



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

August 24, 2010

File: 2BB-MRY0710

Distribution List - Qikiqtani

Subject: License 2BB-MRY0710

ERRATA:

Please change the following in the recently approved water license for the above file.

Page 4:

Total water use for the project has been increase to 535m3/day

Shall be changed to:

Total water use for the project has been increase to 515m3/day

Page 7

Quantity of Water Not to Exceed 535 CUBIC METRES PER DAY

Shall be changed to:

Quantity of Water Not to Exceed 515 CUBIC METRES PER DAY

Any questions, please contact our office at the number listed above, or email at licensingadmin@nunavutwaterboard.org

Sincerely,

Original signed by:

Richard Dwyer
Licensing Administrator

/rqd

determined in accordance with, the Regulations or that is satisfactory with the Minister. The regulations allows the Board to fix the amount of security required to be furnished by an applicant, in an amount not exceeding the aggregate of the cost of (a) abandonment of the undertaking (b) restoration of the site of the undertaking; and (c) any ongoing measures that may remain to be taken after the abandonment of the undertaking. As such the NWB has included terms and conditions requiring the licensee to provide a full cost assessment for abandonment and restoration of the undertaking. The assessment should be completed using the most recent version of the Reclaim model (INAC) or other established industry standard. The NWB recommends that the Licensee refer to the NWSRTA and Regulations for additional information.

Water Use

The water use under this Licence has been adjusted to reflect the volume of water required to support the Bulk Sample Project operations with respect to the camps proposed by the Licensee. Total water use for the project has been increased to ~~535m3~~ 515m3 /day. On the issue of water use, regulatory consideration and application of the *Regulations* needed to be considered and is discussed below.

Waste Disposal

General

In order to insure proper function of the earthworks the Board requires that a Geotechnical Engineer inspect the site annually during the summer and provide a report with recommendation to the NWB. The report must also contain a cover letter from Licensee outlining a plan to address the Geotechnical Engineer's recommendations. This requirement is detailed under Part D, Item 20.

Sewage Treatment

The Licensee proposes to use pre-engineered package sewage treatment systems during operations for the Mary River and Milne Inlet camps. In addition, as a contingency measure, the Licensee plans to discharge to lined pond(s) prior to final discharge if there is a concern that regulated discharges may not meet licence requirements. The lined ponds are to be used as an interim storage facility during construction prior to commissioning of the sewage treatment systems. Sewage from the Midway camp will be collected and disposed of in a camp incinerator.

With respect to Sewage Management for the undertaking, BIMC has committed to provide a Waste Water Management Plan prior to discharges to the environment to address concerns raised by INAC and GN-DOE and outline the Operation and Maintenance of the Wastewater Treatment Facilities.

Landfill Facility

On June 13, 2006, Baffinland Iron Mines Corporation committed to submit to the Board a detailed for construction final design for its inert waste landfill proposed in the application. The Board agrees and requires BIMC to submit the necessary information at least sixty (60) days prior to construction.

LICENCE 2BB-MRY0710 (AMENDED)

Pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada*, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

BAFFINLAND IRON MINES CORPORATION

(Licensee)

of

**SUITE 1016, 120 ADELAIDE STREET WEST
TORONTO ON M5H 1T1**

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water for a period subject to restrictions and conditions contained within this Licence:

2BB-MRY0710

Licence Number

NUNAVUT 05

Water Management Area

MARY RIVER PROJECT, QIKIQTANI REGION, NUNAVUT

Location

WATER USE AND WASTE DISPOSAL

Purpose

MINING AND MILLING – TYPE “B”

Classification of Undertaking

~~535~~ 515 CUBIC METRES PER DAY

Quantity of Water Not to Exceed

FEBRUARY 20, 2007, as Amended July 16, 2007

Date of Licence

FEBRUARY 28, 2010

Expiry Date of Licence

Dated this 16th day of July 2007 at Gjoa Haven, NU.



Dionne Filiatrault

A/Chief Administrative Officer