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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

**File: 2AM-MRY1325
Modification No. 9**

September 5, 2018

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: Licence No. 2AM-MRY1325 Type “A”;; Mary River Project, Baffinland Iron Mines Corporation; Modification No. 9 -Milne Port Ore Stockpile Water Management Upgrades

Dear Mr. Murray:

Background

On July 17, 2018, the Nunavut Water Board (NWB or the Board) received a request by Baffinland Iron Mines Corporation (BIMC or Licensee) for a modification (Request) to the amended Licence No. 2AM-MRY1325 (the Licence) issued to BIMC for the Mary River Project (the Project). The requested modification was for the expansion of the two ponds at the ore stockpile pad in Milne Port.

On July 17, 2018, the NWB distributed the Request for public review. Submissions were received from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) on August 3, and 29, 2018, and the Qikiqtani Inuit Association (QIA) on July 31, 2018.

CIRNAC stated¹:

- Recommendation for an Engineer to ensure that the project specifications and quality control are followed. The Licensee should confirm if the location for Pond 1a is properly selected or propose additional risk mitigation measures in case groundwater is encountered;
- Settling pond compartments are within 31 m from the marine environment, and CIRNAC Water Resources Officers will be able to enforce the Arctic Waters Pollution Prevention Act; and
- Recommendation to confirm the constructed pond's capacity before initiating stockpile pad extension. The Licensee should be required to submit the pond construction report, and should site conditions not allow the ponds to be constructed as designed, Baffinland be required to propose alternatives to attain adequate pond capacity.

QIA expressed² its concerns regarding the following:

- Recommendation to follow the As Built Operations Guide of the Lease when preparing the As

¹ CIRNAC, multiple submissions, filed on August 3 and 29, 2018.

² QIA, Re: Mary River Project – Milne Port Ore Stockpile Water Management Upgrades Modification Request No. 9. Water Licence 2AM-MRY1325, filed on July 31, 2018.

Built Report/Construction Summary Reports for the Settling Ponds;

- Provide the source for construction materials;
- Provide detailed for construction drawings for the two new culvert crossings installed beneath access roads in addition to the existing culvert;
- Provide the borehole log and precise location with respect to proposed facilities for borehole BH 16-M001;
- Provide the quantities and the physical characteristics of construction materials;
- Provide a slope stability analysis to demonstrate stability of the new compartments;
- Provide an Operations, Maintenance, and Surveillance (OMS) Manual/Plan;
- Provide the temporary water management plan described in section 6.1 of the civil design report fifteen (15) days prior to construction, for review by QIA;
- Provide detailed instrumentation and monitoring plans, including but not limited to sampling locations, parameters measured, and frequencies of sampling to be carried out. This item would be included in the OMS Manual/Plan;
- Provide prior to construction, construction QA/QC specifications and geomembrane installation specifications;
- Acknowledge that any water released into the marine environment is a violation under the Fisheries Act;
- The civil design report prepared by hatch is to be signed and stamped by a Professional Engineer with a Northwest Territories and Nunavut Associations of Professional Engineers and Geoscientists permit to practice;
- Provide a volume balance to demonstrate the settling ponds have sufficient storage capacity and contingency volume; and
- Provide the environmental inspection forms and a complete environmental monitoring program for review. Results should be included in the as-built construction report.

BIMC provided responses to comments in their submissions of August 21 and August 30, 2018.

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.%209%20Milne%20Port%20Ore%20Stockpile%20Water%20Management%20Upgrades/](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/6%20MODIFICATIONS%20(G)/Modification%20No.%209%20Milne%20Port%20Ore%20Stockpile%20Water%20Management%20Upgrades/)

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-A1-014** and Part G, Item 1 of the Licence, the Board authorizes BIMC to undertake the upgrades in accordance with BIMC's Request.

The Board agrees with Crown-Indigenous Relations and Northern Affairs Canada on the benefit for the Licensee to provide a Construction Summary Report after the completion of the activities outlined in this modification to demonstrate that the ponds are of adequate capacity. The Report is to be provided to the Board for review sixty (60) days prior to initiating any works for the expansion of the Milne Port Ore Stockpile pad.

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 or by phone at (867) 360-6338.

Sincerely,

Lootie Toomasie
Nunavut Water Board, Chair

LT/ak/ip

Enclosure: Comments – CIRNAC and QIA

Cc: Distribution List – Mary River