A review of the exterior and top of the dyke showed no sign of cracking or settlement which would indicate stresses within the structure.

The structure is considered to be stable in its present condition.

Recommendations

We have no recommendations with respect to this structure.

3.08 Hazardous Waste Storage

General Conditions

This particular cell was constructed contiguous with an existing cell, which is referred to on site as the "Enviro Tank Storage", from drawings by our office in 2010 and conforms to our drawings. It is also contiguous with the Stove Oil Storage cell.

This structure contains barrels and containers of hazardous waste.

Stability

Our review of the area around this cell at the base of the slopes, showed no sign of seepage.

The structure appears stable in its present condition.

Recommendation

There are no recommendations at this time.

3.09 Enviro Tank Storage

General Conditions

This particular structure is constructed contiguous with the Hazardous Waste Storage constructed in 2010 and the Stove Oil Storage cell. It is now empty.

Our review of the area around this cell at the base of the slopes showed no sign of seepage.

The structure is stable in its present condition.

Recommendations

There are no recommendations at this time.

3.10 Stove Oil Storage

General Conditions

This particular structure had been used to store barrels of stove fuel in 2011

The structure is currently empty.

This structure was constructed in accordance with a standardized drawing provided by this office utilizing a one piece liner.

Stability

Our review of the area around the containment structure shows no sign of seepage. This shows that there is reasonably little chance of tearing or rupture of the membrane having taken place.

A review of the exterior and the top of the dyke showed no sign of cracking or settlement which would indicate stresses with the structure.

The structure is considered to be stable in its present condition.

3.11 Jet Fuel Tank and Pump Containment

This particular structure was reconstructed based on our recommendation of the 2012 Geotechnical Inspection.

The construction was completed in accordance with our recommendations for such structures and the liner was constructed as a one piece liner with geotextile protection on both sides and gravel over the geotextile as protection.

The construction appears proper and the structure is in excellent condition.

Minor water ponding confirms the integrity of the liner.

Stability

Our review of the area around this cell at the base of the slopes showed no sign of seepage.

The structure is stable in its present condition.

Recommendations.

There are no recommendations at this time.

3.12 Solid Waste Disposal Site

Berms appear stable and no erosion appears to have taken place.

Solid waste is being placed at the edge of the site and progressively covered.

The disposal is being done in exact conformity with plans prepared and guidelines set out for disposal of solid waste.

3.12 Waste oil Storage Containment

This particular structure has been used to store small amounts of waste oil.

The structure was constructed in accordance with standardized drawings designed by myself and utilized a one piece liner.

Stability

Our review of the area around the containment structure showed no sign of seepage.

There was water ponding in the bottom of the containment structure proving the integrity of the liner.

A review of the exterior and top of the dyke showed no sign of cracking or settlement which would indicate stresses within the structure.

The structure is considered to be stable in its present condition.

Recommendations

We have no recommendations with respect to this structure.

3.13 Overview

This report is the 6th annual Geotechnical Inspection at the Mary River and Milne Inlet sites on behalf of Baffinland Iron Mines Corporation.

Over this five year period between the first and sixth inspections we have noted the following:

1. The weather conditions are such that little or no erosion takes place from wind or rain and the dykes constructed of the sand/gravel soil remain stable at slopes of 3:1 and 4:1.

2. The dykes, after a 5 year period still have only minor vegetation growing on the horizontal surfaces and it shall most certainly take decades for the dykes to naturally vegetate to form a stabilized surface.

   Nonetheless, there has been no erosion to the surface over the last 5 year period.

3. With the construction of the new camp and facilities in process much of what has been reported on is due for demolition in the immediate future.

4.0 MILNE INLET

4.01 General

As with Mary River, the containment facilities over the 5 years that we have been doing Annual Geotechnical Inspections for, have changed in function from their initial use.

In order to maintain continuity, we have maintained the same names as with previous reports.

For example, the Hazardous Waste Containment structure is still a containment structure that is in excellent condition, but it is no longer being used to contain hazardous waste. Instead, this structure is now used to contain cubes of lubricant and barrel fuel. In this report, it still referred to as Hazardous Waste Containment as was its first use for continuity in the reports.

As well, there are new geotechnical structures that have been added to the list of geotechnical structures. These new geotechnical structures are the pads upon which the very large 12M litre and smaller fuel tanks sit upon, the containment dykes around this very large tank farm and the new effluent pond for the new sewage plant.

These structures have been reviewed.

4.2 Bulk Fuel Containment Facility

General Conditions.

This particular containment has been in place for in excess of five years. It is currently being decommissioned and the last of the fuel is being removed from a small number of remaining bladders.

As well, the last of the oil impacted water contained in this containment area is being treated.

The dykes around this containment areas have remained stable and the ponding of water confirms the integrity of the liner.

It is intended that the oil impacted sand in the containment facility be landfarmed in the next season being 2014. We understand that this oil impacted sand shall remain in the containment area until the landfarm treatment area is constructed.

The structure around the fuel bladdders and the area formerly occupied by fuel bladders conforms to the original design.

A review of the interior of the containment showed minor ponding of water. The ponding of water, although minor, confirms the integrity of the structure.

The treatment system used to treat the water which collects in the structure, is in place and operational and we understand shall remain so until the structure is decommissioned.

Stability