Appendix C:
Borrow Source Management Plan – Km 2
(BAF-PH1-830-P16-0030)

Baffinland Iron Mines Corporation

Borrow Source Management Plan – Kilometre 2
BAF-PH1-830-P16-0030
Rev 0

Prepared By: Jim Millard
Department: Environment
Title: Environment Manager
Date: Oct. 25, 2014
Signature:

Approved By: Tony Woodfine
Department: Operations
Title: Operations Manager
Date: Oct 26 / 2014
Signature:

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DOCUMENT REVISION RECORD

Issue Date MM/DD/YY	Revision	Prepared By	Approved By	Issue Purpose
25/10/2014	0	JM JM	TW TW	Issued for Use

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1 INTRODUCTION

The following document is a borrow source management plan for borrow source(s) at kilometre 2 of the Tote Road (KM2). For further detail regarding borrow source best management practices for the Mary River Project, see Appendix D (Borrow Source Approach) of the Borrow Pit and Quarry Management Plan (BAF-PH1-830-P16-0004).

During execution of the 2015 Work Plan, borrow material will be required from sources along the Tote Road, sources at the Mary River Mine Site and at the Milne Port site. Borrow material is an essential element for numerous construction activities including: concrete production, grading, laydown areas, backfill, fuel storage, camp expansion, local roads and administration and maintenance facilities, and heavy equipment storage; as well as operational activities such as sanding the road during winter. The purpose of this management plan is to outline the plan for operating the borrow source at KM2.

1.1 REGULATORY REQUIREMENTS

As with all quarries and borrow sources in operation and/or reclamation phases on the Mary River Project site, KM2 Borrow Source operation and reclamation shall be conducted in compliance with the Borrow Pit and Quarry Management Plan (BAF-PH1-830-P16-0004) and all federal, territorial and municipal statutes, regulations, bylaws, codes or policies regulatory requirements including Mine Health & Safety Act (Nunavut).

The financial security for rehabilitation of the Borrow Source, as per the NWB Type A Water Licence (2AM-MRY1325) and the Commercial Lease Q13C301 with the Qikiqtani Inuit Association will be estimated and posted during the Annual Work Plan and closure cost adjustment process.

1.2 CHANGES TO MANAGEMENT PLAN

For KM2 Borrow Source, any material changes to the activities and requirements stipulated in this management plan shall be approved in writing by the Operations Department or the Materials Handling Department in concert with the Baffinland Environmental Department..

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2 BORROW SOURCE LOCATION AND QUANTITY

All quarrying activity will be limited to lands identified in this Borrow Source Management Plan and as indicated in drawing H349000-2138-10-015-0002, attached in Appendix A. Operation will continue as necessary at existing borrow sources adjacent to the Tote Road at KM2. Please refer to Drawing H349000-2138-10-015-0002, attached in Appendix A for more information on the location of the borrow sites at KM2. Table 2-1 summarises the quantities expected to be extracted from this borrow source.

TABLE 2-1: BORROW SOURCE KM2 SPECIFICATIONS

Requirement	Description
NTS Map Sheet (1:50,000)	47H16
Borrow Source Vertices Coordinates (UTM) *Note as shown on drawing H349000-2138-10-015-0002 the borrow sources are within the Milne Port Potential Development Area	Km1A Source: • 7975201.56 N 503799.25 E (Centre point) • 7975257.86 N 503781.35 E (NW Corner) • 7975265.62 N 503793.75 E (N Corner) • 7975267.85 N 503809.49 E (NE Corner) • 7975143.45 N 503791.17 E (SW Corner) • 7975146.41 N 503822.61 E (SE Corner) Km1B Source: • 7974989.50 N 503787.94 E (Centre point) • 7975027.65 N 503754.13 E (NW Corner) • 7975033.15 N 503791.78 E (N Corner) • 7975032.51 N 503824.92 E (NE Corner) • 7974956.14 N 503758.42 E (SW Corner) • 7974934.98 N 503809.28 E (SE Corner) Km1C Source: • 7974709.80 N 503736.88 E (Centre point) • 7974855.77 N 503685.42 E (NW Corner) • 7974874.54 N 503722.58 E (N Corner) • 7974860.62 N 503755.62 E (NE Corner) • 7974589.24 N 503825.59 E (SE 1 Corner) • 7974538.06 N 503842.96 E (SE 2 Corner) • 7974514.06 N 503824.51 E (SE 3 Corner) • 7974581.12 N 503714.85 E (SW Corner) • 7974675.99 N 503695.97 E (W Corner)
Total Area of Borrow Site	Km1A = 0.3902 ha Km1B = 0.5494 ha Km1C = 3.2685 ha as shown in Appendix A
Volume with Contingency *Note the volume to be extracted the following year will be confirmed in the Work Plan for that year	50,000 m³
Area of Existing Clearing	2.104ha little clearing is required for larger area as site is primarily exposed gravels

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Requirement	Description
Area of Proposed Quarrying	Appendix A shows the borrow pit extents
Topsoil/Overburden Storage Area	None is required as site is primarily exposed gravels. If overburden topsoil is removed, it will be stockpiled on site and used for future reclamation
Access Roads/Trails	The borrow pit will be accessed directly from the Tote Road
Camp Locations	No camp will be built specifically for the borrow pit operation. Personnel will be housed at the existing Milne Port camp

2.1 BORROW SOURCE KM2

Borrow sources at KM2 are located at approximately kilometre 2 along the previous alignment of the Tote Road entering into Milne Port. As shown in Table 2.1, there are three borrow source locations in this area. The borrow source consists of glacial outwash gravels and sands that formed as a result of glacial action and water deposition and from windblown sediments. The sand deposits at KM2 are a combination of small amounts of windblown sediments mixed in with mostly alluvial sediments. In general, there is not a high concentration of carbonate materials in the KM2 borrow sites.

A large volume of this borrow type material has been successfully used over the past five years to support Tote Road and Haul Road construction and maintenance. There has been no evidence of the development of ARD or metal leaching processes at or downstream of the existing road embankment. It is unlikely that the materials from this borrow source will generate ARD and leach metals due to the following material characteristics:

- The origin of the materials are unconsolidated waterborne and windblown sediments and hence the unlikely presence of high concentrations of metals.
- There is an absence of sulphide minerals based on visual observations of the material.
- There is a lack of ARD or metal leaching evidence along the Tote Road embankment which contains a large volume of this material.

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FIGURE 2-1: BORROW SITE KM2 ALONG TOTE ROAD SHOWING GRAVELS

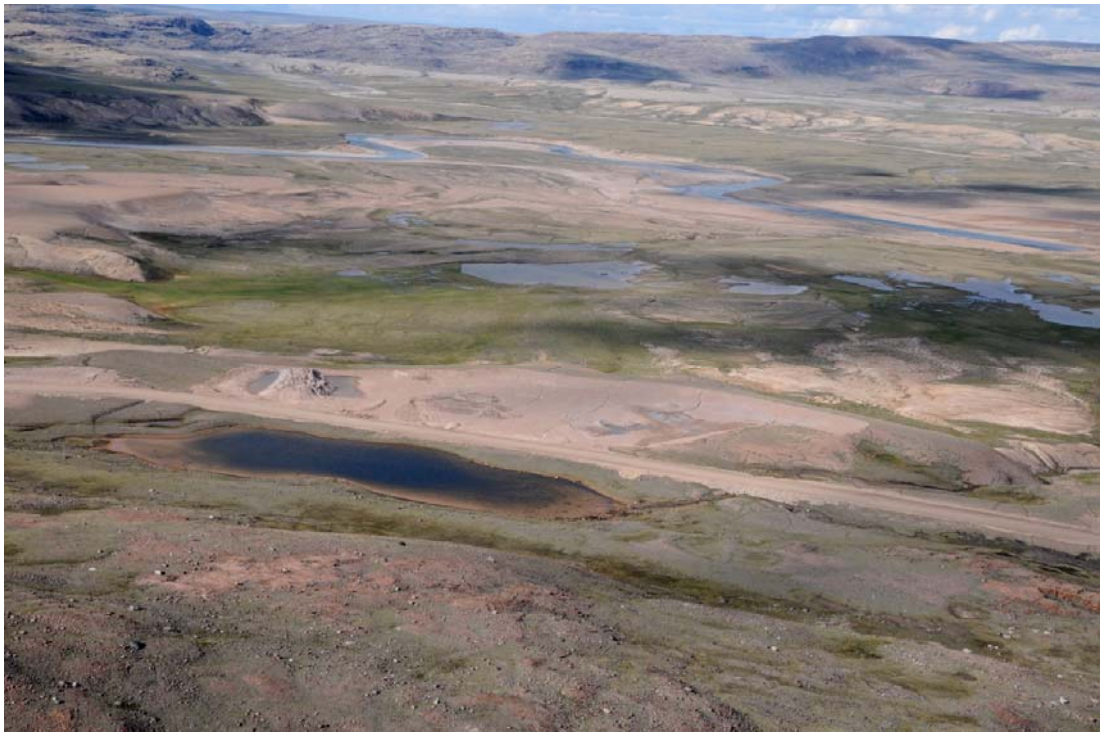

FIGURE 2-2: BORROW SITE KM2 SHOWING GRAVELS

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2.1.1 BORROW SOURCE DEVELOPMENT

The borrow source will be accessed for use along the Tote Road near Milne Port. Little site development is required. Storm water will be managed to ensure that rainfall does not collect at borrow source depressions and lead to potential permafrost degradation. Storm water drainage will be managed with finish grading and landscaping to divert surface water flow to natural flow patterns, perimeter ditching and/or berms to divert rainfall or snow melt to natural drainage channels (as required). Rip-Rap rock check dams will be placed at strategic locations along the drainage channels to minimize erosion by reducing flow velocities and to promote settlement of sediments prior to discharge downstream.

Prior to accessing the sites for material, a survey will be completed to establish a baseline of the topography.

2.1.2 ACCESS ROAD

This borrow source is close to the Milne Port Tote Road; therefore access to the area where the material is extracted will be directly via the old Tote Road routing. Borrow materials from the material source will be transported from the material source to the crusher pad at Milne Port for processing, if required, and subsequent loading of the final product. A dedicated embankment is not necessary since the existing soils will support the expected truck and equipment loads.

2.1.3 SUMMER EXTRACTION OPERATIONS AT BORROW SITE

Summer extraction of borrow can be achieved by simple excavation of thawed gravels at the surface, dozing the thawed materials into a stockpile, loading, and hauling to the crusher near Quarry Q1 or directly to the construction site for placement.

2.1.4 WINTER EXTRACTION OPERATIONS AT BORROW SITE

Although not expected, winter extraction of borrow material will use same method as summer extraction described in Section 2.1.3 unless the material is too solidified due to cold temperatures. In this case, with the use of a track drill, a bench is drilled and blasted at a designated elevation to begin bench development. Bench development can proceed from a higher elevation to a lower elevation or vice versa, depending on the topography of the site. Blasted borrow material will be hauled via haul truck to the crusher pad as crusher feed material to produce finished products or hauled to locations of use if crushing is not required.

2.1.5 BENCH DRILLING

As each drill round is blasted out, the drill either stays at this elevation to expand the bench in a longitudinal direction along the face, or the drill is repositioned to a higher or lower elevation to drill and blast subsequent benches. These benches are expanded in length as required for subsequent blasting of borrow at that elevation. Benches are created for safety and for efficient drill/blast operations.

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2.1.6 SUBSEQUENT BENCH DEVELOPMENT

Each bench proceeds toward the main body of borrow material at that elevation. Lower benches follow behind upper benches and are drilled and blasted to move toward the main body of material. Ramps may be constructed to the upper benches for truck loading near the blasted material. Whenever practical, benching will be minimized during borrow operations, instead utilizing the pushback of hills. When benches are deemed necessary to operate the borrow source safely and effectively, the benches will be properly re-graded upon closure of the borrow source to ensure natural drainage and avoid the pooling of water.

2.1.7 DRILLING FROZEN GRAVELS

Drilling frozen gravels is completed with the use of one or two drill rigs using small diameter boreholes less than 125 mm. The boreholes are laid out by a surveyor to the engineered spacing and burden for each particular rock type and geologic conditions. The drill is removed from the area for loading explosives and blasting. The drill can proceed along the bench to continue drilling or proceed to a new bench.

2.1.8 BLASTING OPERATIONS

Blasting frozen gravels is completed by installing high explosive detonating boosters at the bottom of each drill hole with initiation wires extending to the surface for connection to the blasting circuit. Once detonating boosters are loaded, pre-packaged sticks of explosives and/or loose pre-packaged emulsion (from bags) is loaded into the hole. Detonation and initiation is carried out with the use of delays to time the detonators in a fast millisecond sequence of smaller blasts for efficient loosening of the frozen gravels. Blasting lags behind the drill as more drilling is completed. As each new drill round is completed, the drill moves on and the drilled round is loaded with explosives or emulsion and blasted. Blasting will only occur if the gravels are frozen.

2.1.9 HAULING BORROW GRAVELS

The blasted material is loaded onto trucks for delivery to the crusher, temporary stockpiles or to locations for use.

As per the Commercial Lease Q13C301 the record of quantities of material removed from the borrow site will be reported on a regular basis in the same report as the other active quarry and borrow sources.

2.1.10 CRUSHING OPERATIONS

Borrow material is fed to the crusher and/or screening equipment to size and produce the desired finished rock product, stored in stockpiles and loaded into trucks for delivery to locations of use.

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3 ENVIRONMENTAL AND SOCIAL REQUIREMENTS

All environmental monitoring and inspections conducted at Borrow Source KM2 shall abide by the Borrow Pit and Quarry Management Plan (BAF-PH1-830-P16-0004) and all other applicable Project management plans including but not limited to the Environmental Terms and Conditions attached as Schedule "F" to the Commercial Lease Q13C301.

3.1 CULTURAL HERITAGE & ARCHAEOLOGICAL RESOURCES AT BORROW SOURCE KM2

All project areas have been assessed to some degree and although a number of archaeological or cultural heritage sites have been identified elsewhere on the Project site, none were identified in the area required for Borrow Source KM2. There is a very low potential to encounter undiscovered cultural heritage or archaeological resources when conducting construction activities such as excavating and site clearing. In the unlikely event cultural heritage and/or, archaeological resources are found or suspected to be found (i.e. Chance Finds) at Borrow Source KM2, all work will stop and the Environmental Protection Measures outlined in the Environmental Protection Plan (BAF-PH1-830-P16-0008) and Cultural and Heritage Resource Protection Plan (BAF-PH1-830-P16-0006) will be implemented.

It should be noted that Cultural Heritage sites include “Carving stone” resources. "Carving stone”, means uthugighak and sananguagaq in Inuktitut, refers to serpentines, argillite and soapstone as defined pursuant to Article 1.1.1 of the Nunavut Land Claims Agreement. In the event carving stones resources are found, Article 19 of the IIBA with respect to the rights of Inuit to Carving Stone shall be followed.

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4 BORROW SOURCE RECLAMATION

As per the Interim Mine Closure and Reclamation Plan (BAF-PH1-830-P16-0012) and the approved Preliminary Mine Closure and Reclamation Plan (H337697-0000-07-126-0014) for the Mary River Project, the primary goals relevant to the reclamation and rehabilitation of KM2 Borrow Source include:

- Provide for the long term physical and chemical stability of the area so as to protect the public health and safety and ecosystem integrity.
- Promote and enhance natural re-vegetation and recovery of disturbed areas that is compatible with the surrounding natural environment and allow for the future use by people and wildlife.
- Implement reclamation in a progressive, on-going manner during the life of the Project and restore sites as soon as an area is no longer required to limit the need for long term maintenance and monitoring.

To meet these goals both the Interim Mine Closure and Reclamation Plan (BAF-PH1-830-P16-0012) and the approved Preliminary Mine Closure and Reclamation Plan (H337697-0000-07-126-0014) for the Project specifically state[1] the following closure objectives to measure the effectiveness of the progressive reclamation for areas that impact watercourse(s) and drainage patterns as in the case of KM2 Borrow Source:

- Dismantle and remove/dispose of as much of the equipment as possible and restore natural drainage patterns.
- Stabilize and protect from erosion and failure for the long term.
- Achieve approved water quality criteria for surface drainage from the area.

4.1 REQUIREMENTS OF THE LANDOWNER

KM2 Borrow Source is located on Inuit Owned Lands that are managed by the Inuit Association in the region, the QIA. As such, KM2 Borrow Source is subject to the guiding principles for reclamation of Inuit Owned Land developed by the QIA. The QIA reclamation principles applicable to KM2 Borrow Source, include:

- Reclamation should be planned and executed so as to achieve a site which is physically, chemically, and biologically stable upon closure.
- Reclamation should result in a site which is aesthetically and environmentally compatible with the surrounding undisturbed landscape.

[1] See: Section 11, Interim Mine Closure and Reclamation Plan (BAF-PH1-830-P16-0012), and Section 11, Preliminary Mine Closure and Reclamation Plan (H337697-0000-07-126-0014)

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- Site-specific reclamation requirements should be consistent with the locally valued ecosystem components and regional planning objectives, including land use plans.
- Land use operations should be planned and conducted in a manner that minimizes reclamation requirements at closure.
- Land users may be required to undertake in post-activity monitoring to confirm reclamation objectives have been achieved.

4.2 SUCCESS CRITERIA OF KM2 BORROW SOURCE PROGRESSIVE RECLAMATION & REHABILITATION

Baffinland proposes that the KM2 Borrow Source will be considered reclaimed and rehabilitated when the site is:

- Physically stable and showing no further signs of ongoing permafrost degradation.
- Free draining through the use of swales and site grading, to prevent pooling/ponding of surface water.
- Consistently achieving water quality results within water quality limits as per Table 1 (Part D item 16 of the NWB Type 'A' Water Licence, 2AM-MRY1325).

The financial security held by the QIA for the borrow sources will be released once the criteria above have been satisfied and the environmental inspection is complete (as per the Abandonment and Reclamation Policy for Inuit Owned Lands – Qikiqtani Inuit Association).

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Appendix A –
Kilometer 1-2 Borrow Areas Drainage Plan – H349000-2138-10-015-0002

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DWG. NO. H349000-2138-10-15-0002

E 503000

E 504000

ORE STOCKPILE
EARLY REVENUE PHASE WORK
SUBJECT TO REGULATORY APPROVAL

EXISTING AIRSTRIP

WASTE DISPOSAL LAND FARM

COMMUNICATION TOWER PAD

MBP-C-05

MP-C-B

MP-Q1-02

PERMITTED OPEN BURN PIT AREA

CONSTRUCTION PAD C
CONCRETE BATCH PLANT

BORROW SOURCE
Km. 1A

MP-Q1-01

PROPOSED EXTENT OF
QUARRY Q1 DEVELOPMENT

MBP-C-4

MBP-C-3

NEW TOTE ROAD
ALIGNMENT

N 7975000

BORROW SOURCE
Km. 1B

BORROW SOURCE
Km. 1C

MBP-C-2

MBP-C-1

EXISTING TOTE ROAD

0 30 60 90 120 150
SCALE IN METRES

MILNE PORT

QUARRY/ MINE SITE

KEY PLAN

LEGEND:

- EXISTING WATERBODY
- PROPOSED FOOTPRINT OF BORROW AREA
- BAFFINLAND'S COMMERCIAL LEASE ON INUIT OWNED LAND
- EXISTING BOUNDARIES FOR BORROW AREAS AND ROCK QUARRY LOCATIONS
- POTENTIAL DEVELOPMENT AREA
- EXISTING STREAM
- OVERLAND FLOW PATH
- EXISTING DRAINAGE TO BE DIVERTED/ABANDONED
- SUFACE DRAINAGE DIVERSION
- INTERNAL SUFACE DRAINAGE
- RIDGE LINE (HIGH POINT)
- PROPOSED CULVERT
- EXISTING CULVERT (LOCATION APPROXIMATE)
- PROPOSED ROAD/UTILITY BERM
- EXISTING ROAD
- WATER QUALITY MONITORING LOCATION
- TOTE ROAD EAST SIDE DITCH
- 12 EXISTING CONTOUR

NOTES:

1. TOPOGRAPHY PROVIDED BY TERRAPOINT CANADA INC.
2. COORDINATE GRID IS SHOWN IN UTM (NAD83) ZONE 17 AND IS IN METRES.
3. CONTOURS ARE IN METRES. CONTOUR INTERVAL IS 2 METRES.

APPROVED FOR USE

REFERENCE DRAWINGS		
DRAWING NO.	DRAWING TITLE	
H349000-2100-10-015-0002	MILNE PORT SITE LAYOUT – DRAINAGE PLAN	

PERMIT TO PRACTICE
HATCH LTD.
Signature
Date 27/MAR/14
PERMIT NUMBER: P 512
The Association of Professional Engineers, Geologists and Geophysicists of NWT/NU

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REVISIONS					
NO.	DESCRIPTION	BY	CHK'D	APP'D	DATE
1	MONITORING LOCATIONS AND LAYOUT UPDATED	DS	AM	SH	2014-03-27

REGISTERED PROFESSIONAL ENGINEER
M. M. S. HASSAN
LICENSEE
NT/NU

ISSUE AUTHORIZATION			
REV.	ISSUE FOR	AUTH. BY	DATE
1	APPROVED FOR USE	SH DS	2014-03-27
0	APPROVED FOR USE	SH CL	2013-07-17

HATCH

DESIGNED BY A. MOHEBKHANI DATE 2013-04-18	DRAWN BY A.VALENCIA DATE 2013-04-18
CHECKED BY K. FALLAHI DATE 2013-07-17	DISCIP. ENGR. S. HASSAN DATE 2013-07-17
PROJ. DES. COORD. T. THERTELL DATE 2013-07-17	PROJ. ENGR. J. CLELAND DATE 2013-07-17
PROJ. MGR. S. PERRY DATE 2013-07-17	

Baffinland

MARY RIVER PROJECT

MILNE PORT
KILOMETER 1-2 BORROW AREAS
DRAINAGE PLAN

1

SCALE	DWG. NO.	REV.
1:3000 OR AS NOTED	H349000-2138-10-015-0002	1

ORIGINAL SHEET SIZE: ISO A1 (841 x 594)

sing66407
27/03/2014 11:14:55 AM
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Appendix B –
Concordance with Commercial Lease Number: Q13C301 – Schedule "B" Quarry Concession Agreement

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Concordance with Commercial Lease No. Q13C301 – Schedule "B" Quarry Concession Agreement

Reference	Condition	Section
Schedule B, Item #1	The landlord hereby authorizes the Tenant to quarry and take Specified Substances only from Land Use Areas within the Property designated as Impact Areas, and for the permitted purposes set forth in Section 2.5 in the Lease to which this Agreement is annexed as a schedule (the "Lease"). All quarrying activity shall be further exclusively limited to lands to be identified as a "Borrow Source", "Rock Quarry", "Quarry Site" or the Milne Inlet Tote Road in a "Quarry Management Plan" that shall be submitted by the Tenant to the Landlord, or Lands within the Property otherwise agreed to by the Landlord and Tenant, subject to the terms and conditions set forth in this Agreement. Each individual quarry site requires a Quarry Management Plan.	Section 2.0, Table 2.1
Schedule B, Item #4	On termination of the Lease, howsoever occurring, or upon closure of a quarry site from time to time during the Term, the Tenant shall restore the Lands in compliance with the closure and reclamation provisions of the Quarry Management Plan and the Lease.	Section 4.0
Schedule B, Item #7	All quarrying under this Agreement shall be carried out in accordance with the terms of the Mine Health & Safety Act (Nunavut), as the provisions thereof may apply.	Section 1.1
Schedule B, Item # 11	The Tenant represents and warrants that it is and shall remain in compliance with all federal, territorial and municipal statutes, regulations, bylaws, codes or policies and with the orders and requirements of any competent regulatory authorities, in respect of its entry and actions on the Lands.	Section 1.1
Schedule B, Item #12	"Carving stone" means uthugighak and sananguagaq, which means serpentines, argillite and soapstone as defined pursuant to Article 1.1.1 of the Nunavut Land Claims Agreement, and the Tenant shall in all respects comply with the provisions of Article 19 of the IIBA with respect to the rights of Inuit to Carving Stone.	Section 2.2
Schedule B, Item #15	The Tenant shall observe, perform and abide by all Quarry Management Plans and the terms and conditions of the Lease, including the Environmental Terms and Conditions attached as Schedule "F" to the Lease, and including all environmental	Section 3.0

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Reference	Condition	Section
	monitoring and inspection requirements respecting quarries and quarrying activity, whether pursuant to the Lease or a Quarry Management Plan, and the Tenant shall observe, perform and abide by any Best Practices or standards established from time to time.	
Schedule B, Item #18	The Tenant Further agrees:	
	a) Not to undertake any quarrying activities on the Property until the Tenant has obtained the Landlords' express written consent to a Quarry Management Plan, which consent shall not be unreasonably withheld; and	Awaiting QIA approval
	b) the Tenant shall not undertake or permit to occur any material changes in the Operations or the Work with respect to the Property under an approved Quarry Management Plan, until the Tenant has submitted in writing to the Landlord a proposed amended Quarry Management Plan and obtained the express written consent of the Landlord, which consent shall not be unreasonably withheld.	Section 1.2
Schedule B, Item #19	The Tenant shall deliver to the Landlord for its consent with its annual Work Plan by not later than November 1st in each Year during the Term of the Lease a proposed Quarry Management Plan for the succeeding Year which shall include:	
	a) a plan of property, including a physical description of the quarry areas the Tenant plans on accessing including detailed mapping coordinates and locations within the quarry areas to the satisfaction of the Landlord;	Section 2.0 Table 2-1 Appendix A
	b) anticipated volumes of materials in aggregate, and broken down for each quarry site, that the Tenant proposes to quarry in that Year;	Table 2-1. Annual estimate of material to be extracted to be provided in the work plan for the following year
	c) the details as to the construction and development of structures;	Section 2.1
	d) specific details for the proposed rehabilitation of the area for the Year covered by the Quarry Management Plan (and subsequent Years as appropriate);	Section 4.0
	e) specific plans to stock pile overburden and soil to be stored for	Table 2-1

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Reference	Condition	Section
	rehabilitation;	
	f) specific plans for the use of overburden and soil in rehabilitation;	Table 2-1
	g) plans for grading of the area back to its natural contours including reestablishment, to the extent possible, of flora disturbed by the Tenant's activities or presence on the Property; and	Section 4.0
	h) proposed abandonment and reclamation plans that are specific to each quarry location.	Section 4.0
Schedule B, Item #22	The Tenant acknowledges and agrees that any consent to a new Quarry Management Plan, or to an amended Quarry Management Plan may be subject to:	
	a) such increase in the Security Deposit to be held by the Landlord pursuant to the Lease; and/or,	Subject to annual work plan and securities review. See Section 1.1 and 4.2
	b) such further terms and conditions to address matters relating to, or that are in addition to or in substitution for, terms and conditions addressing the matters set out in Section 19 of this Agreement,	Not Applicable
	As shall be required by the Landlord, in its reasonable discretion, to address concerns reasonably arising out of Operations in respect of the new or amended Quarry Management Plan.	
Schedule B, Item #23	Once approved by the Landlord all quarry site locations are subject to survey by a Canada Land Surveyor at the Tenant's sole cost and expense.	Section 2.1.1
Schedule B, Item #29	A monthly report during Construction and a quarterly report during Operations shall be submitted by the Tenant to the Landlord indicating the quantity of materials quarried and the quantity of material removed from each quarry site relative to the total quantity of materials available at each quarry site.	Section 2.1.9

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