



Inspection Report

License #: 2BB-MRY0710

Inspector: A.Keim

CIDMS # 334133

Client	Baffinland Iron Mines		
Mailing Address	Derek Chubb VP Sustainable Development 1016-120 Adelaide Street West Toronto, ON M5H 1T1 Email: Derek.chubb@baffinland.com		
Inspection site location	Mary River Project – Steensby Inlet Camp		
Contact name	Jim Mallard / Cheryl Wray	Title	Environmental Superintendent
Last inspection date	July 14, 2007		
Inspection start date	August 8 th , 2008		
Region	Qikiqtani		



INAC, Nunavut District
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Submitted Via E-Mail
Our File: 2BB-MRY0710
Your File: _____
CIDM # 334133

May 21, 2009

Derek Chubb
VP Sustainable Development
1016-120 Adelaide Street West
Toronto, ON M5H 1T1
Email: Derek.chubb@baffinland.com

RE: Water Licence Inspection – Steensby Camp August 8, 2008

One the 8th of August 2008 a compliance inspection was carried out on the Steensby Inlet Camp and facilities located at 70°17'38" N and Longitude 78°29'13" 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 Steensby Inlet site. The License as 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 were collected from the Potable source North of Steensby Camp. All parameters tested returned values within guidelines.

Noted during the Inspection were the following:

- Fuel was noted as stored on a liner to prevent contamination in the event of a spill. No sidewalls had been constructed and tears were noted in liner.
- The area designated as the site for sea-lift fuel barrel storage was noted to be on a slope that terminates at the High Tide mark. The Inspector was concerned that in the event of leak the fuel would run into the Ocean. Properly constructed secondary containment is highly recommended.
- Wastes at incinerator must be properly segregated to prevent Hazardous materials from entering the incinerator.

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;

- None

Issues where there is a known or anticipated environmental impairment;

- Proper Secondary Containment is required for long term fuel storage areas.
- Waste at Incinerator required proper segregated of the waste stream to prevent hazardous materials.

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

- None

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