



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

January 21, 2011

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

Re: 2BB-MRY0710 – Application for Renewal – Baffinland Iron Mines Corporation

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the above noted water licence renewal application.

The Nunavut Water Board (NWB) distributed the application for comment on January 11, 2011.

In conducting this review, I have referred to all documents on the Nunavut Water Board FTP site as it relates to 2BB-MRY. Attached is a Technical Review Memorandum for your consideration.

Please feel free to contact me should you have any questions or comments. I can be reached at (867) 975-4566 or by email at tanya.trenholm@inac.gc.ca.

Sincerely,

Original signed by

Tanya Trenholm
Pollution Policy Specialist



Technical Review Memorandum

To: Phyllis Beaulieu, Manager of Licensing - Nunavut Water Board

From: Tanya Trenholm, Pollution Policy Specialist - Indian and Northern Affairs
Canada – Water Resources Division

**Re: 2BB-MRY0710 – Renewal Application – Baffinland Iron Mines
Corporation**

Background:

As recognized by letter correspondence dated December 29, 2010 from Ian Rumbolt, Water Resources Officer with Indian and Northern Affairs Canada to Baffinland Iron Mines Corporation (Baffinland), the current water licence (2BB-MRY0710) expired on December 31, 2010. The Nunavut Water Board was in receipt of Baffinlands application for renewal on January 11, 2011.

Recommendations / Comments

Consultations:

The application states that consultations concerning a renewal of the expired water licence were discussed 'during a community meeting tour of the North Baffin Region in October 2010'.

For purposes of providing an accurate and detailed record of consultations, the proponent should specify which communities and organizations were consulted with and the outcomes of the consultation sessions.

Licence Term:

The Applicant has asked for a renewal of up to 5 years. Given that the Applicant anticipates an imminent submission of their Draft Environmental Impact Statement, INAC would like to suggest that a licence term of 2-3 years should suffice for the purposes of fulfilling interim measures during the environmental assessment process.



Abandonment and Restoration:

Temporary Closure:

The Applicant has identified that should temporary closure measures be necessary, the site would be left unmanned with 2 trips a year undertaken by the proponent to carry out site inspections and any necessary maintenance.

As the site will be left unmanned, the A & R Plan should be amended to reflect that prior to the temporary closure of the site, the proponent will conduct an assessment of all contaminants on site (i.e. fuel storage, waste storage, or any other potential contaminants that have the potential to impact the environment) and provide the assessment to an Inspector. Measures taken to mitigate potential impacts should also be detailed, and should include, but not be limited to the installation of remote leak detection systems in drip pans at valves and connectors and in sumps to provide notification of any hydrocarbon leaks.

Security:

Following a review of the application, it was noted that the Applicant has provided a remediation cost estimate of \$742,078.76 for water related reclamation activities associated with their exploration program.

INAC would like to respectfully request that the NWB consider the remediation cost estimate provided by the Applicant.

Please feel free to contact me at your convenience should you wish to further discuss any part of this submission to the Board. I can be reached at 867-975-4566 or via email, tanya.trenholm@inac.gc.ca.

Cc. Lou-Ann Cornacchio, Manager, Water Resources Division – Indian and Northern Affairs Canada;