



Inspection Report

License #: 2BB-MRY0710

Inspector: A.Keim

CIDMS # 389487

Client	Baffinland Iron Mines		
Mailing Address	Bill Napier VP Sustainable Development 1016-120 Adelaide Street West Toronto, ON M5H 1T1 Email Bill.Napier@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	August 8 th , 2008	
Inspection start date	July 14, 2009		
Region	Qikiqtani		



INAC, Nunavut District
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Submitted Via E-Mail
Our File: 2BB-MRY0710
Your File: _____
CIDM # 389487

February 10, 2010

Bill Napier
VP Sustainable Development
Baffinland Iron Mines Corp.
1016-120 Adelaide Street West
Toronto, ON M5H 1T1
Email: Bill.Napier@Baffinland.com

RE: Water Licence Inspection – Steensby Inlet Camp July 14, 2009

The following inspection report was generated on a compliance inspection carried out on the Steensby Inlet camp and facilities located at Latitude 70°17'38" N and Longitude 78°29'13" 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-MRY0710) issued to Baffinland Iron Mines Corp. by the Nunavut Water Board (NWB).

The report references the applicable parts of the Water License (2BB-MRY0710) 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 Steensby Inlet Camp. 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 31st, 2010.

Issues noted in previous Inspections;

- Fuel was noted as stored on a liner to prevent contamination in the event of a spill. No sidewalls had been constructed and minor 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.



During the period of the 2009 inspection the following issues were identified by the Inspector;

- Camp is inactive. No water use or waste being deposited.
- 7000 barrels of fuel were on site and stored on secondary containment
- Water was noted within the secondary containment

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;

- Fuel storage of this magnitude requires a sufficiently stringent monitoring program to adequately reduce or mitigate the risk to the environment.

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

- None

A follow up inspection was completed by RMO Robertson during the Demob of fuel from the Steensby Inlet site in September of 2009. – RMO Robertson to produce report on Inspection.

Baffinland Iron Mines Corp was found to working toward ensuring compliance with the terms and conditions of the issued license.

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





























