

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 ው እና ልL ር ሲ ትና ቴ በ L ት ፕ **NUNAVUT WATER BOARD** NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

File: 2BB-MRY0710/J1

May 7, 2008

By Email and Regular Mail

Derek Chubb Vice President, Sustainable Development Baffinland Iron Mines Corporation Suite 1016, 120 Adelaide Street West Toronto ON, M5H 1T1

E-mail: <u>derek.chubb@baffinland.com</u>

Subject: Submission of Request for Modification of the Waste Disposal Facilities at the

Mary River Project, Baffinland Iron Mines Corporation

Dear Mr. Chubb:

The Nunavut Water Board ("NWB") would like to acknowledge receipt of the above request submitted under Part J, Item 1 of Licence 2BB-MRY0710 and received on April 10, 2008. The request included four drawings (C701, C702, C801 and C802), signed and stamped by an Engineer, of the proposed facilities. The document was distributed for review and comments with a submission deadline of April 24, 2008. Comments were received by Indian and Northern Affairs Canada (INAC) and Environment Canada (EC). Recommendations were provided by both parties and are available at the Nunavut Water Board's FTP site at the following address:

ftp://nunavutwaterboard.org/2BB%20-%20BULK%20SAMPLING/2BB-MRY/J%20Modifications/2008/

The technical review of the Modification request has been completed. No immediate concerns were identified by interested persons during this review period. The Board has taken into consideration the information submitted and determined that the proposal set out in the documents provided on April 10, 2008 to increase contingency pond capacity at the Mary River Camp and the Milne Inlet Camp, are measures that will provide additional precaution against the release of untreated sewage to the environment and were supported through comments provided during the review process. The Nunavut Water Board hereby grants the approval of the proposed modifications as recorded under Motion #: 2008-03-04 and dated May 7, 2008.

As a condition of this approval, the Licensee is to comply with the following items:

- i. Any release of effluent shall be less than or equal to the discharge limits as set out in Part D, Items 10 and 11. All effluent is to be non-acutely toxic as required by Part D, Item 12:
- ii. Once the Waste Water Treatment Facilities are operational and treated effluent has met licensing criteria for discharge to the environment, the holding ponds are to be reduced in volume by further treatment and release to provide maximum holding capacity in the event of system upsets or malfunctions. The Operations and Maintenance Manual should provide direction on the optimal operation of the facilities to ensure the above;
- iii. The total operational capacity (number of days) is to be provided for the modifications as well as the previous Polishing/Waste Stabilization Ponds, providing a total operational time that the contingency system would be able to meet the demands of the Project at both facilities during required use;
- iv. Revision of plans that are affected by the additional facilities at the Camps (Waste Water Management Plan, Environmental Monitoring Plan, Spill Contingency Plan);
- v. As per Part J, Item 3, as-built design plans and drawings, stamped and sealed by a professional Engineer registered in Nunavut, within ninety (90) days of completion of the construction or modification; and
- vi. All terms and conditions of Licence 2BB-MRY0710, amended July 16, 2007 remain in effect.

If you have any further questions, please feel free to contact myself at (780) 443-4406, or if your questions are of an administrative nature, please contact our Manager of Licensing, Ms Phyllis Beaulieu at 867-360-6338.

Yours truly,

David Hohnstein, C.E.T. A/Director Technical Services Nunavut Water Board

Cc: Distribution list