



Indian and Northern
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Water Resources Division
Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, NU X0A 0H0

Our File: 9545-3-2MRYG / CIDMS 210121

Your File: 2BB-MRY0710/TR/J1

Friday, April 25, 2008

Richard Dwyer
Licence Administrator
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

Re: 2BB-MRY0710, Baffinland Iron Mines Corporation, Mary River Project, Qikiqtani Region, Waste Disposal Facilities Modification Request

Dear Mr. Dwyer,

On behalf of Indian and Northern Affairs Canada (INAC), I have reviewed the above mentioned Waste Disposal Facilities Modification Request submitted by Baffinland Iron Mines Corporation for the Mary River Project Type B water licence (i.e., 2BB-MRY0710). On April 9, 2008, Baffinland Iron Mines Corporation, the Licensee, formally requested that the Board approve a modification to the existing Waste Disposal Facilities at the Milne Inlet and Mary River Camps under Part J, Item 1 of the 2BB-MRY0710 licence. This modification is to temporarily increase the capacity of established domestic wastewater treatment facilities through the addition of a two (2) cell pond at the Mary River Camp and a single cell pond at the Milne Inlet Camp. Designs drawings for these lined ponds were provided to the Board (i.e., drawings C701, C702, C801, and C802). These drawings are stamped by a professional engineer who is licensed to practice in Nunavut.

The following advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*. Indian and Northern Affairs Canada recommends that these comments be considered when reviewing this modification request.

A. General

1. INAC supports the Licensee's Waste Disposal Facilities Modification Request. This is an acceptable means of treating domestic wastewater effluent with the aim of satisfying quality standards specified in Part D, Items 10 and 11 of the 2BB-MRY0710 licence.

B. Waste Disposal

1. Pending the Board's approval of this modification request, the Licensee should revise its Waste Water Management Plan to take into account changes to the Mary River Camp and Milne Inlet Camp wastewater treatment facility designs.
2. The Licensee should ensure that the Board has approved the September 17, 2007 Waste Water Management Plan. An approval letter for this plan cannot be located in the online public registry.

C. Monitoring Program

1. The Licensee should ensure that terms and conditions applicable to the Mary River Camp and Milne Inlet Camps Wastewater Treatment Facilities specified in Part I of the 2BB-MRY0710 licence are addressed in the project's Environmental Monitoring Plan.
2. INAC cannot locate a copy of the Environmental Monitoring Plan required by Part I, Item 1 of the 2BB-MRY0710 in the online public registry. If this plan has been approved, an approval letter should be posted on this registry.

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, as further review may be necessary. Please contact me should you have any questions or comments regarding our feedback. I can be reached by telephone at (867) 975-4555 or email at AbernethyD@inac-ainc.gc.ca.

Regards,

Original signed by

David W. Abernethy
Regional Coordinator

Carbon copy:

Jim Rogers, Manager of Water Resources – INAC, NRO
Peter Kusugak, Manager of Field Operations – INAC, NRO