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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

September 11, 2020

File No: 2AM-MRY1325

By Email

Christopher Murray
Environmental & Regulatory Compliance Manager
Baffinland Iron Mines Corporation
Suite 300 – 2275 Upper Middle Road East
Oakville, Ontario, Canada L6H 0C3

Email: christopher.murray@baffinland.com

Re: Type “A” Water Licence No: 2AM-MRY1325, Mary River Project - Nunavut Water Board Response to April 30, 2020 Request for Modification of Monitoring Program by Baffinland Iron Mines Corporation

Dear Christopher Murray:

This letter is a response to the correspondence (Request) provided by Baffinland Iron Mines Corporation (Baffinland or Licensee) to the Nunavut Water Board (NWB or Board) on April 30, 2020 proposing that the Board modify the identifications of Monitoring Stations in Table 13 Monitoring Program: Milne Port Site and Table 14 Monitoring Program: Mary River Mine Site within the *Schedule I. Conditions Applying to General and Aquatics Effects Monitoring* of Water Licence 2AM-MRY1325 Amendment No. 1 (Licence).

The Licensee stated:

Baffinland is proposing location changes to four (4) sites and an inactivation of one (1) site at Milne Port due to the implementation of the Port Site Water Management Plan and associated construction activities in 2019. Baffinland is also proposing one (1) new station at Milne Port and an updated station location at Mary River...

An application was submitted by Baffinland in 2019 to revise the SNP monitoring stations associated with the Bulk Sample phase pit and stockpile, which had become inactive and were encompassed by the development of Deposit 1 on the initiation of the Early Revenue Phase. Baffinland proposed the relocation of these SNP stations, such that they would better characterize surface water quality associated with active development of Deposit 1, however a location for MS-MRY-10 could not be determined until the 2019 field season. Based on observations of surface water flow throughout the 2019 field season, Baffinland is proposing an updated and finalized location for MS-MRY-10, as presented in Figure 1.

Baffinland is proposing new locations for SNP stations MP-C-B, MP-C-B01, MP-Q1-01, MP-Q1-02 and a new station MP-C-J as presented in Figure 2. The new locations/areas have been selected to provide sufficient coverage for the monitoring of surface water drainage downstream of active construction and quarry work at Milne Port, following the implementation of the Port Site Water Management Plan. Baffinland is also proposing the de-activation of station MP-C-G.

The NWB information relevant to the proposed modifications is available from the Board's ftp site using the following link:

[ftp://ftp.nwb-oen.ca/registry/2 MINING MILLING/2A/2AM - Mining/2AM-MRY1325 BIMC/3 TECH/1 GENERAL \(B\)/2 ANNUAL RPT/2019/](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM-Mining/2AM-MRY1325%20BIMC/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/2019/)

The Request was part of the 2019 Annual Report document package. On May 19, 2020, the Request was distributed for public review along with the 2019 Annual Report documents. In its August 20, 2020 review of the 2019 Annual Report, Environment and Climate Change Canada (ECCC) inquired if "monitoring in the vicinity of MP-C-G is still warranted, and whether the [monitoring station] should be relocated, rather than discontinued".

On September 4, 2020, the Licensee responded:

This station no longer captures surface discharge downstream of construction due to the expansion of the Ore Pad at Milne Port. Furthermore, based on the Ore Stockpile Expansion, Station MP-C-B was relocated to a new location which captures the water that flows south of the ore pad... Effluent that would have originally been captured at MP-C-G, is now being directed in a newly constructed ditch and conveyed to Pond No. 3, where it can be collected and tested for compliance...

ECCC was satisfied with the explanation as confirmed in its correspondence received on September 4, 2020.

It should be noted that the Board sets out in Part B, Item 16 of the Licence:

If the Board subsequently determines that an item included in a Schedule requires revision in order to better reflect the intent and objectives of the Licence, the Board may at its discretion and upon providing written notice to the Licensee and interested parties, revise the Schedule accordingly. Unless the Board directs otherwise, such revision may not necessarily be construed as an "amendment" to the Licence.

The Board's opinion is that proposed modification generally meets the requirements of Part G of the Licence, including a sixty (60) days' advance notice for the modification. On the basis of the Board's review, the Board accepts that the changes as proposed in Baffinland's April 30, 2020 letter constitute modifications that are consistent with the existing terms and conditions of the Licence and has approved the Modification through Board Motion No. (2020-A1-007), as required by Part G, Item 2 of Licence.

The Board requires that all relevant management plans be updated to reflect the updated nomenclature for the Monitoring Stations. All updated documents shall be included within the 2020 Annual Report. The Licensee is reminded to adhere to Licence conditions set out in Part I, Items 6, 8, and 10.

The NWB would also like to highlight that any Licence terms and conditions referring to the Monitoring Stations' should be read with taking into account the enclosed modified Tables 13 and 14.

If you have any questions, please contact the undersigned at assol.kubeisinova@nwb-oen.ca or (867) 360 6338 (ext. 31).

Best regards,

Assol Kubeisinova,
Nunavut Water Board
Technical Advisor

Enclosure: Updated Schedule I, Tables 13 and 14

Cc: Distribution List – Mary River

Schedule I Conditions Applying to General and Aquatics Effects Monitoring**Modified Table 13: Monitoring Program - Milne Port Site**

Station	Description	Project Phases	Monitoring Parameters	Frequency
MP-MRY-2	Freshwater Intake at Phillips Creek (Summer)	Construction Operations Closure	Group 1	Record Daily Report Monthly
MP-MRY-3	Freshwater Intake from Km 32 Lake (Winter)	Construction Operations Closure	Group 1	Record Daily Report Monthly
MP-01	Milne Port Sewage Treatment Facilities (discharge into ditch prior to ocean)	Construction Operations	Groups 1, 2	Monthly
			Group 3	Annually
MP-01a	Milne Port Polishing Waste Stabilization Pond (PWSP)	Construction Operations	Groups 1, 2	Once prior to discharge and Monthly
			Group 3	Annually
MP-02	Milne Port Maintenance Shop Oily water/WWTF	Construction Operations	Groups 1 and 4	Monthly
MP-03	Milne Port Bulk Fuel Storage Facility Stormwater	Construction Operations	Groups 1 and 4 5	Daily Flow Monthly
MP-04	Milne Port Landfarm Facility Stormwater	Construction Operations Closure	Group 1 Group 5 Plus TSS	Daily Flow Monthly
MP-C-A	Surface discharge downstream of construction area at Milne Port	Construction	Groups 1 and 8	During periods of flow and following significant precipitation events, on a monthly basis
MP-C-B				
MP-C-C				
MP-C-D				
MP-C-E				
MP-C-F				
MP-C-H				
MP-C-J	Surface discharge south of Laydown LP3	Construction Operations	Groups 1 and 8	During periods of flow and following significant precipitation events, on a monthly basis

MP-05 (New)	Milne Port Ore Stockpile Sedimentation Pond (East)	Construction Operation ERP Closure Operation	Groups 1 and 7	Monthly during summer
			Group 3	Annually
MP-06 (New)	Milne Port Ore Stockpile Settling Pond (West)	Construction ERP Operations Closure	Groups 1 and 7	Monthly during summer
			Group 3	Annually

Modified Table 14: Monitoring Program - Mary River Mine Site

Station	Description	Phases	Monitoring Parameters	Frequency
MS-MRY-1	Freshwater Intake from Camp Lake	Construction Operations Closure	Group 1	Record Daily
MS-01	Mine Site Sewage Treatment Facilities	Construction Operations	Groups 1 and 2	Monthly
			Group 3	Annually
MS-01a	Mine Site Polishing/Waste Stabilization Pond (PWSP)	Construction Operations	Groups 1 and 2	Once prior to discharge and Monthly thereafter
			Group 3	Annually
MS-02	Mine Site Maintenance Shop Oily Water WWTF	Construction Operations	Groups 1 and 4	Monthly
MS-MRY-04	Exploration Camp Sewage Treatment Facility	Construction Operations Closure	Groups 1 and 2	Monthly
			Group 3	Annually
MS-MRY-04a	Exploration Camp Polishing Waste Stabilization Ponds (PWSP)	Construction Operations	Groups 1 and 2	Once prior to discharge and monthly hereafter
			Group 3	Annually
MS-03	Mine Site Bulk Fuel Storage Facility Stormwater	Construction Operations	Groups 1 and 5	Daily Flow Monthly
MS-04	Mine Site Fuel Unloading Station Stormwater	Construction Operations	Groups 1 and 5	Daily Flow Monthly
MS-05	Mine Site Landfarm Facility Stormwater	Construction Operations	Groups 1 and 5 Plus TSS	Daily Flow Monthly
MS-MRY-6	Exploration Camp Bulk Fuel Storage Facility (Bladder Farm) Stormwater	Construction Operations	Groups 1 and 5	Daily Flow Monthly

MS-06+	Ore Stockpile Pond Stormwater	Operations Closure	Groups 1 and 7	Monthly during summer
			Group 3	Annually
MS-07	Run of Mine Ore Stockpile Pond Stormwater	Operations Closure	Groups 1 and 7	Monthly during summer
			Group 3	Annually
MS-08	Waste Rock Stockpile West Pond	Operations Closure	Groups 1 and 7	Monthly during summer
			Group 3	Annually
MS-09	Waste Rock Stockpile East Pond	Operations Closure	Groups 1 and 7	Monthly during summer
			Group 3	Annually
MS-MRY-09	Deposit No. 1 surface water drainage (including the Bulk Sample Open Pit)	Construction Operations	Groups 1 and 7	Monthly (during summer)
			Group 3	Annually
MS-MRY-10	Deposit No. 1 downstream surface water drainage	Construction Operations Closure	Groups 1 and 7	Monthly (during summer)
			Group 3	Annually
MS-MRY-13a & MS-MRY-13b	Non-Hazardous Waste Landfill – Downstream surface water drainage	Construction Operations Closure	Groups 1 and 6	Daily Monthly
MS-C-A	Surface discharge downstream	Construction	Groups 1 and 8	During periods of flow and following significant precipitation events, on a monthly basis
MS-C-B				
MS-C-C				
MS-C-D				
MS-C-E				
MS-C-F				
MS-C-G (New)	Surface discharge downstream of construction area at Mine Site	Construction	Group 1 and 8	During period of flow and following precipitation events on a monthly basis
MS-C-H (New)				