



# Inspection Report

**License #:** 2BB-MRY0710

**Inspector:** A.Keim

**CIDMS #** 333886

Client	Baffinland Iron Mines		
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Inspection site location	Mary River Project – Milne Inlet		
Contact name	Jim Mallard / Cheryl Wray	Title	Environmental Superintendent
Last inspection date	July 14, 2007		
Inspection start date	August 8 <sup>th</sup> , 2008		
Region	Qikiqtani		



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**Submitted Via E-Mail**  
Our File: 2BB-MRY0710  
Your File: \_\_\_\_\_  
CIDM # 333886

May 20, 2009

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**RE: Water Licence Inspection – Milne Inlet August 8, 2008**

One the 8<sup>th</sup> of August 2008 a compliance inspection was carried out on the Milne Inlet Camp and facilities located at Latitude 71 53' 32" N and Longitude 80 53' 41" W in the Qikiqtani Region of the Nunavut Territory.

When Inspectors arrived on site they were met by Dave McCann, asst Operations Manager and Jim Mallard, Environmental Superintendent. The Inspector would like to also thank and acknowledge Mr. Kevin Mealy, Project Specialist and Mr. Mathew Pickard, Sustainable Development who also took the time to assist and accompany Inspectors during the inspection.

At the time of the Inspection a water license was approved for the project which included the Milne Inlet site. The Licensee issued, is an amended license reflecting an application from the licensee to modify their operations from Exploration to Bulk sampling. This Bulk sample was on-going during the period of the Inspection. Water use had also been increased to reflect the increased activity on site. Additionally other modifications included;

- An application for a Landfill facility
- Submission of a Water management Plan
- Submission of a Waste Water management Plan.
- Submission of a Bulk Sample management Plan
- Submission of a revised Spill Contingency Plan.
- On-going Environmental monitoring

The current License is scheduled to expire on December 31st, 2010

Water samples from the Milne Inlet discharge ditch and from Pump Bladder 1 were collected during the Inspection.

The sample from Pump Bladder one was a confirmatory sample collected to ensure treatment of contaminated contact water was free of BTEX and Hexane Extractable Materials (Oil and Grease) prior to discharge to the Milne Inlet discharge ditch. This sample was broken in transit, no results were submitted by the lab.

Samples collected directly from the Milne Inlet Discharge ditch did not return values for any parameters in excess of the CCME guidelines or license requirements.

Noted during the Inspection were approximately 1200 drums of hazardous materials that were scheduled to be sea-lifted off the property this year.

The Bulk fuel storage facility had suffered a failure along the seam of a Bladder earlier in July. An investigation into that failure had been undertaken previous to this Inspection date. In follow up the Inspectors on site noted the following;

- Over 1 million litres of contaminated contact water remained within the Bulk Fuel storage facility.
- 12 Bladders were found to be deflated and lying below the water level
- Treatment of contaminated contact water was on-going



Inspectors also then noted the following issues with the Lagoon Polishing pond and RBC Unit at the Milne Inlet site;

- The Lagoon/Polishing Pond levels exceeded the required 1 meter freeboard requirement listed in the License. Stress fissures were noted on the top of the Berm walls.
- Effluent contained within the Pond did not at the time meet License criteria and could not be discharged. This issue was subsequently addressed.
- The RBC unit was surrounded by standing water accumulated in the lowlands surrounding the construction of the camp. Drainage for the area was required to ensure the continued integrity of the pad for the RBC unit.

The Inspector noted the following deficiencies or instances of non-compliance with either the current water license or the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

**Non-Compliance:** Issues identified during the inspection and/or review of relevant material

**Issues with a known or anticipated human health impacts;**

- Effluent within polishing pond does not meet discharge criteria and is within the 1 meter freeboard required by the license.

**Issues where there is a known or anticipated environmental impairment;**

- Secondary Containment is full of contaminated contact water.
- Secondary containment is required for storage of all hazardous materials to be shipped off site.
- Effluent /polishing pond is over filled and at risk of a breach unless volumes are reduced..

**Issues where there is a known or suspected violation of a requirement of the Water License;**

- Records of backhaul of waste both hazardous and non hazardous must be available for review during the period of inspection. – Records of hazardous material shipped off site this year should be included in the 2008 annual report.

**A. Keim**

Inspector's Name

Inspector's Signature

Cc:

Peter Kusugak - Manager Field Operations Section- Indian and Northern Affairs Canada

Phyllis Beaulieu – Manager licensing – Nunavut Water Board













































