

November 3, 2014

Baffinland Iron Mines Corporation 2275 Upper Middle Road East Oakville, ON Canada L6H 0C3

Re: Open Burn Sites –Milne Port and Mary River
Mary River Project – Water Licence No. 2AM-MRY1325

Dear Mr Millard:

This letter is to address Baffinland Iron Mines Corporation's (BIMC) *Proposed Action Plan*, submitted September 12, 2014, regarding the open burn sites at Milne Port and Mary River. This plan was developed due to concerns on-site which were documented in the Aboriginal Affairs and Northern Development Canada's (AANDC) Water Licence Inspection Report (August 29, 2014).

AANDC recognizes that BIMC has provided the required plan and photographic evidence \hat{E} as $^{^*}$ \hat{a} and their $Proposed\ Action\ Plan\hat{E}$ \hat{A} $_{\hat{a}}$ \hat{A} \hat{A} $_{\hat{a}}$ \hat{A} \hat{A} $_{\hat{a}}$ \hat{A} $\hat{$

This is to ensure that future operation of the open burn facilities remain compliant, including increased site security, an education and adaptive management strategy, compliance monitoring, and improved waste segregation procedures. Documentation of the plan is attached.

On-site verification of the measures implemented will be conducted by a Water Resource Officer during the next water licence inspecti[n.

Sincerely,

Justin Hack

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Water Resource Officer

Aboriginal Affairs and Northern Development Canada

cc. Erik Allain, Manager, Field Operations, AANDC Iqaluit Robert Savard, Water Resource Officer, AANDC Iqaluit Phyllis Beaulieu, NWB Jim Millard, BIMC

APPENDIX A

- Baffinland's Proposed Action Plan
- Images
 - Image 1: Installation of new locking gates
 - Image 2: Signage posted at the open burn areas
 - Image 3: New burn bin at Mine Site
 - Image 4: New burn bin at Milne Port
 - Image 5: Education regarding open burn



September 12, 2014

Resource Management Officer
Nunavut Field Operations
Aboriginal Affairs and Northern Development Canada
PO Box 219
Box 100
Iqaluit, NU X0A 0H0
Robert.Savard@aandc-aancd.cg.ca

Re: Open Burn Sites - Milne Port and Mary River Mary River Project - Water License No. 2AM-MRY1325

In response to the Milne Port and Mary River Concerns: Items 5 and 4 respectively (AANDC - Water License Inspection Form, August 29, 2014) the following plan has been developed to address the operational issues that have been noted by the inspector for these locations. The following plan outlines the strategies that Baffinland will adopt so that the open burn areas will comply with Baffinland's Waste Management Plan on an ongoing basis.

Identified Concern:

During the inspection of August 21-25, unapproved non-combustibles were observed inside the burn boxes at both Mary River and Milne Inlet. These conditions were also observed during previous inspections this year. As well, debris from the burn box was identified on the ground surrounding and adjacent to the burn boxes.

Proposed Action Plan:

Baffinland will take the following steps to ensure that future operation of the open burn facilities remain compliant. They are as follows:

Site Security

Baffinland will install locking gates to restrict the access to these areas to authorized personnel only, in much the same manner as the landfill at Mary River. This will in turn reduce the possibility of unauthorized deposition of unacceptable wastes to the locations, which could inadvertently be introduced into the burn. The gates restricting access will be installed on or before October 31st, 2014.

Education and Adaptive Management Strategy

Site Services will designate operators for this activity. The operators will be trained on the specific requirements necessary to maintain compliance. This training will consist of reviewing both the waste sorting guidelines as well as the SOP for open burning and records will be kept of the persons who have received the training. Also, clear signage will be posted at the burn locations outlining both acceptable and unacceptable waste types for the open burn facilities as well as the Baffinland's SOP for Open Burning. All signage and the SOP will be posted in both English and Inuktitut. Furthermore, Baffinland's Environmental Department will issue an Environmental Bulletin to be circulated to all departments and contractors to be reviewed in the toolbox meeting pertaining to waste management and the waste sorting guidelines. The bulletin will also address the specific criteria for wastes destined for the open burn facilities. Moving forward, no open burns will be conducted by Site Services personnel prior to receiving the aforementioned training. Also, all signage will be posted and the environmental bulletin will be issued on or before October 15, 2014.



Compliance Monitoring

Weekly inspections of the burn areas will be conducted by environmental personnel to ensure that all wastes being deposited in the area are in compliance with the SOP and that the area is kept tidy as well as to ensure that the ash from the burn cans is being emptied on a regular basis. If observations indicate that improper procedure has been followed, then the inspector will be informed and the open burn permit provided by the Environmental Department will be revoked and the Inspector contacted.

During the start-up phase of the continuance of the open burning practice, it is recommended that Site Services personnel contact the Environment Department to let them know a burn is to proceed. Environment personnel can then monitor the charged open burn box prior to ignition. Once there is evidence the open burn process is proceeding as required, these pre-burning inspections can be reduced and eventually eliminated.

Improved Waste Segregation Procedures and Housekeeping

Effective immediately, secondary waste segregation will occur during the loading process of the burn cans. Any waste found in the area that does not meet the required criteria for open burning will be removed from the open burn area by Site Services personnel and will be properly segregated and disposed of in the appropriate locations in accordance with Baffinland's Waste Sorting Guidelines. Ash will be removed from the open burn boxes on a weekly basis when burning is occurring. The ash will be allowed to cool prior to placement in the dump.

Should you require further information on the above, please feel free to contact the undersigned or Trevor Myers at (647) 253-0596 Ext. 6010 or Jim Millard at (902) 403-1337.

Sincerely,

Allan Knight, B.Sc.

Environmental Coordinator

cc. Jim Millard, Trevor Myers, Oliver Curran, Erik Madsen, Jeff Bush, Lyle Hermmerling, Baffinland.

Justin Hack, AANDC

Stephen Williamson Bathory, QIA



Image 1: Installation of new locking gates



Image 2: Signage posted at the open burn areas



Image 3: New burn bin at Mine Site



Image 4: New burn bin at Milne Port



ENVIRONMENTAL BULLETIN NO. 6

Open Burn Guidelines

Please review the following points with crews and post these guidelines at strategic locations at or near your work area, as they pertain to waste segregation and the use of open burn facilities. If anyone has any questions, please do not hesitate to contact the Environment Department for clarification. It is important that we do our part when it comes to waste management to safe guard the environment where we work.

ACCEPTABLE OPEN BURN WASTE

Acceptable clean wood waste **permitted** for open burning includes the following products that are not suitable for re-use or recycling:

- Lumber
- Timber
- Pallets
- Paper products & paperboard packaging



NON-ACCEPTABLE OPEN BURN WASTE

Non-clean wastes **not permitted** for open burning includes the following products:

- · Treated or painted wood
- Plywood
- Petroleum-based materials
- Materials contaminated with petroleum or petroleum derivatives
- Petroleum products used as accelerants
- Plastics, electrical wire, Styrofoam or asbestos



GENERAL OPEN BURN PROCEDURE

- All acceptable open burn waste should be stockpiled and kept as dry as possible. Site Services should be contacted for material transport to open burn facilities.
- All identified open burn materials should be sorted to prevent deposition of unacceptable material prior to contacting Site Services for material transport.
- The main access gate for the open burn area will always be closed and locked when not in use by authorised Site Services personnel.
- · Absolutely no unauthorised deposition of open burn material should occur