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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Application for: (check one)

☐ New ☐ Renewal ☒ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:

(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, Ontario M5H 1T1

Phone: (416) 814-3171

Fax: (416) 844-0903

e-mail: derek.chubb@baffinland.com

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Same as left

Phone: _____

Fax: _____

e-mail: _____

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

See attached letter and figures

Latitude: (71°19'35" N) Longitude: (79°22'43" W)

NTS Map Sheet No. 37F Scale: 1:250,000

37G, 47H

Rail Camp Latitude: (70° 46' 34" N), Longitude: (78° 6' 57" W)

Steensby Inlet Camp Latitude: (70° 17' 38" N), Longitude: (78° 29' 13" W)

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Changes to the existing exploration and geotechnical drilling program approved under 2BB-MRY07010 including the addition of a drill camp, expansion of an existing drill camp, and operation of additional geotechnical drills.

5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

☐ Industrial

☒ **Mining and Milling** (includes exploration/drilling)

☐ **Municipal** (includes camps/lodges)

☐ Power

☐ Agricultural

☐ **Conservation**

☐ Recreational

☐ **Miscellaneous** (describe below):

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

- ☐ To obtain water
 ☐ Flood control
☐ To cross a watercourse
 ☐ To divert a watercourse
☐ To modify the bed or bank of a watercourse
 ☐ To alter the flow of, or store, water

☒ Other (describe):

Approval of additional water sources at the following locations:

- Rail Camp (unnamed lake) at Latitude: 70° 46' 34" and Longitude: 78° 7' 5"W
 - Steensby Inlet, (unnamed lake - fresh water source) at Latitude: 70° 20' 36" and Longitude: 78° 19' 36"W

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quality to be returned to source)

Water use ☐ 100m³/day or less
☐ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

No additional water is required beyond the currently approved limits

Water returned to source
 _____ m³/day

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- ☒ Sewage
 ☒ Waste oil
☒ Solid Waste
 ☒ Greywater
☒ Hazardous
 ☐ Sludges
☐ Bulky Items/Scrap Metal
 ☐ Other describe):

Sewage, Solid Waste, Hazardous Waste, Waste Oil, and Grey Water will be generated at each of the new/expanded camp locations and managed as described in the attached letter and associated figures.

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Land Use Permit
 DIAND

☒ Yes ☐ No If no, date expected _____

Regional Inuit Association

☒ Yes ☐ No If no, date expected _____

Commissioner

☐ Yes ☒ No If no, date expected N/A

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

The potential environmental impacts and proposed mitigation measures from the activities associated with the exploration drilling and geotechnical programs underwent a NIRB Screening (File #07EN012). The potential environmental impact and proposed mitigation measures associated with the Bulk Sample Program underwent a NIRB Screening (File #07EN004). NIRB made a determination under 12.4.4 (a) for each of these files. Existing water license 2BB-MRY0710 incorporates the findings of these NIRB Screenings and comments received during public review of the application for the existing water license.

Baffinland is proposing added remote camp capabilities and an increased number of drills. Activities associated with this work and associated potential environmental impacts are not materially different than those previously screened by NIRB. Existing monitoring and management plans developed under the terms of the water license will be updated to reflect changes reflected by this application.

As an element of this work program, Baffinland is proposing that fuel required for the Steensby Inlet and Rail Camps is supplied via sealift starting in the summer of 2008. Baseline studies at Steensby Inlet have been conducted as Steensby Inlet is the proposed port location for the potential future full-scale mining operation at Mary River. Sealifts are the primary resupply method to communities of Nunavut, and the environmental risks from this limited activity are considered low, and is further reduced with the fuel supplied in barrels and not in bulk. The sealifts will be conducted using standard sealift procedures applied in Nunavut by Nunavut experienced shipping companies.

Baffinland also proposes to offset some of the use of helicopters for the movement of people, fuel, and other supplies for the drilling programs with fixed wing aircraft with floats. Locations designated for plane landings include Sheardown Lake, an unnamed lake at the Rail Camp, Steensby Inlet, and an unnamed lake(s) near Steensby Inlet Camp. The risk for spills associated with aircraft refuelling will be minimized by restricting this activity to one location, namely Sheardown Lake.

NIRB Screening ☐ Yes ☒ No If no, date expected _____

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

No

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

The main contractors and sub-contractors for the Mary River Project include the following:

Boart Longyear Ltd., 310 Niven Street, Haileybury, Ontario, P0J 1K0 - Exploration and geotechnical drilling
 Knight Piésold Ltd., 1650 Main Street West, North Bay, Ontario, P1G 8G5 - geotechnical and environmental consulting
 Summit Air - 27 Yellowknife Airport, Yellowknife, Northwest Territories, X1A 3T2 - fixed-wing aircraft
 Canadian Helicopters - 1215 Montée Pilon Les Cèdres, Québec, J7T 1G1 - rotary aircraft
 Qikiqtaaluk Corporation - PO Box 1228 Iqaluit, Nunavut, X0A 0H0 - road contractors
 Nuna Logistics - 340 Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8 - mining contractor

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

Not applicable for the purposes of this application.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGINSupplementary Questionnaire (where applicable: see section 5) ☒ Yes ☐ No If no, date expected _____Inuktitut and/or Inuinnaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)☒ Yes ☐ No If no, date expected _____**15. PROPOSED TIME SCHEDULE** (unless otherwise indicated, the NWB will consider the application for a five (5) year term)☐ one year or less (or) ☒ Multi YearStart Date: January 1, 2008 Completion Date: December 31, 2010

Derek Chubb

Name (Print)

Vice President,
Sustainable Development

Title (Print)



Signature

Nov. 13/07

Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ _____ Pay ID No.: _____

WATER USE DEPOSIT Amount: \$ _____ Pay ID No.: _____