Water Resources Division Resource Management Directorate Nunavut Regional Office P.O. Box 100 Iqaluit, NU, XOA 0H0

> Your file - Votre référence 2AM-MRY1325 Our file - Notre référence CIDM#1230858

November 9, 2018

Licence Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0B 1J0 E-mail: licensing@nwb-oen.ca

Re: Crown-Indigenous Relations and Northern Affairs Canada's reply to responses by Baffinland Iron Mines Corporation to technical comments on Km 107 Run of Mine Stockpile and Sedimentation Pond construction drawings for the Mary River Project, Water Licence 2AM-MRY1325 – Amendment No. 1

Dear Mr. Dwyer,

Thank you for your November 2, 2018 invitation to reply to responses by Baffinland Iron Mines Corporation (BIMC) to technical review comments from the Water Resources Division of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) on the above referenced notification of construction for Km 107 Run of Mine (ROM) Stockpile and Sedimentation Pond.

CIRNAC examined the responses and the remaining concerns are outlined in the results of our review are provided in the enclosed memorandum for the Nunavut Water Board's consideration. Comments have been provided pursuant to CIRNAC's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

If there are any questions or concerns, please contact either me at (867) 975-4282 or bridget.campbell@canada.ca or David Zhong at (867) 975-4555 or david.zhong@canada.ca.

Sincerely,

Bridget Campbell,

Water Resource Coordinator



Technical Review Memorandum

To: Mr. Richard Dwyer, Licence Administrator, Nunavut Water Board

From: Bridget Campbell, Water Resource Coordinator, Water Resources Division,

CIRNAC

Date: November 9, 2018

Re: Crown-Indigenous Relations and Northern Affairs Canada's reply to responses by

Baffinland Iron Mines Corporation to technical comments on Km 107 Run of Mine Stockpile and Sedimentation Pond construction drawings for the Mary River

Project, Water Licence 2AM-MRY1325 – Amendment No. 1

Applicant: Baffinland Iron Mines Corporation Project: Mary River Iron Mine Project

Region: Qikiqtani

A. BACKGROUND

On September 21, 2018, Baffinland Iron Mines Corporation (BIMC) submitted a Notification of Planned Construction Work at the Mary River Project (Project) to the Nunavut Water Board (NWB) on Water Licence 2AM-MRY1325 – Amendment No. 1, specifying the planned construction work. The construction of the Run of Mine (ROM) Stockpile Infrastructure will be located at Kilometer 107 (Km 107) of the Haul Road at the Mary River Mine Site and includes an access road to the stockpile and upgrades to the sedimentation pond and runoff management diversion berms around the stockpile. Baffinland stated that the sedimentation pond has been identified as 'MS-07' in the Licence, that the construction of this facility does not require a Modification to the Licence, and that minor updates to the Surface Water and Aquatic Ecosystems Management Plan and the Fresh Water Supply, Sewage, and Wastewater Management Plan will be required prior to operation of the facility. Baffinland notes that the construction of the ROM Stockpile Infrastructure is an approved part of the Final Environmental Impact Statement (FEIS) and is within the scope of the Project assessed and approved by the Nunavut Impact Review Board.

On October 5, 2018, CIRNAC responded to the construction notification with a technical review which offered six comments and recommendations. On November 1, 2018, BIMC submitted responses to those technical comments. Four of these responses are satisfactory to CIRNAC. The remaining two outstanding responses are outlined below.

B. Results of CIRNAC's Review

Comment 1: Sedimentation Pond Storage Capacity and Draining Issue

BIMC has explained in their response that the sedimentation pond will require draining "... once water contained within meets the applicable discharge criteria." It is still not clear if the sedimentation pond has sufficient capacity to accommodate a 10 year rainfall event when water contained within the pond does not meet the applicable discharge criteria and cannot be discharged.

Recommendation:

CIRNAC recommends that the sedimentation pond have sufficient capacity to accommodate a 10 year rain event while there is un- or undertreated water contained within the pond which does not meet the applicable discharge criteria and cannot be discharged.

Comment 3: Reclamation Security

BIMC acknowledges that the Km 107 ROM Stockpile and Sedimentation Pond infrastructure was not included in the 2018 Work Plan, nor was it included in the 2018 Work Plan Addendum, and security has not been posted for this infrastructure. Instead, this infrastructure has been included in the 2019 Work Plan under the "Works Carried forward from 2018 – Security Not In Place" heading on page 10. BIMC's assertion that they are over bonded for Earthworks in 2018 for separate infrastructure that was not constructed in 2018 (i.e. Laydown Pads) has no bearing on the security requirement for the Km 107 ROM Stockpile and Sedimentation Pond, as it (KM 107 ROM Stockpile and Sedimentation Pond) was never assessed under any previous annual security review.

Recommendation:

CIRNAC's recommendation is to not allow construction of the Km 107 ROM Stockpile and Sedimentation Pond until security is in place for this infrastructure following the Annual Security Review of the 2019 Work Plan.

Comments 2, 4, 5, 6:

No additional comments or concerns.