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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

**File: 2AM-MRY1325  
Modification No. 3b**

January 18, 2019

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

Email: [christopher.murray@baffinland.com](mailto:christopher.murray@baffinland.com)

**RE: Licence No. 2AM-MRY1325 Type “A”; Mary River Project, Baffinland Iron Mines Corporation; Modification No. 3b - Milne Port Accommodations Camp Upgrade**

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Dear Mr. Murray:

On June 23, 2017, the Nunavut Water Board (NWB or the Board) received a request by Baffinland Iron Mines Corporation (BIMC or the Licensee) for a modification (the Request) to the amended Licence No. 2AM-MRY1325 (the Licence) issued to BIMC for the Mary River Project (the Project). The scope of work is to construct a 380-person camp and supporting infrastructure at Milne Port.

Copies of all documents received in support of the Request can be accessed through the NWB's Public Registry and FTP site using the following link:

[ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/6%20MODIFICATIONS%20\(G\)/Modification%20No.%203%20Milne%20Port%20Camp%20Upgrade/3b/](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/6%20MODIFICATIONS%20(G)/Modification%20No.%203%20Milne%20Port%20Camp%20Upgrade/3b/)

The Board notes that on June 9, 2017, BIMC was issued an Inspector's Direction<sup>1</sup> regarding construction of a camp pad over a stream without obtaining NWB's approval. The Inspector exercised his stop-work authority, and the construction was put to a halt.

On June 23, 2017, the Licensee followed up with a Request to the Board, and an update was filed with NWB on July 19, 2017. The 2017 Request contained a proposal to construct a water diversion system with a camp pad, as well as the 380-person camp. During the technical review process, it was determined that the impact of increasing the camp capacity was not assessed, so the Request was approved partially as Modification No. 3a. Therefore, the Licensee was able to proceed with the construction of a water diversion system.

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<sup>1</sup> Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC, formerly INAC) Inspector's Direction, dated June 9, 2017.

On September 30, 2018, the Minister of Intergovernmental and Northern Affairs and Internal Trade approved the Production Increase Proposal as per NIRB's Reconsideration Report and Recommendations, which included camp construction. On December 10, 2018, the Licensee submitted additional information addressing the interveners' concerns expressed during the review of the 2017 Request. The Licensee also applied to cancel the request for modification No. 6 ("Tote Road Upgrades, Milne Port Increased Fuel Storage, and Milne Port Accommodations Camp").

The Request was distributed for review by intervenors on July 25, 2017. The following parties responded to NWB's call for comments: Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and the Qikiqtani Inuit Association (QIA).

CIRNAC recommended<sup>2</sup> BIMC to:

- apply to NIRB and NWB for a project certificate and licence amendment including increased camp capacity;
- clarify how it will manage water flowing seasonally through the second stream covered by new pad;
- confirm whether the proposed wastewater treatment plant for the Milne Inlet camp will allow it to meet the Faecal Coliform discharge criteria identified within the requirements of the water licence; and
- account the additional infrastructure in the reclamation cost.

QIA provided<sup>3</sup> the following comments:

- provide details on planned environmental monitoring and inspections;
- stamp and seal for-construction drawings; and
- provide as-built drawings upon completion of construction.

BIMC responded with a submission on December 10, 2018 and January 16, 2019. In the submissions, BIMC partially provided requested technical information.

On January 4, 2018, CIRNAC confirmed that they were satisfied with BIMC's response, and QIA requested stamped for-construction drawings of the sewage treatment plant. In its January 16, 2019 submission, the Licensee stated the following:

*As the unit that is to be installed arrived at Site in 2017, and is pre-fabricated and was purchased used, the manufacturer will not sign the drawings nor will any of our supporting engineering contractors until the unit is installed. Our project engineering team at Hatch advised that the only drawings they would be able to produce and sign/stamp would be as-built documentation, confirming the final arrangement and layout of the equipment once it is installed... These drawings were not intended to be engineering drawings, and are not marked 'Issued for Construction'. Furthermore, there is no precedent for Baffinland to provide*

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<sup>2</sup> CIRNAC, Re: Indigenous and Northern Affairs Canada's (INAC) comments on Baffinland Iron Mines Corporation's modification request for the Milne Port Accommodation Camp Upgrade under water licence #2AM-MRY1325 Amendment #1 – Mary River Project, filed on August 16, 2017.

<sup>3</sup> QIA, RE: BAFFINLAND IRON MINES CORPORATION'S, MARY RIVER PROJECT, MODIFICATION REQUESTS FOR MILNE PORT AND MINE SITE ACCOMMODATION CAMP UPGRADES AND MILNE INLET FUELS STORAGE FACILITY, filed on July 31, 2017.

*signed and sealed drawings of prefabricated equipment that contain water or waste for a modification. Baffinland asks the board use discretion in interpreting the conditions of the Type 'A' Water Licence, as the supply of signed drawings for the treatment plant will not add any additional assurance that it is designed appropriately over and above what Banner Environmental has certified.<sup>4</sup>*

Hence, the Licensee requested the Board to waive the Licence condition in Part G, Item 3f: “Applications for modifications shall contain... (d)rawings of engineered structures stamped by a Professional Engineer”.

#### NWB's Review and Decision

The NWB, having fully reviewed the Licensee's request in the context of interveners' comments and recommendations, potential impact of the proposed activities on the freshwater environment, and consistency of the proposed activity in relation to the scope of the Licence, determined that the upgrades proposed are consistent with the scope of activities considered under the Licence issued to the Project. Therefore, by way of this correspondence and in accordance with **Motion No. 2018-A1-024** and Part G, Item 1 of the Licence, the Board authorizes BIMC to undertake the upgrades in accordance with BIMC's Request. The authorization takes into account BIMC's commitments made during the technical review process.

As the Licensee provided the *Potable Water Treatment Plant Performance Guarantee* that was stamped and signed by an Engineer, the Board agrees to waive the Licence condition in Part G, Item 3f in the case of Modification 3b only. The drawings in question are for an engineered facility and ought to bear a stamp of an Engineer, so the Licensee's intent to define their nature as non-engineering is not applicable to the case. The Board would like to emphasize the importance of the Licensee's compliance to all Licence conditions.

In addition, the Board advises the Licensee that in accordance with Part G, Item 2 of the Licence, changes in excess of those authorized under this modification, may constitute a separate potential modification or amendment to the Licence, which may require respective determination(s) from the Nunavut Planning Commission (NPC) and/or the NIRB prior to receiving any consideration(s) and/or determination(s) from the NWB. Further, in keeping with Part G, Item 4 of the Licence's terms and conditions, the submission of post-construction information, including as-built plans and drawings, shall remain applicable to this authorization.

Should you have any questions regarding the above, please contact the NWB Licensing Department by email to [licensing@nwb-oen.ca](mailto:licensing@nwb-oen.ca) or by phone at (867) 360-6338.

Sincerely,

Lootie Toomasie  
Nunavut Water Board, Chair

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<sup>4</sup> Christopher Murray, BIMC, to Assol Kubeisinova, NWB; RE: [EXTERNAL] Fwd: Mary River Project - Modification No. 3b Responses - 2AM-MRY1325, dated January 16, 2018.

Enclosure:   Comments – CIRNAC and QIA  
Cc:           Distribution List – Mary River