



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

Your file - Votre référence
2AM-MRY1325

August 18, 2017

Our file - Notre référence
CIDM#1170058

Karén Kharatyan
Technical Advisor
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

Re: Indigenous and Northern Affairs Canada's (INAC) comments on Baffinland Iron Mines Corporation's modification request for the Mine Site Accommodation Camp Upgrade under water licence #2AM-MRY1325 Amendment #1 – Mary River Project

Dear Mr. Kharatyan,

Thank-you for the email notice received on July 28, 2017 regarding the above mentioned modification request.

INAC Water Resources Division reviewed Baffinland's modification request and the results of our review are presented in the enclosed memorandum for the Board's consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

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

Regards,

Sarah Forté
Water Management Coordinator

Technical Review Memorandum

To: Karén Kharatyan, Technical Advisor, Nunavut Water Board

CC: Andrew Vermeer, Regulatory Reporting Specialist, Baffinland Iron Mines Corporation

From: Sarah Forté, Water Management Coordinator, Indigenous and Northern Affairs Canada

Date: August 18, 2017

Re: Modification Request for Water Licence #2AM-MRY1325 Amendment #1 – Mine Site Accommodation Camp Upgrade

Licensee: Baffinland Iron Mines Corporation
Project: Mary River Project
Region: Qikiqtani

A. BACKGROUND

Baffinland Iron Mines Corporation (Baffinland) submitted an addendum to their 2017 Workplan in May 2017 for Type A water licence 2M-MRY1325 amendment #1. This water licence covers mining activities associated with the Mary River iron mine, which has two principal sites, the Mine Site, approximately 100 km inland, and the Milne Port, at the southern tip of Milne Inlet.

The principal activities described in the workplan addendum were:

- installing an 800 person camp and associated facilities at the Mine Site,
- installing a rapid deploy 50 person camp and a 380 person temporary camp at the Milne Port,
- adding laydowns at Milne Port, and
- increasing the fuel storage capacity at Milne Port.

The Nunavut Water Board (NWB or Board) requested comments on the proposed addendum and both the Qikiqtani Inuit Association and Indigenous and Northern Affairs Canada (INAC) submitted comments on June 28, 2017. INAC's principle comment was that certain proposed activities fell outside the project as scoped by the Nunavut Impact Review Board (NIRB) and described in the water licence.

To date, three separate modifications requests have been submitted by Baffinland:

- 1) Milne Port fuel storage capacity increase, on July 12, 2017
- 2) Milne Port accommodations camp upgrade, on July 19, 2017
- 3) Mine Site accommodations camp upgrade, on July 26, 2017

The present modification request is for the installation of an 800 person camp at the Mine Site. The proposed facility would include a garage, potable water treatment plant, wastewater treatment plant, transformers and e-house. The camp pad of approximately 370 × 140 m is to be situated in the project development area, south of the Tote Road beside Sheardown Lake NW.

B. RESULTS OF REVIEW

On behalf of the Water Resources Division of INAC, the following comments and are provided for the Board's consideration:

1. New 800 person camp at Mine Site

References:

- RE: Modification Request - Mine Site Accommodations Camp Upgrade, Water Licence 2AM-MRY1325 – Amend. No. 1, Baffinland Iron Mines Corporation, July 26, 2017

Comment:

INAC is of the opinion that the proposed 800 person camp at the Mine Site falls within the project description used for the Nunavut Impact Review Board project certificate and NWB water licence.

We noted that the wastewater treatment plant (WWTP)'s design average daily flow rate of 125 m³/day, as described in the process guarantee letter, is lower than the flow rate produced by the camp at full capacity. However Baffinland staff clarified that the 125 m³/day capacity is for one treatment train and there are two treatment trains in the WWTP. The WWTP should therefore be able to properly treat effluent from the camp's 800 people if necessary.

Baffinland staff also explained the reason only 600 of the 800 beds available would be active is because of water use limits

2. Reclamation cost

References:

- RE: Modification Request - Mine Site Accommodations Camp Upgrade, Water Licence 2AM-MRY1325 – Amend. No. 1, Baffinland Iron Mines Corporation, July 26, 2017
- 2017 Work Plan Addendum, Baffinland Iron Mines Corporation, May 26, 2017

Comment:

If this modification was accepted by the Board, it would be necessary for the additional infrastructure to be accounted for in the reclamation cost. Before Baffinland can bring material not included in the November 2016 version of the 2017 workplan to site, or execute any work not described in the plan, the NWB must set the amount of security to be held for the project's reclamation. INAC will want time to review and comment on the updated reclamation cost estimates.