



Water Resources Division  
Nunavut Regional Office  
Iqaluit, NU X0A 0H0

*Your file - Votre référence*  
2AM-MRY1325

December 1, 2017

*Our file - Notre référence*  
CIDM#1188173

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**Re: Scope of Activities to Consider for 2018 Annual Security Review of  
Baffinland Iron Mines Corporation's 2AM-MRY1325 Type A Water Licence**

Dear Mr. Joseph,

Thank-you for the opportunity to comment on the scope of activities to be considered for Baffinland Iron Mines Corporation's (Baffinland) 2018 Annual Security Review (ASR) for their Type A Water Licence 2AM-MRY1325 amendment #1. Indigenous and Northern Affairs Canada's (INAC) has reviewed the activities proposed by Baffinland in their November 30, 2017 letter<sup>1</sup> and we have added our comments to Baffinland's Tables 1 and 2.

We reiterate our position shared in an email on November 30, 2017. INAC agrees to participate in a mid-year review, on the understanding that there will only be one, that it will consider all the modifications together, that it will be conducted after these modifications have been approved, and that timing is agreed on by all parties.

Our understanding of the next steps is that the Nunavut Water Board will provide correspondence defining the scope and schedule for the 2018 ASR. We are in agreement with the schedule proposed by the Qikiqtani Inuit Association in their December 1, 2017 letter<sup>2</sup>.

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<sup>1</sup> Baffinland Iron Mines Corporation, Re: 2018/2019 Annual Security Review Process Clarification, November 30, 2017

<sup>2</sup> Qikiqtani Inuit Association, Re : 2018 Annual Security Review Scope, December 1, 2017

Please do not hesitate to contact me at 867-975-3876 or [sarah.forte@aandc-aadnc.gc.ca](mailto:sarah.forte@aandc-aadnc.gc.ca) for any additional information.

Regards,

Sarah Forté  
Water Management Specialist

c.c.: Christopher Murray, Environmental & Regulatory Compliance Manager,  
Baffinland  
Stephen Williamson Bathory, Director of Department of Major Projects, QIA

Work Plan Item	Description	INAC comments
<i>From Table 1 – Activities deemed by Baffinland to require additional permitting or approvals</i>		
--	Reconciliation of 2017 Activities	Agree this should be included.
--	Mobilization of equipment and supplies as outlined in the security estimate	Agree this should be included.
Port Site Laydown Areas	Development of seven (7) laydowns in the Port area totaling 282,000 m <sup>2</sup> to improve the efficiency of material storage and management. The laydowns will be constructed by filling directly over undisturbed ground including filling in low lying areas that collect water. The lay down will be constructed utilizing blasted rock with granular topping to a total maximum thickness of 1 m, free draining to appropriate ditches and water courses.	Figure A.1 provided in the 2018 Work Plan shows these laydown areas covering several water bodies and streams. Part D Item 9 of the water licence specifies “ <i>The Licensee shall locate equipment storage areas on gravel, sand or other durable land, at a distance of at least thirty-one meters above the ordinary High Water Mark of any Water body to minimize impacts on surface drainage and Water quality.</i> ” Building these pads as presented is therefore not permitted by the licence. INAC therefore believes these should not be included in the ASR scope.
Relocate Buildings within the Port Site	Relocate existing facilities located in the general area of the fuel tank farm to improve the traffic management of the overall port area.	Agree this should be included.
Increase Stockpile Laydown Area	Realignment of existing shipload conveyor to improve stockpile laydown area management, including realignment of the stockpile laydown area resulting in additional 26,000 m <sup>2</sup> disturbed land.	This will require a modification since the stockpile pad sedimentation ponds will have to be resized to accommodate runoff from the increased pad sized.

<b>Work Plan Item</b>	<b>Description</b>	<b>INAC comments</b>
Infrastructure Upgrades	Installation of garages, site offices and equipment storage containers on laydown R3 (laydown identified in 2017 work plan).	We were unable to find maps where the laydown areas were shown, and therefore cannot judge the relevance of their inclusion in the ASR scope.
Mine Site Laydown	Development of an 11,400 m <sup>2</sup> laydown area adjacent to the 800-person camp. The laydown will be constructed utilizing blasted rock with granular topping to a total minimum thickness of 1 m, free draining to appropriate ditches and water courses.	Agree this should be included.
Mine Infrastructure Upgrades (Shops/Offices)	Construction of mine truckshop including two truck bays: a dual purpose wash and lube bay, and a general repair and maintenance bay. Includes concrete floor, overhead crane, and external tool crib, parts storage and HVAC modules. Reinforced concrete building foundation, floor slab and sump(s). Office, garage and workshop installation on existing laydown pad.	Agree this should be included.
Tote Road Upgrades (Laydowns)	Development of three laydown areas (R1, R2 and R3) for construction material laydown, equipment maintenance and welding workshops, site offices and containerized spares. The additional laydown space will optimize storage of materials and supplies and reduce traffic. The laydowns will be constructed by filling directly over undisturbed ground including filling in low lying areas that collect water. The laydown will be constructed utilizing blasted rock with granular topping to a total minimum thickness of 1 m, free draining to appropriate ditches and water courses.	We were unable to find maps where the laydown areas were shown, and therefore cannot judge the relevance of their inclusion in the ASR scope.

Work Plan Item	Description	INAC comments
IT Infrastructure Upgrades	Replacement and upgrade of IT infrastructure, including communication towers to allow for better IT system performance.	Agree this should be included
<i>From Table 2 – Activities deemed by Baffinland to require water licence modifications which they would like incorporated into the 2018 ASR</i>		
Waste Rock Sedimentation Pond (MS-08)	The work proposed for the Waste Rock Sedimentation Pond (MS-08) which encompasses the corrective actions and mitigation required to address current deficiencies would require a modification to the Water Licence. Understanding that this matter is currently under investigation by INAC, Environment and Climate Change Canada (ECCC) and QIA, Baffinland has significant concerns about the ability to implement mitigation and corrective actions in a timely manner if not considered in this ASR process. However, mitigation and corrective actions have not been finalized at this time and are still being prepared by consultants retained by Baffinland to provide expert opinion. Some of these mitigation measures will need to be implemented prior to the 2018 freshet to avoid further environmental impact, and can not be delayed by a subsequent mid-cycle ASR process.	This activity must be completed and therefore should be considered in the ASR. Baffinland has yet to provide indications on how they plan to proceed, which will increase the contingency necessary for this component.  INAC is of the opinion that both the Nunavut Water Board and ourselves should have the opportunity to comment on the security value assigned to this item.

Work Plan Item	Description	INAC comments
Crusher Pad Sedimentation Pond Expansion	<p>The existing Crusher Pad was expanded in 2017, and was captured under the 2017 Marginal Security Estimate as presented by Baffinland. The associated Sedimentation Pond requires upgrading its capacity to address the additional pad catchment area, and is considered carry over work from the 2017 Work Plan. However, a Water Licence Modification is required to implement these changes, and while a preliminary submission was prepared by Baffinland we were unable to respond in full to comments provided by INAC and elected to suspend the modification request to allow sufficient time for review and if necessary update the Civil Design Criteria for the revisions to the pond. Updates to this pond are required in advance of the 2018 freshet to avoid potential environmental impact, and can not be delayed by a subsequent mid-cycle ASR process.</p>	<p>This activity must be completed and therefore should be considered in the ASR. Baffinland has yet to provide indications on how they plan to proceed, which will increase the contingency necessary for this component.</p> <p>INAC is of the opinion that both the Nunavut Water Board and ourselves should have the opportunity to comment on the security value assigned to this item.</p> <p>We would like to make sure that inclusion of the crusher pad sedimentation pond expansion is kept distinct from the crusher pad expansion included in the 2018 Work Plan.</p>