Baffinland
Iron Mines Corporation

Submission Date: July 24, 2014

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Re: Follow-up to Spill 14-237 Reported on June 25th, 2014
Mary River Project - Water Licence No. 2AM-MRY1325

Summary:

On June 25th at 16:00 HRS, the Milne Port water truck parked adjacent to the Km 32 intake location for routine water uptake (Water Licence Station MP-MRY-03). Upon engagement of the water pump it was noticed by the operator that the pump was releasing hydraulic oil onto the soil/water directly below the pump. The Operator stopped the pump immediately. Booms were set in place to contain the spilled hydraulic oil and prevent migration. Absorbent pads were used to soak up spilled product from the ground surface. Approximately 15 L of hydraulic oil was released. BIM Environment responded to the incident at 17:00 HRS.

Residual spillage was collected (suctioned) from ground surface for proper disposal. No contamination to the lake was observed at the time; however, an in-house Total Oil and Grease (TOG) analysis was completed to determine hydrocarbon contamination to adjacent lake surface water. The TOG result was less than detection limits indicating negligible hydraulic oil present on the lake surface at that time.

Photos shortly after the June 25 release, as well as following clean-up efforts are attached. A map identifying lake location is also attached.

Immediate and Follow-Up Action:

The cause of the release was a disconnect to the hydraulic line feeding the water pump located on the driver's side of the vehicle. Upon engagement of the water pump, the hydraulic line became pressurized causing it to separate from the hydraulic oil tank, thus releasing the hydraulic oil that was contained within the line in addition to a volume released from the tank for an approximated combined volume of less than 15 L.

The truck was checked for continual leaks before removing it from the immediate spill location to allow for clean-up response of the impacted area. The truck was later returned to Milne Port for repairs.

As per Baffinland protocol, a spill kit was present at the site from which spill response supplies (booms/absorbent pads) were obtained. Booms were set in place downstream from the spill area to contain the spilled hydraulic oil and prevent migration. Absorbent pads were used to soak-up free product from the ground surface. Residual hydrocarbon sheen was suctioned from impacted surface water puddles.

A post clean-up verification sample was collected to confirm that the area was free of residual contamination thus insuring successful clean-up of the area. Results of the TOG analysis indicated a concentration less than detection limit indicating negligible impact. Further clean-up was therefore not warranted.

Recommendations:

After the release, Baffinland implemented strict instructions for the use of spill trays during the routine water uptake procedure at the Lake 32. The requirement for the use of a spill tray under the pump has been communicated to water truck operators. Ongoing monitoring of the implementation of this practice is under way.

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A more thorough vehicle inspection has been developed and implemented to include the inspection of hydraulic oil lines for deformities and potential faults (disconnects and/or cracks).

Current Status:

The results of the post-clean-up verification sample and ongoing visual observations confirm that the lake surface and adjacent impacted area (location of spill) is free of residual hydrocarbon contamination

Should you require further information or clarification, please feel free to contact Allan Knight or Trevor Myers at (647) 253-0596 ext. 6010 or the undersigned at (902) 403-1337.

Sincerely,

James Millard, M.Sc., P.Geo.
Environmental Manager

Attach: Photos, Map, Original NT-NU Spill Report

cc. Michael Anderson, Allan Knight, Trevor Myers, Nicolas Kuzyk, Lea Willemse, Erik Madsen, Baffinland.
Erik Allain, AANDC
Manager of Licencing, NWB

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Figure 1: Spill Location – Impacted Area After Spill and Before Clean-up

Figure 2: Close-up of Area Most Impacted After Clean-up – No Visible Sheen Observed

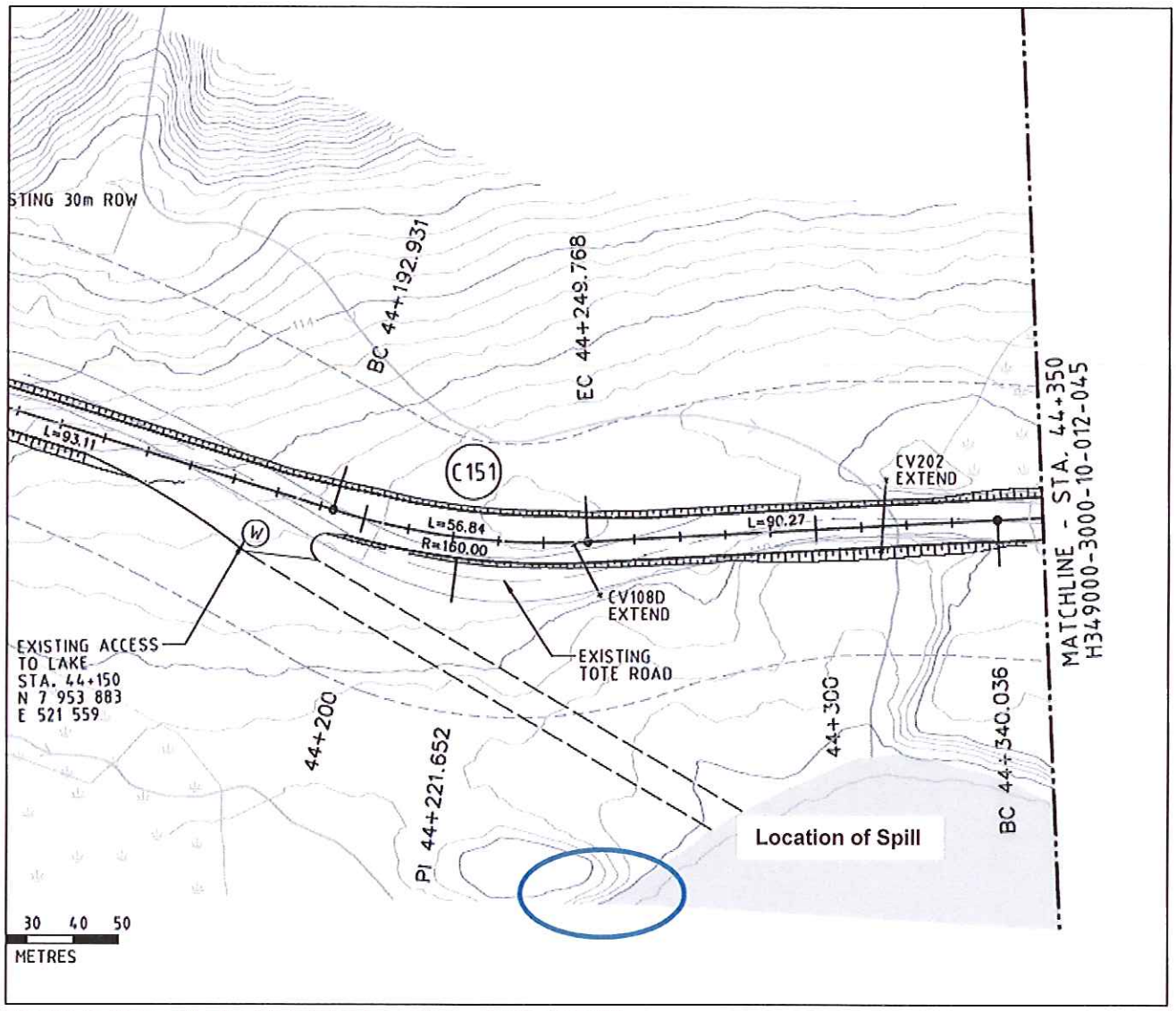

Figure 3: Map of Lake 32 Intake Location - Area of Spill

Northwest Territories | Nunavut | Canada

NT-NU SPILL REPORT

OIL, GASOLINE, CHEMICALS AND OTHER HAZARDOUS MATERIALS

NT-NU 24-HOUR SPILL REPORT LINE
TEL: (867) 920-8130
FAX: (867) 873-6924
EMAIL: spills@gov.nt.ca

REPORT LINE USE ONLY

A	REPORT DATE: MONTH – DAY – YEAR June-25-2014	REPORT TIME 13:30 HRS	☒ ORIGINAL SPILL REPORT, OR ☐ UPDATE # _____ TO THE ORIGINAL SPILL REPORT	REPORT NUMBER 14 - 237
B	OCCURRENCE DATE: MONTH – DAY – YEAR June-24-2014	OCCURRENCE TIME 16:00 HRS		
C	LAND USE PERMIT NUMBER (IF APPLICABLE) IOL - Commercial Lease No.: Q13C301	WATER LICENCE NUMBER (IF APPLICABLE) 2AM-MRY1325 Type "A"		
D	GEOGRAPHIC PLACE NAME OR DISTANCE AND DIRECTION FROM NAMED LOCATION Milne Inlet water intake location - Lake 32	REGION ☐ NWT ☒ NUNAVUT ☐ ADJACENT JURISDICTION OR OCEAN		
E	LATITUDE DEGREES 71 MINUTES 41 SECONDS 00	LONGITUDE DEGREES 80 MINUTES 23 SECONDS 09		
F	RESPONSIBLE PARTY OR VESSEL NAME Baffinland Iron Mines Corp.	RESPONSIBLE PARTY ADDRESS OR OFFICE LOCATION 2275 Middle Road East, Suite 300, Oakville, ON L6H 0C3		
G	ANY CONTRACTOR INVOLVED	CONTRACTOR ADDRESS OR OFFICE LOCATION		
H	PRODUCT SPILLED Hydraulic Oil	QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES 15 L	U.N. NUMBER	
	SECOND PRODUCT SPILLED (IF APPLICABLE)	QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES	U.N. NUMBER	
I	SPILL SOURCE water truck pump	SPILL CAUSE hose failure	AREA OF CONTAMINATION IN SQUARE METRES 18	
J	FACTORS AFFECTING SPILL OR RECOVERY N/A	DESCRIBE ANY ASSISTANCE REQUIRED	HAZARDS TO PERSONS, PROPERTY OR ENVIRONMENT	

K — ADDITIONAL INFORMATION, COMMENTS, ACTIONS PROPOSED OR TAKEN TO CONTAIN, RECOVER OR DISPOSE OF SPILLED PRODUCT AND CONTAMINATED MATERIALS

At 16:00 HRS the Milne Port water truck was parked adjacent to Km 32 intake location for water uptake. Upon pump engagement it was noticed by the operator that the pump was releasing hydraulic oil onto the soil/water directly below the pump. The Operator stopped the pump immediately. Booms were set in place to contain migration of the spilled hydraulic oil. Absorbent pads were used to soak-up spilled material from the ground surface. Approx. 15 L of hydraulic oil was released. Milne Port Security was notified by SAT phone and information was relayed to BIM Environment who immediately responded, arriving at the scene at 17:00 HRS. Residual spillage was collected (suctioned) from ground surface for proper disposal. No contamination to the lake was observed, in house analysis was completed to determine hydrocarbon contamination of lake water. Results indicate that there is no hydraulic oil present. An external verification sample was also collected and results are outstanding.

L	REPORTED TO SPILL LINE BY Lea Willemse	POSITION Env. Coordinator	EMPLOYER Baffinland	LOCATION CALLING FROM Milne Port	TELEPHONE 647-253-0598
M	ANY ALTERNATE CONTACT Jim Millard	POSITION Env. Manager	EMPLOYER Baffinland	ALTERNATE CONTACT LOCATION Remote	ALTERNATE TELEPHONE 902-403-1337

REPORT LINE USE ONLY

N	RECEIVED AT SPILL LINE BY	POSITION STATION OPERATOR	EMPLOYER	LOCATION CALLED YELLOWKNIFE, NT	REPORT LINE NUMBER (867) 920-8130

LEAD AGENCY ☐ EC ☐ CCG ☐ GNWT ☐ GN ☐ ILA ☐ INAC ☐ NEB ☐ TC | SIGNIFICANCE ☐ MINOR ☐ MAJOR ☐ UNKNOWN | FILE STATUS ☐ OPEN ☐ CLOSED

AGENCY	CONTACT NAME	CONTACT TIME	REMARKS
LEAD AGENCY			
FIRST SUPPORT AGENCY			
SECOND SUPPORT AGENCY			
THIRD SUPPORT AGENCY			