FACSIMILE MESSAGE



Environment Environmement Canada Canada

Environmental Protection Branch Suite 301, 5204 - 50th Avenue Yellowknife, NT, X1A 1E2

DATE: April 27, 2004

TO: Phyllis Beaulieu

Licensing administrator

Nunavut Water Board

PHONE: 867-360-6338

FAX: 867-360-6369 FROM:

Ivy Stone

Environmental Assessment

Environment Canada

PHONE:

867-669-4708

FAX: 867-873-8185

Number of pages including cover:

Subject:

NWB2MRY - Baffinlands Iron Mines Corp. - Mary River Project - Water License

MESSAGE:

Phyllis,

Please find attached Environment Canada's comments on the above-mentioned file. Please call if you have any questions.

Sincerely.

Ivy Stone

Environmental Protection Branch

C40427NWB2MRY EC Comments-ILAE



Environmental Protection Branch Suite 301, 5204 - 50th Avenue Yellowknife, NT, X1A 1E2

April 27, 2004

P.O. Box 119 Gjoa Haven, NU

X0B 1J0

Phyllis Beaulleu

Licensing Administrator Nunavut Water Board

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INTERNAL

Nunavut Water Board

APR 23 2004

Public Registry

Our file: 4703 003 018 Via facsimile XT

Re: NWB2MRY - Baffinlands Iron Mines Corp. - Mary River Project - Water License

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following comments are provided pursuant to Environment Canada's mandated responsibilities for the enforcement of the Canadian Environmental Protection Act, Section 36(3) of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

Baffinland Iron Mines Corporation is applying for a water license to support their exploration activities for the Mary River Project scheduled to start in May 2004 and lasting through December 2005. Activities will include geological mapping and land based exploration drilling and will involve a field camp for up to 30 people located west of the Mary River drainage and adjacent to a pre-existing airstrip. The camp will be located approximately 160 km south of Pond Inlet and 240 km to the southeast of Arctic Bay.

Environment Canada recommends that the following conditions be applied throughout all stages of the project:

- The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the Fisheries Act, Section 36 (3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
- All sumps and fuel caches shall be located above the high water mark of any waterbody and in such a manner as to prevent the contents from entering any waterbody frequented by fish.
- Fuel caches shall also be inspected on a regular basis.
- All sumps shall be backfilled upon completion of the project and recontoured to match the surrounding landscape.
- If the coordinates of any fuel caches established for the duration of this project change, the proponent is asked to submit those new coordinates to this office.
- Environment Canada recommends the use of drip pans, or other similar preventative measures, when refueling equipment on site.
- The proponent shall ensure that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.
- No land-based drilling is to be done within 30 metres of the high water mark of any water body. Drill waste from land-based drilling shall be disposed of in a sump such that it does not enter any water
- EC would like to inform the proponent that the Canadian Environmental Protection Act has recently listed CaCl as a toxic substance. Therefore, if CaCl is to be used as a drilling additive, the proponent shall ensure that all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any water body.

- If an artesian flow is encountered, drill holes shall be immediately plugged and permanently sealed.
- Except for immediate use, the permittee shall not store material on the surface ice of any waterbody.
- If maintenance work is to be done on the airstrip, EC recommends that measures be taken to ensure that there is no sedimentation of the waterbodies as a result of such work.
- The proponent states that solid waste will be burned in a burn bin. Environment Canada recommends
 the use of an approved incinerator for the disposal of combustible material.
- Given that fuel is to be stored on site, Environment Canada recommends the use of secondary containment such as self-supporting insta-berms.
- Please note as well that all material and equipment cached for this study must be removed at the end of the project.
- If the fieldcamp locations change, the proponent is asked to submit a map and coordinates indicating these changes to this office.
- All spills are to be documented and reported to the NWT 24 hour Spill Line at (867) 920-8130.

Spill Contingency Plan

As is, this plan is not complete and Environment Canada suggests that changes be made to provide additional detail in some sections. The following additions are recommended:

- The proponent has provided an incomplete list of substances that could potentially be spilled at the Mary River site. Please update this list to include drilling additives and any other chemicals to be used on site. MSDS sheets should also be available on site for all such substances.
- The spill contingency plan should identify what the guidelines and regulations are for the disposal of spilled materials, associated debris, contaminated soil and water - as established by appropriate government agencies.
- The spill plan should also identify what specific and potential risks are involved in the different stages of clean-up and provide specific guidance for response.
- The proponent must ensure that logistical planning for spill cleanup is done in advance and aspects such as transportation of contaminated material be considered.
- Spill kits, shovels, barrels, sorbents, pumps, etc. shall be consistently maintained and readily available
 ofisite.
- Environment Canada requests clarification regarding the storage capacity and structural integrity of any
 used barrels that may be used for storage and transportation of any contaminated and/or hazardous
 substances to be removed from the site.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 669-4708 or by email at ivy.stone@ec.gc.ca.

Sincerely,

Ivy Stone

Environmental Assessment

cc: Steve Harbicht (Head, Assessment & Monitoring, Environment Canada, Yellowknife, NT)
Mike Fournier (Northern Environmental Assessment Coordinator, Environment Canada, Yellowknife, NT)