



INSPECTOR'S DIRECTION
Pursuant to Section 87(1) of the *Nunavut Waters*
and Nunavut Surface Rights Tribunal Act

September 5 2017

ISSUED TO: Baffinland Iron Mines Corporation via
Chief Operating Officer, Sylvain Proulx
sylvain.proulx@baffinland.com

RE: *Nunavut Waters and Nunavut Surface Rights Tribunal Act*
INSPECTOR'S DIRECTION

This is an inspector's direction to Baffinland Iron Mines Corporation (BIMC) under section 87(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, referred to in this direction as the Act.

BELIEF ON REASONABLE GROUNDS

I, Justin Hack, an Inspector designated by the Minister under section 85(1) of the Act, have reasonable grounds to believe that:

waters have been and may be used in contravention of the Act and a condition of a licence; and that the adverse effects of that use of water are causing, or may cause, a danger to the environment.

I) RELEVANT FACTS

1. The *waste rock water containment facility* (the facility) is a regulated facility and is considered a use of waters under paragraph (b) and (c) of the definition of "use" in the Act.
2. This facility has conditions associated with it under the water licence 2AM-MRY1325 *Amendment #1* (the licence).
3. While conducting a routine water licence inspection of Baffinland Iron Mines Corporation project in the Qikiqtani Region of Nunavut, between the dates of August 22-24, 2017, I observed 3 uncontrolled discrete seepages originating from the central toe of the waste rock water containment berm at approximately N71° 20' 43", W79° 14' 18".
4. Seepages from this facility were not designed as part of the original for-construction drawings associated with this facility, and therefore, this facility is not operating as authorized. This is a requirement, as described in Part D, Item 23; whereas:



- a. The Licensee shall construct and operate all infrastructure and Facilities authorized by the Board that are designed to contain, withhold, divert or retain Water and/or Waste, in accordance with all applicable legislation and industry standards.
5. Records obtained by Baffinland and field measurements taken during the inspection have shown that the water from the seepages have not met the effluent quality limits as required by Part F, Item 25 of their licence.
6. These records also indicate that the facility has been ineffective to adequately store and treat the acid rock drainage water prior to discharge. This is required in Part D, Item 19; whereas:
 - a. The Licensee shall prevent any chemicals, fuel or Wastes associated with the undertaking from entering any Water Body.
7. It is also important to note that during my inspection on August 22-24, 2017, I observed a team of BIMC employees adding soda ash through a mixing and pumping technique into the facility to raise the pH of the water to a level that is appropriate for discharge. This technique was not included in their *Waste Rock Management Plan* to treat non-compliant waters.
8. When I questioned BIMC employees about their need to increase the pH using this technique, I was informed that the facility was near capacity and could not hold any additional water if there were any precipitation events.
9. On the basis of my observations, I have reasonable grounds to believe that a contravention to both the licence and act has occurred.
10. To summarize, I believe that:
 - a. the facility was not constructed to an appropriate standard as per requirement, Part D, Item 23,
 - b. the licensee has not prevented wastes from entering water as per requirement, Part D, Item 19 and section 12 of the Act; and,
 - c. there has been a significant controlled discharge of non-compliant waters, contrary to Part F, Item 25 of the Water Licence 2AM-MRY1325.
11. Furthermore, I believe that adverse effects of these failures have caused, are causing, or may cause a danger to the environment unless resolved.
12. For those reasons, I gave an oral direction to BIMC through Sylvain Proulx on August 25, 2017 to prevent all seepages from the facility from entering the environment.

MEASURES TO BE TAKEN

Based upon the above grounds and in addition to the oral direction given on August 25, 2017, I hereby direct **Baffinland Iron Mines Corporation**:

1. To fix the Facility to the specifications provided in the approved for-construction drawing, within 30-days of this direction or prior to freeze-up, whichever occurs first.



2. To prevent all uncontrolled discharges from leaving the facility.
3. To amend their Waste Rock Management Plan with a plan for treating non-compliant water, including contingencies, and submit this plan to the Nunavut Water Board for approval. This amendment to their plan is to be submitted to the Nunavut Water Board and an inspector by October 31, 2017.
4. To produce a report that re-assesses the hydrological data of the waste rock pile drainage to determine if the size of their current facility meets industry standards in the North, taking into consideration freshet. This report is to be submitted to the Inspector and the Water Board by September 31, 2017.
5. To stop all other uses of water from this facility for any other purpose, including road watering and water for drill use.
6. To post this direction prominently in appropriate locations at the site, to otherwise inform appropriate persons of this direction, and take any other appropriate steps to ensure it is complied with.

This inspector's direction does not exempt any person from compliance with other relevant legislation.

Under section 90(1) of the Act, any person that fails to comply with a direction given by an inspector under section 87(1) is guilty of an offence and is liable on summary conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding one year, or to both.

New Information or Correction of Information

This direction is based on the information available to me at the time of making it. If you wish to bring additional information to my attention or correct any facts that might be in error, please do so in writing.

Review

Under section 87(3) of the Act, the Minister may, and if BIMC requests it the Minister must, review this direction. After review the Minister may leave the direction unchanged, alter or revoke it.

Signed this 5 day of September, 2017 at Iqaluit, Nunavut.

Justin Hack
Water Resource Officer



Field Operations, INAC
Iqaluit, Nunavut
867-975-4517
justin.hack@aandc.gc.ca

cc: Erik Allain, Sarah Forte, *Indigenous and Northern Affairs Canada*
Stephanie Autut, Sean Joseph, *Nunavut Water Board*
Laura Taylor, Bill Bowden, Wayne McPhee, Todd Burlingame – *BIMC*
Stephen Bathory - *QIA*