



# Inspection Report

**License #:** 2BB-MRY0710

**Inspector:** A.Keim

**CIDMS #** 389231

Client	Baffinland Iron Mines		
Mailing Address	Bill Napier VP Sustainable Development 1016-120 Adelaide Street West Toronto, ON M5H 1T1 Email <a href="mailto:Bill.Napier@Baffinland.com">Bill.Napier@Baffinland.com</a>		
Inspection site location	Mary River Project – Milne Inlet		
Contact name	Jim Mallard / Cheryl Wray	Title	Environmental Superintendent
Last inspection date	July 14, 2007	August 8 <sup>th</sup> , 2008	
Inspection start date	July 13, 2009		
Region	Qikiqtani		



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**Submitted Via E-Mail**  
Our File: 2BB-MRY0710  
Your File: \_\_\_\_\_  
CIDM # 389231

February 9, 2010

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**RE: Water Licence Inspection – Milne Inlet July 13, 2009**

The following inspection report was generated on a compliance inspection carried out on the Milne Inlet site and facilities located at Latitude 71 53'32" N and Longitude 80 53'41" W in the Qikiqtani Region of the Nunavut Territory. The inspection was conducted to determine compliance with the terms and conditions of the Water License (2BB-MRY0810) issued to Baffinland Iron Mines Corp. by the Nunavut Water Board (NWB).

The report references the applicable parts of the Water License (2BB-MRY0810) and the findings observed under each of those Parts. During the writing of this report a compliance review was undertaken of the documents, plans and manuals filed by the Licensee and located on the Nunavut Water Board's FTP site.

The Inspector would like to also thank and acknowledge Mr. Dave McCann, Asst Operations Manager and Jim Mallard, Environmental Superintendent for taking 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.

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 revised Spill Contingency Plan.
- Submission of a Fuel Management Plan
- On-going Environmental monitoring

The current License is scheduled to expire on December 31<sup>st</sup>, 2010.

**Issues noted in previous Inspections;**

- Effluent within polishing pond does not meet discharge criteria and is within the 1 meter freeboard required by the license.
- Secondary Containment around bladder farm contains a large amount of contaminated contact water
- Secondary containment is required for storage of all hazardous materials to be shipped off site
- 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 during the year should be included in the annual report.
- Open burning activities were noted contrary to issued license
- Installation of a metering system to accurately record water usage was required
- Submission of a revised report on the conformity of the licensee to the "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products Regulations" was required within 30 days of receipt of the 2007 report and is still outstanding.



**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;**

- Hazardous materials marshalled on the Milne inlet site and processing area should have secondary containment to prevent the release of contaminants during handling and packaging for transport off-site.
- Contaminated contact water remains within the containment area. Treatment systems to date have not proved effective enough to reduce the volume of water within the containment area.
- Evidence of bladders weeping or leaking fuel into the containment area was noted and documented. Continued use of these bladders compounds annually the problem of contaminated contact water and treatment prior to discharge to the environment.

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

- None

**Baffinland Iron Mines Corp was found to be working toward ensuring compliance with the terms and conditions of the issued license and is encouraged to contact the Nunavut Water Board and the Inspector to maintain the progress toward achieving and maintaining the necessary compliance.**

**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