of the test pile material will also be completed to provide direct comparison and insight into the scaling factors from laboratory to field.

3.3 Construction of the Waste Rock Stockpile

3.3.1 Deposition Strategy

The low quantities of PAG material identified in hanging wall and footwall rocks, and the apparently slow sulphide reactivity, supports the planned management of PAG materials by encapsulation in a permafrost core of the constructed stockpile and the outer 50m of the dump being constructed of non-PAG material.

Because of the northern location, it is likely that the majority of waste rock area material will be permanently frozen, and that only the upper surficial material will be subject to seasonal freezing and thawing. The frozen material is expected to form an effective barrier for acid-forming reactions since liquid water is largely unavailable and this will limit the potential for sulphide oxidation.

Waste rock will be deposited in lifts, using deposition methods that would enhance permafrost aggradations into the Waste Rock Stockpile using the guidelines presented in Section 3.3.2. As far as possible, a bottom layer of non-PAG waste rock will be placed while the ground is frozen allowing the level of permafrost to rise in elevation by conduction. It expected that a permanently frozen impermeable core will form in the waste rock storage area within the first few years after placement. The technical memorandum on the development of permafrost in waste rock stockpiles is included in Appendix 2.

Studies of waste rock in permafrost demonstrate that these frozen layers form an effective barrier to water and oxygen, thereby preventing significant oxidation of sulphidic waste rock located below the surficial active zone. The surficial "active" layer, which will be subject to seasonal freeze-thaw, will be constructed of non acid generating rock as the waste rock stockpile develops.

Therefore, over the long term, runoff water quality which is influenced by contact water that flows through the active layer in the waste rock stockpile will not be affected.



	Environment	Document #: BAF-PH1-83	80-P16-0031
-	Life-of-wille waste rock wanagement Flan	Revision: 0	
	Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 17 of 41

3.3.2 GUIDELINES USED TO DEVELOP THE WASTE ROCK STOCKPILE

The design of the waste rock storage area is based on the conservative assumption that up to 20% of the waste rock could be potentially acid-generating. The design guidelines which follow will develop over time as the results of any on-going studies and site specific experience developed:

- A 2- to 3-m thermal barrier of non-PAG waste rock will be placed during the winter months to
 protect the permafrost layer during the summer months and allow development of the permafrost
 through conduction
- PAG waste rock should be segregated from non-PAG rock and encapsulated within the pile
- At closure, the active layer of the waste dumps should consist of non-PAG rock
- Final toe 100 m from the final pit crest, to be reviewed after further geotechnical drilling and stability analysis
- 2:1 (H:V) overall slopes
- 1.5:1 (H:V) individual lift slopes
- 10-m lifts, triple-benching (30 m benches)
- 15-m berms between benches
- 150-m segments (5 benches)
- Upper segment (above 680 m elev.) toe moved back 120 m from crest of bottom segment (below 680 m elev.)
- No overburden or PAG rock in the upper segment
- No overburden or PAG rock in the in-pit dump
- Overburden or PAG rock contained within a cell of non PAG
- Overburden located in southeast corner (with short haul in case needed for reclamation); and
- PAG rock all in same watershed in the waste rock stockpile.
- Haul ramps for the waste stockpile are similar in design to those within the pit at 33 m wide with 10% grade. Final access ramps are from the east and west sides of the pit, tying into the pit design.
- Overburden is surrounded with non-PAG waste rock to steepen the slopes. A separate overburden structure would require shallower slopes of 2.5:1 (H:V) and would result in a larger footprint. Enclosing the overburden slopes within the non PAG rock was chosen as a preferred option.
- The perimeter of the waste rock stockpile will be a minimum of 31 m from any water body.



Environment	Document #: BAF-PH1-830-P16-0031		
Life-of-Wilne Waste Rock Wanagement Plan	Revision: 0		
fe-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 18 of 41	

For the conceptual arrangement and relationship in the waste rock storage area between the potentially acid-generating (PAG) rock and overburden cores (OB), and non-PAG waste rock cover, see Figure 3-1 (AMEC 2010b).

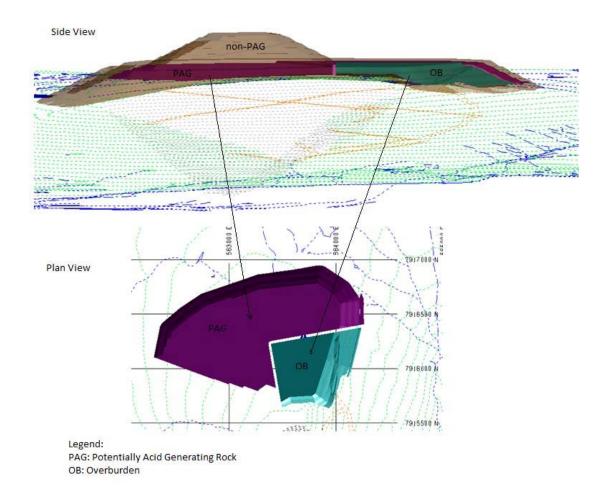


FIGURE 3-1: PLACEMENT OF WASTE ROCK

3.4 QUANTITIES OF WASTE ROCK GENERATED OVER MINE LIFE

A modification of the mining plan has resulted in a smaller tonnage of waste rock being produced in the earlier years of operations. The new mining plan produces up to 3.5 Mt of direct shipping ore annually during the first five years of operations and a total of 17.4 Mt of waste rock during years 1-5, none of which is PAG,



	Environment	Document #: BAF-PH1-83	80-P16-0031
-	Life-of-wille waste rock wanagement Flan	Revision: 0	
	Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 19 of 41

Following construction of the rail line and Steensby Port, production of ore and waste will increase quickly with a total of about 640 Mt of waste rock and 32 Mt of overburden produced over the thirty year mine life. Of this total up to 145 Mt may be PAG.

The volume of waste rock delivered to the waste rock storage area is recorded and may be reported as required.

3.5 Phasing of Waste Rock Deposition over Time

For a conceptual schematic of the expected development of the waste rock stockpile footprint over the life of the mine, see Figure 3.2 (AMEC 2010b). The initial waste rock storage layout for the first five years of mining, Phase 1 of the waste rock stockpile, is illustrated in Appendix 6, Phase 1 Waste Rock Management Plan, (BAF-PH1-830-P16-0029). As additional geochemical, geotechnical, and geological data are collected, and the detailed engineering is completed, the waste rock plan will be optimized based on the application of best management practices and efficiencies.

During the life-of-mine, a geotechnical investigation will be carried out in areas where there are potential instabilities. These results will be incorporated into the ongoing detailed mine plan. Specifically a stability analysis of the waste rock stockpile and the open pit will be carried out to show that the combined structures are stable (refer to "Slope Stability Analysis for the Waste Rock Dump" presented in Volume 3, Appendix 3B, Attachment 4).



Environment	Document #: BAF-PH1-83	30-P16-0031
Life-of-wille waste rock wanagement rian	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014 Page 20 of 41	Page 20 of 41

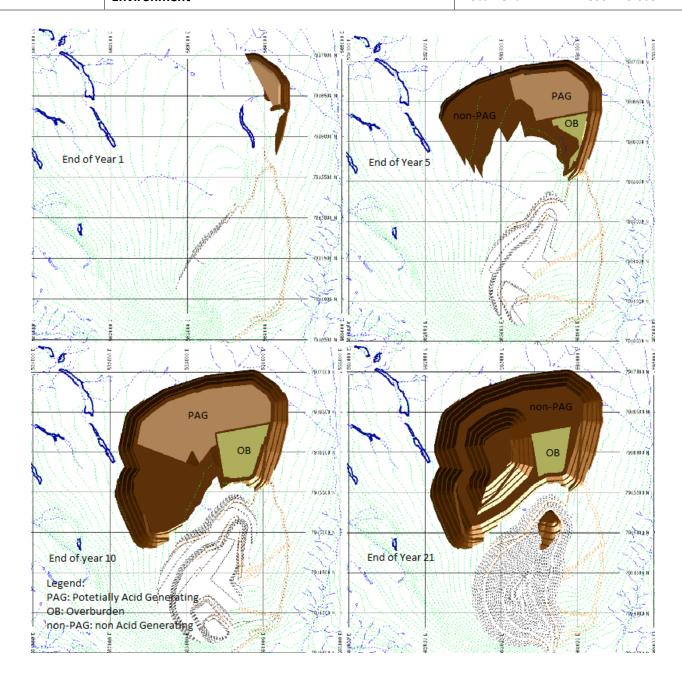


FIGURE 3-2: EVOLUTION OF THE WASTE ROCK STOCKPILE OVER THE LIFE-OF-MINE

3.6 ORE STORAGE

Ore mined in the pit will be dumped on a small run-of-mine (ROM) stockpile located near the mobile crusher located on the South side of the pit. The capacity of the ROM stockpile is expected to be in the order of 3,500 t.

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Environment	Document #: BAF-PH1-83	80-P16-0031
Life-oi-wille waste rock Management Flan	Revision: 0	
ife-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 21 of 41

Following crushing, the ore is loaded directly into ore transport trucks for transport to Milne Port. Since ore will be stored in these locations only temporarily and the drainage during operations is controlled, there is little concern about long-term potential effects of PAG material stored at these locations. Runoff Management and Monitoring

The stormwater management system with the associated dam safety assessment and dam design is included in "Stormwater Management and drainage system design" (H337697-0000-10-122-0001) in Appendix 1

3.6.1 WASTE ROCK STOCKPILE AREA

The first phase of runoff management for years 1-5 for the waste rock stockpile area will consist of channels formed by berms around the stockpile perimeter produced by two roads one on each side of the waste dump. These will channel the run off downstream of the waste dump where a sedimentation pond is formed by construction of a berm about 3 m high. The pond will be lined and is sized to contain the 1:100 year storm event falling on the dump area. Clean, non contact water from upstream of the waste dump will be diverted around the dump by upstream diversion berms. The sedimentation pond will have an overflow weir capable of passing the 1:200 year storm event.

Further phased drainage management berms and ponds will be designed as mining progresses. All phases of the run off management system are designed such that the discharge from sedimentation ponds flows directly into existing water courses such that surface erosion is minimized and no additional impacts are created.

The final run off management system for the waste rock storage area is shown in Figure 3-3 and will consist of collection berms around the perimeter and two appropriately sized surface water management (SWM) ponds. The system is designed to operate on the following basis:

- Clean or "non-contact" water will be diverted away from the waste rock stockpile to minimize the
 volume of water that comes into contact with the waste rock (contact water). The non-contact
 waters will be discharged (drain) into their respective watersheds.
- During freshet, runoff will be contained in two SWM ponds indicated in Figure 3-3 where suspended solids will settle out. Both SWM ponds are sized to contain the two (2) year return event for sedimentation purposes.
- The larger "west" SWM pond, of 700,000 m³ capacity and located west of the open pit and southwest of the waste rock stockpile, and will decant water to an existing drainage that leads to Camp Lake tributary 1 with final discharge intro Camp Lake.
- The smaller "east" SWM pond, of 400,000 m³ capacity and will discharge to an existing drainage that reports to a tributary of the Mary River.



Environment	Document #: BAF-PH1-83	80-P16-0031
Life-of-wille waste rock wanagement Flan	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 22 of 41

The volume of sediment to be collected in the SWM ponds will vary from year to year. Ponds will be inspected after freshet and the sediment removed when required. The sediment is non-toxic and will be hauled to the waste rock stockpile for disposal.

Collection berms will be designed during the detailed design phase when the final configuration of the stockpile has been determined.

The SWM pond collection system will be monitored for runoff quality and compared with MMER criteria. Berms rather than ditches will be used to provide drainage diversions in consideration of the challenges in the arctic, e.g., ice-rich soils and lenses. Berm construction is designed to maintain the frozen layer and prevent any subsurface flow or flows that would undermine the berms.

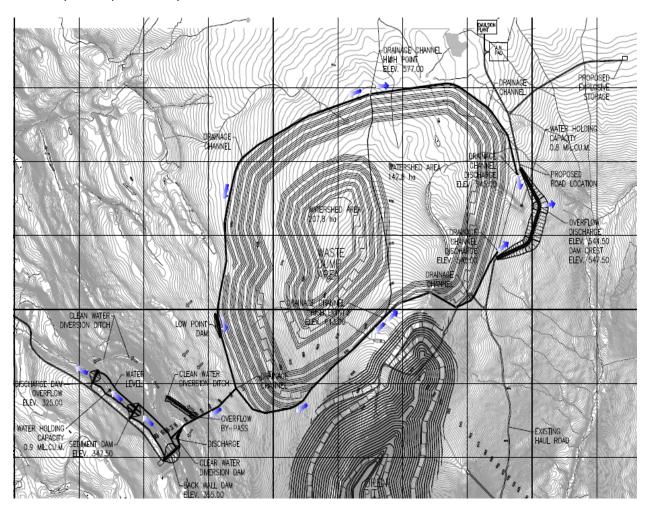


FIGURE 3-3: WATER MANAGEMENT STRUCTURES FOR THE WASTE ROCK STORAGE AREA



Environment	Document #: BAF-PH1-830-P16-0031	
Life-of-Mine Waste Rock Management Plan	Revision: 0	
	Issue Date: April 2014	Page 23 of 41

3.6.2 MINING AREA RUN-OFF

Runoff from the mining area/open pit will require sedimentation to meet TSS requirement before discharge. This will be sent to the Life-of-Mine East SWP for sedimentation before discharge.

3.6.3 Run-off Water Quality

Snow will accumulate in the waste rock stockpile during the winter and during the summer the melted snow along with any rainfall will seep through the active zone runoff the sides of the dump or drain from the foot of the perimeter of the dump. The estimate of waste rock stockpile run-off water quality is presented in Appendix 4, "Interim Waste Rock Stockpile Seepage Quality Model Report, Mary River Project". Dated January 2012. Prepared by AMEC. This shows that, following sedimentation, runoff from seepage of water through the waste rock meets all the MMER discharge requirements.

Run-off from the open pit area has also been modelled and the results presented in Appendix 5, "Interim Open Pit Water Quality Model Technical Memorandum, Mary River Project". January 2012. Prepared by AMEC. This shows that, following sedimentation, open pit area runoff meets the MMER discharge requirements.

This modelling does not take into account the potential for explosive residue material remaining on the waste rock after blasting to be dissolved by seepage water as ammonium or nitrate ions and carried downstream. This can lead to nitrate and/or ammonia levels in receiving water bodies exceeding acute toxicity limits.

With the use of modern emulsified explosives the potential to dissolve in water is very low and with the use of best management practices in explosives handling and blasting the risk is considered to be very low. As such no treatment of mine effluent for ammonia or nitrate is anticipated to be required.

Experience acquired at the Diavik mine indicates that the use of good SOP and best management practice for handling and loading of explosives in blastholes can reduces losses of explosives.

3.6.4 RUN-OFF WATER TREATMENT ALTERNATIVE

Water quality modelling (Appendices 4 and 5) indicates that the waste rock pile and open pit area runoff water will not contain concentrations of metals in excess of discharge requirements based upon the Metal Mining Effluent Regulations. In addition, ammonia and nitrate in runoff are not expected to cause receiving water impacts or regulatory exceedances.

However, In the event that ongoing WQ modelling or field monitoring shows a trend toward exceedance of discharge requirements, then water treatment facilities will be constructed.

A review of the treatment schemes that were considered for both metal and ammonia/nitrate removal follows:



	Environment	Document #: BAF-PH1-830-P16-0031	
	Life-of-Mine Waste Rock Management Plan	Revision: 0	
Life of Mine Waste Book Management Dlan	Issue Date: April 2014	Page 24 of 41	

3.6.4.1 POTENTIAL RUNOFF WATER TREATMENT ALTERNATIVES FOR METAL REMOVAL

Resins

The ion exchange resins are insoluble matrices usually in the form of small diameter balls. This material is structured to present a multitude of pores on the surface to trap metal ions in the case of contaminated mine drainage. A variety of this material is available on the market, each resin should be chosen based on the elements to be captured. This technology has been set aside until more detailed waste characteristics are available to establish the operating costs for such a system. In addition, the operation of ion exchange equipment is quite complex and this is a key concern for this site.

Polymer Addition

Certain polymers are able to effectively precipitate the Nickel. However the chemical costs for these proprietary chemicals is not considered cost-effective. This will be reviewed when more detailed waste characteristics are available.

Sodium Hydrosulfite Treatment

Sodium hydrosulfite is added to cause metals to precipitate as sulphides which can then be sold for further processing to recover the metals. The precipitated metals and water are pumped into a clarifier where the treated water is discharged into the environment and solids are removed to be managed. This process has been set aside until more detailed waste characteristics are available to establish economic feasibility of such a system.

Ozonation

The ozonation process is mainly used for the treatment of drinking water. Ozone is generated from oxygen in the air. Subsequently, ozone is bubbled into the water to be treated. Ozone oxidizes the transition metals to their higher oxidation states in which they usually form less soluble oxides and are easy to remove by filtration. Metals that can be removed in this way include Fe, Cd, Cr, Co, Cu, Pb, Mn, Ni and Zn. This method produces very little sludge however the purchase of an ozone generator capable of treating a continuous flow of water is very expensive. In addition, costs in energy consumption could be high. As such this treatment method has been discounted.

Biofilters-Sulphide Precipitation

The principle of biofiltration is used for many applications in the treatment of water for many years. It consists of passing water to be treated through a granular bed where a biofilm will be developed by microorganisms. In the case of water contaminated with metals, the sulphate-reducing bacteria will result in the precipitation of metal sulphides and thus removing metals from the effluent. The bacteria moderated process requires constant operating conditions which are difficult to maintain in site conditions for a plant at Mary River and this technique is not considered appropriate.



	Environment	Document #: BAF-PH1-830-P16-0031	
	Life-of-Mine Waste Rock Management Plan	Revision: 0	
Life of Mine Waste Book Management Dlan	Issue Date: April 2014	Page 25 of 41	

Activated Carbon

Activated carbon has a microporous structure which gives the material a high adsorption capacity. As water passes through a carbon filled filter vessel metals are adsorbed and the water treated is discharged. After saturation, the carbon is "stripped" of the contaminants and regenerated. The costs and complexity associated with this option mean that it will not be considered further.

Lime Precipitation

By far, the most commonly used commercial process for treating metal contaminated mine drainage is lime precipitation where an aqueous solution of CaCO3 precipitates metals as solid hydroxides which are then removed as a sludge. Although several other processes are also possible for metal removal, in this situation the simplicity of the system operation is a key requirement and as such lime treatment is the preferred technique as this is the simplest most reliable operation.

Contaminated waste rock run-off water will be directed through the sedimentation pond where suspended solids will settle out. The run-off water will then be pumped into the lime treatment plant. The first step is one where the drainage is neutralized in a mix tank with controlled addition of lime to attain a desired pH set-point (see figure 3-4).

The slurry is then contacted to a flocculants and fed to a clarifier for solid/liquid separation. Some sludge is recycled from the bottom of the clarifier to the neutralization tank. The clarifier overflow may be released directly or a sand filtration system or polishing pond may be used to further reduce residual suspended solids. It should be noted that several heavy metals will be precipitated during this process (AI, Co, Cu, Fe, Pb, Zn...).

The effluent leaves the system to be discharged to the environment (after controlling for pH) and the sludge is collected and dewatered before disposal. Carbon dioxide will be used for pH control. It reduces high pH levels quickly. It is not stored as an acid solution so it is considered safer than sulphuric acid and it is non-corrosive to pipes and equipment and requires less equipment and monitoring costs.

Note that the effectiveness of a treatment with NaOH (caustic) is similar to that obtained with lime. However, this product is more difficult to handle and more expensive.

Figure 3-4 below shows an example of the lime treatment system.



Issue Date: April 2014

Page 26 of 41

Revision: 0

Document #: BAF-PH1-830-P16-0031

Environment

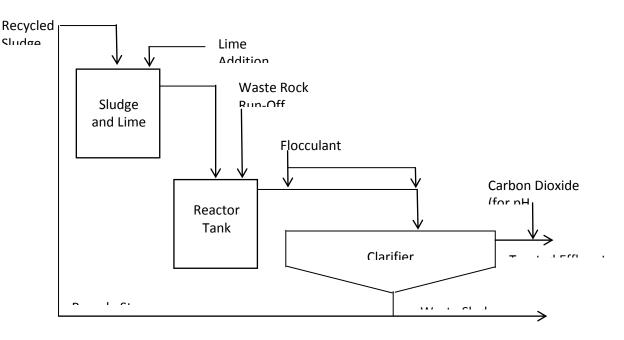


FIGURE 3-4: LIME TREATMENT SYSTEM

If required, the batch run-off treatment system will be located in the main infrastructure area to the South of the West SWP. The treatment system will discharge by pipeline directly to Mary River during the summer months. Run-off requiring treatment would be trucked to this facility from the other ore and waste rock run-off ponds at the mine site.

The final location and configuration of the outfall from the facility will be determined during final design. The sludge generated in the treatment facility will be tested before disposal for leachate toxicity characteristics. If suitable it will be disposed of in the landfill or in a designated location within the waste rock stockpile. If it fails the test and is designated as hazardous then it will be dried and shipped off-site for disposal.

3.6.4.2 POTENTIAL RUNOFF WATER TREATMENT ALTERNATIVES FOR AMMONIA/NITRATE REMOVAL The main risk of explosive residues in water is acute toxicity of effluent discharge. MMER discharges cannot be acutely toxic to the receiving environment.

Given the oxidising conditions of the system it is expected that nitrate will be more likely than ammonia to be present in run-off.

Nitrate and ammonia removal technologies can be divided into three categories. These categories are ion exchange, electrochemical ion exchange and biological de-nitrification.



Environment	Document #: BAF-PH1-830-P16-0031		
Life-of-Mine Waste Rock Management Plan	Revision: 0		
	Issue Date: April 2014	Page 27 of 41	

Biological De-nitrification (for removal of both ammonia and nitrate)

Ammonia is typically removed from wastewater via biological nitrification according to the following two-step reaction; the first step is moderated by Nitrosomonas bacteria, the second by Nitrobacter bacteria. The nitrification process results in the end formation of the nitrate ion and the nitrates then converted to nitrogen gas in a process known as biological denitrification.

The bacteria moderated process requires constant operating conditions which are difficult to maintain in site conditions for a plant at Mary River and this technique is not considered appropriate.

Ion Exchange

<u>Nitrate</u>: Nitrates are soluble and cannot be treated via neutralization or precipitation, but they can be removed via ion exchange. A strong-base anion resin is typically used; however, it will attract sulfates even more readily than nitrates. This can be a capacity problem for nitrate removal if sulphate levels are high, so more selective nitrate resins should be used when this is the case. Both resins are regenerated with sodium or calcium salts. This process produces a brine waste that must be handled.

<u>Ammonia</u>: Ion exchange systems treat ammonia effectively. The choice of resin depends on the other cations and anions in the wastewater that may interfere. The process produces a brine waste that must be handled.

Electro-Chemical Ion Exchange

Electrochemical ion exchange is relatively untested but does not generate a waste stream.

In this two-stage system ion-exchange (IX) is the first stage in which the ammonia is removed from the wastewater. Once the IX media is loaded with ammonium, the media is regenerated by circulating a brine solution through the column. The ammonium ion is transferred into the regenerant solution and is subsequently oxidized to N_2 gas using an electrochemical reactor. Thus, the regenerant solution can be continuously reused.

In the case of nitrate removal the nitrate is removed by a selective ion exchange resin first. Once the IX media is loaded with nitrate, the media is regenerated by circulating a brine solution through the column. The nitrate ion is transferred into the regenerant solution and is subsequently reduced to N_2 gas using an electrochemical reactor. Thus, the regenerant solution can be continuously reused.

Breakpoint Chlorination of Ammonia

In the breakpoint chlorination process, chlorine is added to wastewater to chemically oxidize ammonium ions to various products (primarily nitrogen gas); under proper operating conditions, 95 to 99% of the ammonia-nitrogen in wastewater can be converted to nitrogen gas. The system is simple and cost-effective.



Environment		Document #: BAF-PH1-830-P16-0031	
Life-of-Mine Waste Rock Management Plan	Revision: 0		
	Issue Date: April 2014	Page 28 of 41	

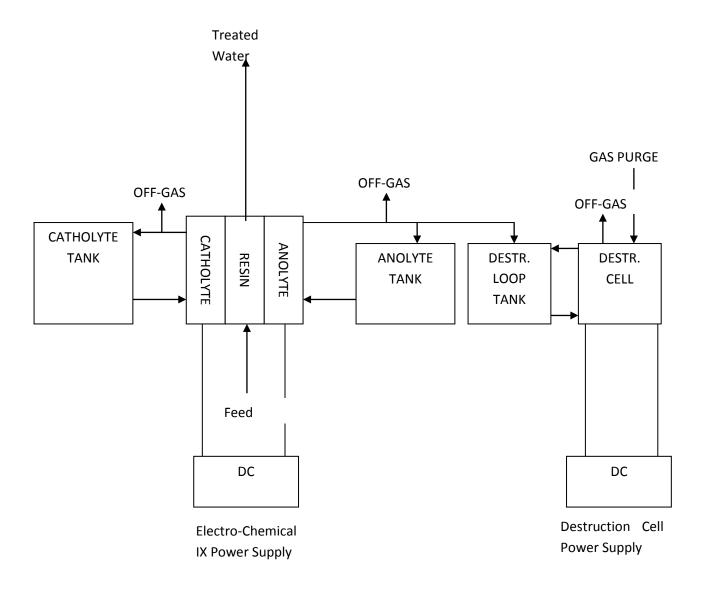
Preferred Potential Treatment method for Nitrate/Ammonia removal

Based upon the descriptions of the various process options above if a nitrate removal system is deemed necessary it would be electro-chemical ion exchange. Although this system has a relatively high capital cost the operating costs are low, there is no waste stream to handle and it does not have the difficulties with varying feed concentrations that biological treatment systems have.

Ammonia would be removed through breakpoint chlorination method.

A schematic of the proposed electro-chemical ion exchange process is given below:

Electro-Chemical Ion Exchange



The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014 Revision: 0	Page 29 of 41
Environment	Document #: BAF-PH1-830-P16-0031	

4 CLOSURE

Full details of project closure are included in the existing Interim Mine Closure & Reclamation Plan (BAF-PH1-830-P16-0012), and the approved Preliminary Mine Closure and Reclamation Plan (H339697-0000-07-126 0014) to be found in FEIS Appendix 10G. At closure the principal objectives are the safety of the public and maintaining the physical and chemical stability of the permanent structure to ensure that there is no long-term environmental impact.

Mine planning will ensure that at closure the exterior of the dump consists of a layer of non-PAG material up to 50 m thick. To minimize active layer thickness a stockpile of overburden will be retained to spread a layer of less permeable material over the top of the dump.

4.1 CLIMATE CHANGE CONSIDERATIONS

Studies of waste rock in permafrost demonstrate that permafrost forms an effective long-term barrier to water and oxygen, thereby preventing significant oxidation of sulphidic waste rock located below the surficial active zone. The surficial "active" zone, which will be subject to seasonal freeze-thaw, will not reach the 50m thickness of non-PAG material in the long-term (within 200 years) under the influence of climate change (Intergovernmental Panel on Climate Change, 2007).

Therefore, over the long term, runoff water quality which is influenced by contact water that flows through the active layer in the waste rock stockpile will not be affected.



Environment	Document #: BAF-PH1-830-P16-0031	
Life-of-Mine Waste Rock Management Plan	Revision: 0	
	Issue Date: April 2014	Page 30 of 41

5 ROLES AND RESPONSIBILITIES

For roles and responsibilities for implementation of the Waste Rock Management Plan, see Table 5-1.

TABLE 5-1: ROLES AND RESPONSIBILITIES

Position	Responsibility
VP Sustainability	 Accountable for environmental performance of the mining operation. Establishes goals and targets for environmental performance.
EHS Superintendent	 Responsible for implementing Baffinland Environmental Management Plans. Provides direction on environmental issues to the Site Management Team. Responsible for staffing Environmental Department. Supervises/conducts site inspection and audits. Initiates and manages environmental studies as required. Manages external environmental consultants/specialists. Responsible for environmental reporting as required by permits and authorizations.
	 Responsible for liaison with regulatory agencies on all environmentally related issues.
Environmental Consultants	 Provide specialist advice and input on environmental matters. Conduct environmental studies and monitoring programs. Conduct audits of operations, as requested. Prepare environmental reports.
Contractors/Subcontractors	 Contractors/subcontractors are considered equivalent to Baffinland staff in all aspects of environmental management and control and their responsibilities in this respect mirror those of Baffinland personnel. Contractor personnel will be included in the onsite induction process. Contractors/subcontractors are responsible for complying with the requirements of the EPP. Responsibilities of the contractors/subcontractors supervisors include the following: Conducting regular site checks/inspections to ensure that regular maintenance is undertaken to minimize environmental impacts; and Providing personnel with appropriate environmental toolbox/tailgate meetings and training.

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



En	vironment	Document #: BAF-PH1-830-P16-0031	
Life-of-Mine Waste Rock Management Plan	Revision: 0		
	Issue Date: April 2014	Page 31 of 41	

6 PERFORMANCE INDICATORS AND THRESHOLDS

Runoff quality from the waste rock and ore storage runoff management ponds is the most relevant environmental performance indicator. Discharge from these ponds shall not exceed the effluent quality limits of Part F, Item 25 in Type A Water Licence 2AM-MRY1325 and site-specific indicators shown in Table 6-1.

TABLE 6-1: DISCHARGE PERFORMANCE INDICATORS AND THRESHOLDS

Indicator	Units	Maximum Concentration of Any Grab Sample
рН		6.0 < pH < 9.5
Ammonia	mg/L	Monitored but not regulated
Nitrate	mg/L	Monitored but not regulated
Sulphate	mg/L	To be established
Arsenic	mg/L	0.5
Copper	mg/L	0.30
Lead	mg/L	0.20
Nickel	mg/L	0.50
Zinc	mg/L	0.5
TSS	mg/L	15
Oil and Grease		No visible sheen
Toxicity		Non-Acutely Toxic

In addition, Environmental Effects Monitoring or biological monitoring will be carried out as required by MMER.

Conductivity, pH and sulphate will be used as early-warning indicators to identify potential acid generation in the waste rock storage area. Ammonia and Nitrate will be monitored in run-off to ensure that no explosive material remaining on the blasted waste rock has been dissolved by water infiltrating the active layer.

Any contaminants of potential concern identified from on-going testing will be measured to provide temporal data on effluent quality that could potentially affect the receiving water quality.

The Aquatic Effects Monitoring Plan (AEMP) will be implemented to monitor environmental effects of effluent discharge from the SWM ponds at Mary River. Results of the AEMP can trigger additional adaptive management actions such as further treatment of pond effluent, if required.



	Environment	Document #: BAF-PH1-830-P16-0031		
Life-of-Mine Waste Rock Management Plan	Revision: 0			
	Issue Date: April 2014	Page 32 of 41		

7 MONITORING AND REPORTING REQUIREMENTS

7.1 EFFLUENT QUALITY MONITORING

Effluent quality monitoring consists of acute toxicity test work and effluent quality monitoring. All water quality monitoring locations are shown in the Environmental Monitoring Plan.

7.1.1 ACUTE TOXICITY TESTING

For the requirements of the acute toxicity test work, see MMER Schedule 5 and the Aquatic Effects Monitoring Plan.

7.1.2 WATER QUALITY MONITORING

Monthly water quality monitoring (starting after freshet until end of September) will include the following information and analyses:

- Sampling location
- Temperature of the water
- Specific conductance; TSS.
- pH, alkalinity, acidity
- Concentrations of ammonia, sulphate and nitrate
- Concentrations of arsenic, copper, lead, nickel, zinc

Annual water quality monitoring will include the monthly analyses, plus mercury, aluminum, cadmium, chromium, iron, and molybdenum.

7.1.3 GROUND TEMPERATURE MONITORING

Following consultation with experts from NRCan, the appropriate instrumentation will be installed in the waste rock stockpile to monitor ground temperatures and confirm the aggradations of permafrost within the waste rock stockpile and the thickness of the active layer.

Data from temperature sensors installed to monitor the ground temperatures will be collected on a regular basis and used to ensure that frozen conditions are maintained below the waste rock stockpile. In addition, the data will be used to calibrate the waste rock stockpile thermal model.

Baffinland will carry out thermal modeling of the waste rock stockpile when suitable data is available to demonstrate the robustness of the proposed waste rock stockpile deposition design and confirm that frozen conditions are maintained in the waste rock stockpile. This will take long-term climate change into account (200 years).



Environment	Document #: BAF-PH1-830-P16-0031	
Life-OI-IVIIIIe Waste Nock Wallagement Flan	Revision: 0	
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 33 of 41

In the detailed design phase, a geotechnical investigation will be carried out in areas where there are potential instabilities. These results will be incorporated into the detailed design. Specifically a stability analysis of the waste rock stockpile and the open pit will be carried out to show that the combined structures are stable (refer to "Slope Stability Analysis for the Waste Rock Dump" presented in Volume 3, Appendix 3B, Attachment 4).

7.1.4 QA/QC

The QA/QC best practices that are outlined are designed to provide guidance to field staff and analytical laboratories to maintain a high level of confidence in the water quality data generated from the Project. The plan addresses best practice methods for water samples collected from lakes, streams, and rivers, treated wastewater effluent, drinking water, and site drainage.

7.2 DATA MANAGEMENT

The EHS Superintendent is responsible for data management and reporting related to waste management. The data management system includes conducting routine inspections and monitoring, and providing these results to appropriate parties as required.

7.3 REPORTING

An annual monitoring report will be submitted to the NIRB, NWB, QIA and other interested parties. The report will indicate:

- Dates on which each sample was collected for effluent characterization, sub-lethal toxicity testing, and water quality monitoring
- Location of the final discharge points from which samples were collected for effluent characterization
- Location of the final discharge point from which samples were collected for sublethal toxicity testing and the data on which selection of the final discharge point was based, in compliance with the MMER
- Latitude and longitude coordinates of sampling areas for water quality monitoring
- Results of effluent characterization, sublethal toxicity testing, and water quality monitoring;
- Methodologies used to conduct effluent characterization and water quality monitoring, and related method detection limits
- Charts showing trends in ground surface temperatures below and within the waste rock stockpile;
- Description of quality assurance and quality control measures implemented and data related to implementation of those measures.

The information contained herein is proprietary Baffinland Iron Mines Corporation and is used solely for the purpose for which it is supplied. It shall not be disclosed in whole or in part, to any other party, without the express permission in writing by Baffinland Iron Mines Corporation.



Environment	Document #: BAF-PH1-83	Document #: BAF-PH1-830-P16-0031	
Life-OI-IVIIIIe Waste Rock Wallagement Flan	Revision: 0		
Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 34 of 41	

8 ADAPTIVE STRATEGIES

Baffinland is committed to continuous improvement in its work activities to reduce risks to the environment and improve operational effectiveness. The strategy employed at Baffinland is regular monitoring supported by operational change and adoption of other mitigation measures if warranted.

For the waste rock stockpile, information obtained over the life of the Project from the on-going characterisation of the waste rock will provide the basis for most modification or changes introduced in deposition strategy, runoff management and eventual closure.

As per the requirements of Baffinland's Environmental, Health, and Safety (HSE) Management Framework to be found in FEIS Volume 10 - Appendix 10A, Baffinland will conduct and document regular management reviews of its Waste Rock Management Plan. Such reviews will ensure monitoring results for the waste management plan are integrated with other aspects of the Project and that necessary adjustments are implemented as required. These reviews also provide a formal mechanism to assess the effectiveness of management in achieving company objectives and maintaining ongoing compliance with Project permits and authorizations.



Environment		Document #: BAF-PH1-830-P16-0031	
	Life-of-wille waste rock wanagement Flan	Revision: 0	
	Life-of-Mine Waste Rock Management Plan	Issue Date: April 2014	Page 35 of 41

9 REFERENCES

Aker Kaeverner. 2008. Definitive Feasibility Study Report Mary River Iron Ore Project Northern Baffin Island, Nunavut.

AMEC 2010a. Baffinland Mary River Project – Trucking Feasibility Study, Interim ML/ARD Assessment of Tote Road Quarry and Borrow Pit Samples, Rev1 – Issued for DEIS. Memo dated December 2010.

AMEC. 2010b. Waste Stockpile Schedule by Period Map, Baffinland – Mary River DEIS. Project File No TDM-159952-0000-170-0001. Memo. July 16, 2010.

AMEC. 2014. Mine Rock ML/ARD Characterization Report Deposit 1, Mary River Project". Dated March 2014

Knight Piésold. 2008. Baffinland Iron Mines Corporation, Mary River Project Environmental Characterization of Deposit No.1 Waste Rock, Ore & Construction Material. Ref. No. NB102-00181/11-7. Draft Report. 18 December 2008.

Knight Piésold. 2009. Environmental Assessment of Waste Materials Originating from the Bulk Sample Program from Deposit No.1, Baffinland Mary River Project (NB09-00189, March 2009).

MMER. 2002. Metal Mine Effluent Regulations SOR/2002-222. Schedule 5, Part I

Intergovernmental Panel on Climate Change. 2007. Climate Change 2007: Synthesis Report

INAC. 1992. Mine Reclamation in Northwest Territories and Yukon, prepared by Steffen Robertson and Kirsten (B.C.) Inc. for Indian and Northern Affairs Canada.

Canada Council of Ministers of the Environment. 2007, Canada Council of Ministers of the Environment. 2007, Canadian Water Quality Guidelines for the Protection of Aquatic Life.

Jackson, G.D. and R.G. Berman. 2000. Precambrian Metamorphic and Tectonic Evolution of Northern Baffin Island, Nunavut. Canada. The Canadian Mineralogist 38: 399-421.

Johns, S.M. and M.D. Young. 2006. Bedrock Geology and Economic Potential of the Archean Mary River Group, Northern Baffin Island, Nunavut. Geology Survey of Canada. Current Research 2006-C5.

Young, M.D., H. Sandeman, F. Berniolles and P.M. Gertzbein, 2004. A Preliminary Stratigraphic and Structural Geology Framework for the Archean Mary River Group, Northern Baffin Island, Nunavut. Geology Survey of Canada. Current Research 2004-C1.