Nunavut Regional Office Operations Directorate Water Resources Division P.O. Box 100 Iqaluit, NU X0A 0H0 CIDMS #9545-2-3.2BE.MRYA File #344963

Friday, July 24/09

Via Email

Richard Dwyer Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0E 1J0

Cheryl Wray
Environmental Superintendant
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Richard and Cheryl,

Subject Water License #2BB-MRY0710, Baffinland Iron Mines

Corporation, Mary River Exploration and Bulk Sampling

Project, Monthly SNP Report – May 2009

Please be advised that on behalf of Indian and Northern Affairs Canada, I have completed a review of the above referenced Baffinland Iron Mines Corporation submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867-975-4555 or David.Abernethy@inac-ainc.gc.ca.

Regards,

David W. Abernethy, Water Resources Regional Coordinator

Cc. Kevin Buck, Manager of Water Resources
Tanya Trenholm, Water Resources Pollution Policy Specialist
Peter Kusugak, Manager of Field Operations



Technical Review Memorandum

Date: July 24/09

To: Richard Dwyer, Nunavut Water Board

Cheryl Wray, Baffinland Iron Mines Corporation

Cc: Kevin Buck, Indian and Northern Affairs Canada

Tanya Trenholm, Indian and Northern Affairs Canada Peter Kusugak, Indian and Northern Affairs Canada

From: David Abernethy, Indian and Northern Affairs Canada

Re: Water License #2BB-MRY0710 – Baffinland Iron Mine Corporation –

Mary River Exploration and Bulk Sampling Project – Qikiqtani

Region – May 2009 Monitoring Report

A. Project Description

On July 15/09 the Nunavut Water Board (NWB or Board) distributed the above referenced report submitted by Baffinland Iron Mines Corporation's (Baffinland). This report is required by Part I, Item #19 of Baffinland's Type B water license.

B. Results of Review

- 1. Effluent quality monitoring results are provided for the following Monitoring Stations in accordance with Part I, Item #3 of the license, (sample collection dates are included in brackets),
 - MRY-4: Mary River Camp Sewage Discharge at the Wastewater Treatment Facility (May 28/09)
 - MRY-4a: Mary River Camp Sewage Discharge from the Polishing / Waste Stabilization Pond (May 27/09)
 - MRY-5a: Milne Inlet Camp Sewage Discharge from the Polishing / Waste Stabilization Pond (May 30/09)

Sample results did not exceed the quality standards identified in Part D, Item #s 10 and 11 of the license. It is noted that Baffinland conducted quality assurance / quality control sampling at MRY-4 on May 28/09.

2. In accordance with Part I, Item #7 of the license, the daily quantity of water utilized for camp purposes is included (in cubic metres).

3. It is noted in the report that 155 m³ of water consumed from Camp Lake was used for steaming culverts along the Milne Tote Road. Baffinland did not provide the daily quantities of water used for this purpose as required Part I, Item #7 of the license. This condition reads,

"The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized fro camp, drilling, and other purposes."

4. Baffinland provided the daily quantity (in cubic metres) of treated sewage effluent directed from the Wastewater Treatment Facility to the Polishing / Waste Stabilization Pond at their Mary River Camp.

C. Comments / Recommendations

The following recommendations are provided to the Board and Baffinland for consideration,

- 1. INAC is requesting Baffinland to include the daily amounts of water utilized for activities other than camp purposes in future monthly SNP submissions.
- 2. Although Baffinland is not required to include a summary of hazardous material spill occurrences and implemented response measures in monthly monitoring report submissions, it would be useful for this information to be included. Part I, Item #8 of the license requires Baffinland to submit to the Inspector after each spill occurrence, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site. Including this information in monthly monitoring reports would be a worthwhile initiative. Agnico-Eagle Mines Ltd. provides this information in their monthly monitoring report submissions. INAC recommends that Baffinland adopt a similar practice.