

APPENDIX E.7.2

QIA INSPECTION REPORTS AND BAFFINLAND RESPONSE



November 2nd, 2015

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Pond Inlet

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Resolute Bay

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Mr. Erik Madsen
Vice President
Sustainable Development, Health, Safety and Environment
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, ON L6H 0C3

Mr. Madsen,

RE: BAFFINLAND IRON MINES CORPORATION'S, MARY RIVER PROJECT, JUNE AND JULY 2015 INSPECTIONS – QIKIQTANI INUIT ASSOCIATION FINDINGS AND RECOMMENDATIONS

This letter is being issued from the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (BIMC) which provides a summary of the findings and recommendations from the QIA's June and July 2015 Inspections, as per Schedule E, Item 12 of the Commercial Lease No.: Q13C301 (CPL).¹ The Inspections were undertaken from June 25 to June 30, 2015, and July 23 to July 28, 2015, respectively, by ARKTIS Solutions Inc. (ARKTIS) on behalf of the QIA.

In summary, the June 2015 Inspection included the following activities:

- A general site inspection to assess BIMC's compliance with select environmental terms and conditions of any permits, licences, leases or other agreements that are associated with the Project.
- A review of the methods used by BIMC to calculate quarry and landfill volumes using the MineSight software.
- An inspection of the areas included as part of the four Option Exercise Notices (OENs) submitted with the 2015 Work Plan² and 2015 Work Plan Addendum.³
- A review of the KM 97 Borrow Source Reclamation Plan⁴ and inspection of the borrow source area.

¹ QIA and BIMC (2013) Commercial Lease No. Q13C301. September 6, 2013.

² BIMC (2014) 2015 Work Plan. October 31, 2014.

³ BIMC (2014) 2015 Work Plan Addendum. December 12, 2014.

⁴ Tetra Tech EBA Inc. (2015) Borrow Source Reclamation Plan, Milne Inlet Tote Road, KM 97. June 3, 2015.



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- A conformity check of the activities being completed at the Project with those listed in the 2015 Work Plan² and 2015 Work Plan Addendum.³

In summary, the July 2015 Inspection included the following activities:

- An inspection of the current state of the Tote Road.
- Development of a draft methodology with BIMC to calculate the volume of Specified Substances used in construction of the Tote Road upgrades since September 2013.
- An assessment of the Tote Road borrow sources used in the construction of the Tote Road.

The findings, recommendations, and action items from the June and July 2015 Inspections are provided in Table 1 and Table 2, respectively.

QIA requests that BIMC reply to this submission through submission of a status update for each recommendation or finding contained herein. Timelines presented in the accompanying tables are replicated from verbal directions during site visit close out meetings and/or as suggested by QIA taking a reasonable response timeframe into consideration.

Please do not hesitate to contact the undersigned should you require any further information.

Sincerely,

{Issued By}

Stephen Williamson Bathory
Director, Department of Major Projects
Qikiqtani Inuit Association

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Table 1. Summary of findings, recommendations, and action items from the June 2015 Environmental Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	It is recommended that the spring site wide clean-up completed by BIMC continue in future years.	Complete site-wide clean up annually.	Ongoing	BIMC
2	Minor amounts of pooled water with minor hydrocarbon sheen in the Mine Site fuel berm. Remnants of tank overtopping earlier in the year.	Treat pooled water in Mine Site fuel berm.	2015/09/16	BIMC
3	Large amounts of pooled water with hydrocarbon sheen in the Mine Site fuel bladder farm.	Treat pooled water in Mine Site fuel bladder farm.	2015/09/16	BIMC
4	Moderate amounts of pooled water with waste oil on surface in MS-HWB-4. Estimated 2000 L spill previously due to punctured containers, as reported by BIMC.	Treat pooled water and remove spilled waste oil from MS-HWB-4.	2015/09/16	BIMC
5	Moderate amounts of pooled water with minor waste oil on surface and minor hydrocarbon sheen in MS-HWB-2. Some containers are not upright in berm.	Treat pooled water in MS-HWB-2.	2015/09/16	BIMC
6	Moderate amounts of pooled water with hydrocarbon sheen in MS-HWB-6.	Treat pooled water in MS-HWB-6.	2015/09/16	BIMC
7	Liner visible on interior of berm in MS-HWB-6. Berm in poor condition.	Repair berm and cover liner of MS-HWB-6.	2015/09/16	BIMC
8	Northeast, and west of the Mine Site Waste Management Building requires general housekeeping (i.e. used unknown liners, crushed fuel barrels, garbage/litter).	Clean up area around the Mine Site Waste Management Building.	2015/09/16	BIMC

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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
20	The OENs associated with the landfarm and hazardous waste berm at Milne Port are complete. The OENs for the additional hazardous waste berm at Milne Port and the aerodrome aviation safety have not commenced construction, and are not to occur in 2015	None.	None.	None.
21	For the KM 97 Borrow Source reclamation, the Inspector finds the plans, methods and monitoring acceptable.	None.	None.	None.
22	The Inspector agrees with BIMC's proposed use of the UAS to provide pre- and post-reclamation images and surveys of the KM 97 Borrow Source.	Survey KM 97 Borrow Source with the UAS.	None.	BIMC
23	It is recommended that BIMC submit an updated Quarry Management Plan to reflect the new extent of the KM 97 Borrow Source after reclamation, as per Section 20, Item (a), of the Quarry Concession Agreement.	Submit updated Quarry Management Plan after reclamation of the KM 97 Borrow Source to reflect the new extent.	None.	BIMC
24	The Inspector found that most activities and construction in the 2015 Work Plan have been completed or will be completed in 2015. The Inspector has provided a list of these items to compare with BIMC, in order to aid in Financial Security determinations during the 2015 Environmental Audit.	Confirm the activities and construction completed or expected to be completed in 2015.	2015/08/12	QIA & BIMC



No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	Approximately 19.5 km of the Tote Road were identified as having been upgraded/realigned.	Utilize this information for Tote Road volume calculations.	TBD	QIA & BIMC
2	It is recommended that BIMC provide the QIA notification prior to completing construction on the Tote Road that differs substantially from the proposed for construction drawings by Hatch. ¹	Follow up discussion between the QIA and BIMC to determine what scale of upgrades along the Tote Road is considered substantial.	2015/11/15	QIA & BIMC
3	Approximately 12.6 km of new or expanded borrow sources along the Tote Road were identified.	Utilize this information for Tote Road volume calculations.	TBD	QIA & BIMC
4	It is recommended that the 2008 LiDAR survey be used as the baseline survey for Tote Road volume calculations.	Use 2008 LiDAR survey as the baseline survey for Tote Road volume calculations.	TBD	QIA & BIMC
5	It is recommended that a new topographic survey of the Tote Road (e.g., LiDAR) be completed to calculate the volume of material that has been used in the Tote Road upgrades. This topographic survey should be completed between July 1 and August 31 to avoid errors in vertical accuracy caused by snow. Additionally, the survey should encompass 100 m on either side of the Tote Road to capture any potential borrow sources.	Acquire new LiDAR survey of Tote Road, including 100 m on either side of the road. Utilize this information for Tote Road volume calculations.	TBD	QIA & BIMC

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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
6	It is recommended that new satellite imagery of the Project area be acquired to aid in identifying disturbed areas.	Acquire new satellite imagery of Project area, including 100 m on either side of the road. Utilize this information for Tote Road volume calculations.	TBD	QIA & BIMC
7	The 2015 Tetra Tech EBA inspection report ² provides accurate descriptions of the current state of permafrost degradation in the Tote Road borrow sources.	None.	None.	None.

Notes:

TBD = to be determined during future discussions between the QIA and BIMC

² Tetra Tech EBA (2015) Inspection of the Milne Inlet Tote Road and Associated Borrow Sources. March 2015.



October 23, 2015

Acting Manager, Major Projects
Qikiqtani Inuit Association
P.O. Box 219
Iqaluit, NU X0A 0H0
Justin Buller jfbuller@qui.ca

Re: Follow up June 25-30, QIA Environmental Inspection - Mary River Project

An Environmental Inspection was conducted on June 25th to June 30th, 2015, at Baffinland's Mary River Project by the QIA Environmental Inspector (Colin Purdy, ARKTIS Solutions Inc.). During the inspection, some concerns were identified and these concerns were outlined in the Inspection Report, dated July 27th, 2015.

The attached Table 1 provides a table that summarizes the Inspector's key observations and concerns along with Baffinland's responses.

Should you require further information on the above, please feel free to contact the undersigned at (647) 253-0596 Ext. 6010 or Jim Millard at (902) 403-1337.

Prepared by:

A handwritten signature in black ink, appearing to read "Trevor Myers", written over a light grey circular stamp.

Trevor Myers, B.A.(Hon.), M.Sc.
Environmental Superintendent

Reviewed by:

James Millard, M.Sc, P.Geo.
Environmental Manager

Attachments: Table A.1 (4 pages)

cc. Bernard Laflamme, Erik Madsen, Tony Woodfine, Bikash Paul, Oliver Curran, Allan Knight, Jennifer St. Paul-Butler (Baffinland).

Table A.1 – Baffinland Responses to June 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
1	It is recommended that the spring site wide clean-up completed by BIMC continue in future years.	Complete site-wide clean up annually.	Noted and agreed.
2	Minor amounts of pooled water with minor hydrocarbon sheen. Remnants of tank overtopping earlier in the year.	Treat pooled water in Mine Site fuel berm.	Pooled water is within lined engineered containment. Treatment completed as part of the 2015 oily water monitoring and treatment program.
3	Large amounts of pooled water with hydrocarbon sheen.	Treat pooled water in Mine Site fuel bladder farm.	
4	Moderate amounts of pooled water with waste oil on surface. Estimated 2000 L spill previously due to punctured containers, as reported by BIMC.	Treat pooled water and remove spilled waste oil from MS-HWB-4.	
5	Moderate amounts of pooled water with minor waste oil on surface and minor hydrocarbon sheen. Some containers are not upright in berm.	Treat pooled water in MS-HWB-5.	
6	Moderate amounts of pooled water with hydrocarbon sheen.	Treat pooled water in MS-HWB-6.	
7	Liner visible on interior of berm. Berm in poor condition.	Repair berm and cover liner of MS-HWB-6.	Repairs were made to the berm and there were no concerns raised pertaining to this structure during the September Geotechnical Inspection.
8	Northeast, and west of Waste Management Building requires general housekeeping (i.e. used unknown liners, crushed fuel barrels, garbage/litter).	Clean up area around the Mine Site waste management building.	This area was cleaned-up and housekeeping was undertaken. Some of the larger pieces of equipment in the area remain and will be addressed in future clean-up efforts.
9	Liner from the Milne Port Fuel Bladder Farm has been deposited with contaminated soil in the Landfarm facility.	Segregate liner from contaminated soil in landfarm and prepare for transportation offsite.	The liner was segregated from the soil but remains within the landfarm cell. It is scheduled to be packaged and shipped off site during the 2016 sealift backhaul.
10	Debris in snow dump from snow removal in area of shop fire.	Remove debris in snow dump and place into appropriate hazardous waste containment.	Fire debris in the snow dump was removed and packed with the other debris from the fire shipped off site.
11	Minor amounts of pooled water with minor hydrocarbon sheen.	Treat pooled water in MP-HWB-1.	Pooled water is within lined engineered containment. Treatment completed as part of

Table A.1 – Baffinland Responses to June 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
12	Moderate amounts of pooled water with hydrocarbon sheen.	Treat pooled water in MP-HWB-3.	the 2015 oily water monitoring and treatment program.
13	Moderate amounts of pooled water with hydrocarbon sheen.	Treat pooled water in MP-HWB-4.	
14	Maintenance shop burned down during winter and has been left undisturbed since the fire.	Provide an update as to status of burned maintenance shop reclamation and decommissioning.	The entire structure has been disassembled and packaged and shipped off site. Contaminated soil resulting from the fire was excavated and placed in seacans. Most of the fire debris material was shipped south for disposal via the 2016 sealift backhaul. Remaining packaged material will be shipped south in 2017. There are three seacans of fire debris material remaining.
15	The Inspector recommends that the QIA ensure that the water management structures for the Milne Port ore stockpile, the Mine Site ore stockpile, and the waste rock pile are completed as soon as possible by BIMC.	Follow up discussion to confirm the completion of the water management structures at the Milne Port ore stockpile, Mine Site ore stockpile, and waste rock pile.	Baffinland may require further clarification on this point. The planned water containment structures referred to have are scheduled for completion prior to freshet 2016.
16	The Inspector noted that some infrastructure had been removed during 2015.	Decommissioning reports to be submitted with 2015 Annual Report for infrastructure removed during 2015, including the Nuna maintenance shop at Milne Port, MP-HWB-6 at Milne Port, and the burned maintenance shop at Milne Port.	A report of decommissioning activities will be provided in the 2015 annual report, due March 31, 2016.
17	It is recommended that the QIA have discussion with BIMC about the potential need to include items such as fuel berms, fuel bladder farms, and ammonium nitrate and explosive storage locations in the CLS drawings as Waste Storage Areas.	Follow up discussion regarding definition of Waste Storage Areas, and what items require Waste Storage Area classification.	Baffinland is willing to discuss this matter with QIA.

Table A.1 – Baffinland Responses to June 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
18	<p>The Inspector recommends that BIMC provides an AutoCAD file that identifies changes between the start and end of year surveys as recognized in MineSight (e.g., toe and crest of active face, stockpiles). It is recommended that ARKTIS walkthrough the entire process with BIMC during the Environmental Audit to ensure all the required information is exchanged in the proper format.</p> <p>The Inspector recommends that this process be integrated into the CPL Operations Guide</p>	<p>Finalize quarry volume calculation methods for the Quarry Concession Report, and integrate into the CPL Operations Guide.</p>	<p>The CPL operations guide is in the process of being finalized. Baffinland is currently awaiting receipt of the final draft document.</p> <p>The CPL operations guide is in the process of being finalized.</p>
19	<p>The Inspector supports this method based on initial review of the UAS specifications. It is recommended that the QIA have BIMC submit a brief letter providing evidence of possible benefits to support changing the methodology.</p>	<p>It is recommended that BIMC submit a brief letter to QIA providing evidence of possible benefits to support changing the survey methodology.</p>	
20	<p>The OENs associated with the landfarm and hazardous waste berm at Milne Port are complete.</p> <p>The OENs for the additional hazardous waste berm at Milne Port and the aerodrome aviation safety have not commenced construction, and are not to occur in 2015</p>	<p>None.</p>	<p>No comment required.</p>
21	<p>For the KM 97 Borrow Source reclamation, the Inspector finds the plans, methods and monitoring acceptable.</p>	<p>None.</p>	<p>No comment required.</p>
22	<p>The Inspector agrees with BIMC's proposed use of the UAS to provide pre- and post-reclamation images and surveys of the KM 97 Borrow Source.</p>	<p>Survey KM 97 Borrow Source with the UAS.</p>	<p>Baffinland is willing to further discuss this matter with QIA.</p>

Table A.1 – Baffinland Responses to June 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
23	It is recommended that BIMC submit an updated Quarry Management Plan to reflect the new extent of the KM 97 Borrow Source after reclamation, as per Section 20, Item (a), of the Quarry Concession Agreement.	Submit updated Quarry Management Plan after reclamation of the KM 97 Borrow Source to reflect the new extent.	Noted.
24	The Inspector found that most activities and construction in the 2015 Work Plan have been completed or will be completed in 2015. The Inspector has provided to compare with BIMC, in order to aid in Financial Security determinations during the 2015 Environmental Audit.	Confirm the activities and construction completed or expected to be completed in 2015.	It is Baffinland's understanding that this item was addressed during and subsequent to the QIA Audit conducted in August, 2015 and no further action is required at this time.

Baffinland Responses to July 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
1	Approximately 19.5 km of the Tote Road were identified as having been upgraded/realigned.	Utilize this information for Tote Road volume calculations	Noted.
2	It is recommended that BIMC provide the QIA notification prior to completing construction on the Tote Road that differs substantially from the proposed for construction drawings by Hatch.	Follow up discussion between the QIA and BIMC to determine what scale of upgrades along the Tote Road is considered substantial.	Discussions are still ongoing.
3	Approximately 12.6 km of new or expanded borrow sources along the Tote Road were identified.	Utilize this information for Tote Road volume calculations.	Noted. It is Baffinland's position that some of these areas are simply disturbed due to road construction where little material was actually removed.
4	It is recommended that the 2008 LiDAR survey be used as the baseline survey for Tote Road volume calculations.	Use 2008 LiDAR survey as the baseline survey for Tote Road volume calculations.	Agreed.
5	It is recommended that a new topographic survey of the Tote Road (e.g., LiDAR) be completed to calculate the volume of material that has been used in the Tote Road upgrades. This topographic survey should be completed between July 1 and August 31 to avoid errors in vertical accuracy caused by snow. Additionally, the survey should encompass 100 m on either side of the Tote Road to capture any potential borrow sources.	Acquire new LiDAR survey of Tote Road, including 100 m on either side of the road. Utilize this information for Tote Road volume calculations.	Baffinland attempted to fly a drone survey along several predetermined sections of road in early September 2015, but due to poor weather conditions, this plan was not realized. It has since been decided to use satellite imagery instead and the procurement of this imagery is currently underway.
6	It is recommended that new satellite imagery of the Project area be acquired to aid in identifying disturbed areas.	Acquire new satellite imagery of Project area, including 100 m on either side of the road. Utilize this information for Tote Road volume calculations.	See above response. It is likely that the satellite imagery will also provide vertical accuracy sufficient for approximate volume calculations.

Baffinland Responses to July 2015 QIA Environmental Inspection

No.	Recommendation or Finding	Action Item	Baffinland's Response and Current Status
	The 2015 Tetra Tech EBA inspection report provides accurate descriptions of the current state of permafrost degradation in the Tote Road borrow sources.	None.	Noted.



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November 2nd, 2015

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Mr. Erik Madsen
Vice President
Sustainable Development, Health, Safety and Environment
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, ON L6H 0C3

Mr. Madsen,

RE: BAFFINLAND IRON MINES CORPORATION'S, MARY RIVER PROJECT, 2015 AUDIT – QIKIQTANI INUIT ASSOCIATION FINDINGS AND RECOMMENDATIONS

This letter is being issued from the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (BIMC) which provides a summary of the findings and recommendations from the QIA's 2015 Audit, as per Schedule E, Item 12 of the Commercial Lease No.: Q13C301 (CPL).¹ The 2015 was undertaken from August 6 to August 11, 2015, by ARKTIS Solutions Inc. (ARKTIS) on behalf of the QIA, who were accompanied by BIMC's consultants from Hatch.

In summary, the 2015 Audit included the following activities:

- A general inspection of the Project to identify any environmental concerns.
- Confirmation of activities and infrastructure completed as listed in the 2015 Work Plan² to add, remove, or amend line items in the reclamation security.
- Confirmation of activities and infrastructure completed as listed in the 2015 Work Plan Addendum³ to add, remove, or amend line items in the reclamation security.
- Audit of infrastructure at the Project to determine if additional items in the reclamation security should be added, removed, or amended.
- Discussion with BIMC and Hatch regarding items in the reclamation security that may be considered for adjustment in the future.
- Assessment of the Tote Road to determine how upgraded sections and disturbed areas should be accounted for in the reclamation security.

¹ QIA and BIMC (2013) Commercial Lease No. Q13C301. September 6, 2013.

² BIMC (2014) 2015 Work Plan. October 31, 2014.

³ BIMC (2014) 2015 Work Plan Addendum. December 12, 2014.



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- Review of the progressive reclamation reports provided by BIMC in 2015 to assess whether a reduction in the reclamation security is warranted.
- Assessment of the quantities of mobile equipment and materials onsite to confirm the validity of assumptions made in the reclamation security.
- Review of the management plans in place for water quality monitoring during installation, replacement, or extension of water crossings.
- Review of the available water quality monitoring data related to installation, replacement, or extension of water crossings.
- Observation of a culvert installation along the Tote Road.
- Discussion with BIMC to finalize methodology for calculating the volumes of quarried Specified Substances, and a procedure for the exchange of survey data.
- Confirmation soil sampling of petroleum hydrocarbons (PHCs) at the former location of the Mine Site QL Quonset.
- An inventory count of the hazardous waste berms to confirm the inventories reported by BIMC.

The findings, recommendations, and action items from the 2015 Audit are provided in Table 1. Table 2 provides a summary of the findings, recommendations, and action items related to the review of BIMC's progressive reclamation reports from the 2014 Annual Report.⁴

QIA requests that BIMC reply to this submission through submission of a status update for each recommendation or finding contained herein. Timelines presented in the accompanying tables are replicated from verbal directions during site visit close out meetings and/or as suggested by QIA taking a reasonable response timeframe into consideration.

Please do not hesitate to contact the undersigned should you require any further information.

Sincerely,

{Issued By}

Stephen Williamson Bathory
Director, Department of Major Projects
Qikiqtani Inuit Association

⁴ BIMC (2015) Baffinland Iron Mines Corporation, Mary River Project, 2014 Qikiqtani Inuit Association (QIA) and Nunavut Water Board (NWB) Annual Report. March 31, 2015.



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Table 1. Summary of the findings and recommendations identified during the 2015 Audit.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	Full 1 m ³ tote of oil outside of containment outside Mine Site Nuna Maintenance Shop.	BIMC to place tote into secondary containment, by August 11, 2015.	2015/08/11	BIMC
2	Damaged 1 m ³ tote of waste oil inside MS-HWB-3 Hazardous Waste Berm. Concerned for a repeat of the spill that occurred at MS-HWB-4.	BIMC in process of transferring oil to undamaged tote while on site.	2015/08/11	BIMC
3	During confirmatory sampling at the former location of the Mine Site QL Quonset, hydrocarbons were smelled in a sample just outside of western perimeter of building footprint. Soil samples indicate exceedances of the Canadian Council of Ministers of the Environment (CCME) coarse-grained agricultural Tier 1 criteria.	BIMC to remediate contaminated soil.	TBD	QIA & BIMC
4	Quatrex of used oil containers outside of containment in the northwest corner of the Mine Site Waste Management Building Area.	BIMC to transfer to hazardous waste berm by August 11, 2015.	2015/08/11	BIMC
5	Food in waste around the Mine Site Waste Management Building has attracted foxes.	BIMC committed to reminding contractors and employees to keep food waste separate.	Ongoing	BIMC
6	Small amounts of windblown garbage to east of landfill where no fence is present.	BIMC to tidy area before the QIA September Inspection.	2015/09/16	BIMC
7	Berm surrounding green generator in the Mine Site Maintenance Shop Area is in need of minor repairs. The berm contains water with a hydrocarbon sheen.	BIMC to repair berm before the QIA September Inspection.	2015/09/16	BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
8	Two half full waste oil totes outside of secondary containment in between the generators in the Mine Site Utilities Area.	BIMC to place totes into secondary containment by August 11, 2015.	2015/08/11	BIMC
9	It is recommended that the KM 2 and KM 97 borrow sources be included in the reclamation security estimate as separate line items.	Remove the km 2 and km 97 Borrow Sources line item from the reclamation security estimate.	2015/12/31	QIA
10	It is recommended that the KM 2 Borrow Source have an area of 41,795 m ² , using the unit rate for grade and recontour.	Add a line item for the KM 2 Borrow Source with an area of 41,795 m ² , using the unit rate for grade and recontour.	2015/12/31	QIA
11	It is recommended that the KM 97 Borrow Source have an area of 157,012 m ² , and use the unit rate for grading and recontouring significantly disturbed areas.	Add a line item for the KM 97 Borrow Source with an area of 157,012 m ² , using the unit rate for grading and recontouring significantly disturbed areas.	2015/12/31	QIA
12	It is recommended that the area of the Q1 quarry increased to the total permitted area of 700,000 m ² to align with the values used for other quarries and borrow sources in the reclamation security.	Amend the line item for the Q1 Quarry to have an area of 700,000 m ² .	2015/12/31	QIA
13	It is recommended that the area of the QMR2 quarry decreased to the total permitted area of 252,700 m ² to align with the values used for other quarries and borrow sources in the reclamation security.	Amend the line item for the QMR2 Quarry to have an area of 252,700 m ² .	2015/12/31	QIA
14	It is recommended that the area of the Deposit #1 open pit be increased to 269,500 m ² .	Amend the line item for the Deposit #1 open pit to have an area of 269,500 m ² .	2015/12/31	QIA



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
15	It is recommended that the 14,083 m ² allocated to the Mine Site landfarm for both grade and recontour, and liner removal be removed from the reclamation security estimate.	Remove the two line items for the Mine Site landfarm, for grade and recontour, and liner removal.	2015/12/31	QIA
16	It is recommended that the 75,000 L Jet A Fuel Tank at the Mine Site remain in the reclamation security estimate until BIMC confirms that it will not be built at site.	Confirm if the 75,000 L Jet A Fuel Tank at the Mine Site will be constructed.	2015/11/01	BIMC
17	It is recommended that the items added to the reclamation security estimate as part of the 2015 Work Plan Addendum be removed, with the exception of the crusher pad extension, and one of the crusher pad E-houses.	Remove all line items in the reclamation security estimate from the 2015 Work Plan Addendum except for of the crusher pad extension, and one of the crusher pad E-houses.	2015/12/31	QIA
18	It is recommended that the total permitted area of 56,500 m ² be added to the reclamation security estimate for the KM 104 Borrow Source using the unit rate for grade and recontour.	Add a line item for the KM 104 Borrow Source with an area of 56,500 m ² for grade and recontour.	2015/12/31	QIA
19	It is recommended that the 66,978 m ² allocated to the D1Q1 quarry in the reclamation security estimate not be removed until the open pit footprint in the reclamation security estimate encompasses the full extent of the D1Q1 quarry.	Demonstrate that the full extent of the D1Q1 quarry is encompassed by the footprint of the open pit used in the reclamation security estimate.	2015/10/31	BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
20	It is recommended that the four geology core shacks at the Mine Site Weatherhaven Camp be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated.	Add separate line items for the four geology core shacks at the Mine Site Weatherhaven Camp with areas of 72 m ² , 54 m ² , 36 m ² , and 25 m ² , using the unit rate for other buildings – non-contaminated.	2015/12/31	QIA
21	It is recommended that 112 m ² area of the two sedimentation ponds at Camp Lake be added to the reclamation security estimate using the unit rate for grade and recontour.	Add a line item for the two sedimentation ponds at Camp Lake with an area of 112 m ² for grade and recontour.	2015/12/31	QIA
22	It is recommended that the Mine Site contractor laydown be added to the reclamation security estimate using the unit rate for grade and recontour.	Add a line item for the contractor laydown with an area of 11,250 m ² for grade and recontour.	2015/12/31	QIA
23	It is recommended that the electrical office at the Mine Site be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated.	Add a line item for the electrical office at the Mine Site with an area of 20 m ² using the unit rate for other buildings – non-contaminated.	2015/12/31	QIA
24	It is recommended that the electrical building at the Mine Site be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated, as well as an additional line item for the concrete foundation using the unit rate for drill slab.	Add two line items for the electrical building at the Mine Site, each with an area of 20 m ² using the unit rates for other buildings – non-contaminated, and for drill slab.	2015/12/31	QIA



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
25	It is recommended that the electrical building at Milne Port be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated, as well as an additional line item for the concrete foundation using the unit rate for drill slab.	Add two line items for the electrical building at Milne Port, each with an area of 56 m ² using the unit rates for other buildings – non-contaminated, and for drill slab.	2015/12/31	QIA
26	It is recommended that footprint of all Waste Storage Areas in the reclamation security estimate be updated to the surveyed area provided by BIMC in the 2014 Annual Report.	Amend the areas for all Waste Storage Areas to the surveyed areas provided by BIMC.	2015/12/31	QIA
27	It is recommended that the ore stockpile conveyor unit rate in the reclamation security not be adjusted until BIMC provides as-built drawings for the conveyor and documentation supporting a reduction in the unit rate.	Provide as-built drawings for the conveyor and documentation supporting a reduction in the unit rate.	2015/11/01	BIMC
28	It is recommended that the value of 266,500 m ² be used for the area of abandoned sections of the Tote Road requiring reclamation, and that this quantity be updated annually until upgrades to the Tote Road are complete.	Add a line item for abandoned sections of the Tote Road with an area of 266,500 m ² for grade and recontour.	2015/12/31	QIA
29	It is recommended that the post-closure safety concern presented to humans and wildlife from the large, steep sided road cuts along the Tote Road created in 2015 be addressed in the ICRP, additional reclamation costs be included in the 2016 ASR estimate, and be discussed further by the QIA and BIMC.	Discuss the addition of a component in the ICRP that addresses the post-closure safety concern presented to humans and wildlife from the large, steep sided road cuts created in 2015.	TBD	QIA & BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
30	It is recommended that the 2015 Tetra Tech EBA report ¹ be used to update the quantities for the Tote Road line items, Unidentified Disturbed Areas and Unidentified High Priority Disturbed Areas, following the same methodology used previously in the reclamation security estimate.	Amend the areas for the Tote Road line items Unidentified Disturbed Areas to 992,674 m ² and Unidentified High Priority Disturbed Areas to 81,072 m ² using the same methodology used previously, but updated quantities from the 2015 Tetra Tech EBA Report.	2015/12/31	QIA
31	It is recommended that BIMC receive a reduction in reclamation security estimate for reclamation of Milne Port Hazardous Waste Berm 2.	Remove the line item for Milne Port Hazardous Waste Berm 2.	2015/12/31	QIA
32	It is recommended that BIMC not receive a reduction in reclamation security estimate for reclamation of the Milne Port Fuel Bladder Facility, Milne Port Hazardous Waste Berm 3, or the Mine Site QL Quonset, until BIMC shows that the remediation has been completed to the QIA's satisfaction.	Provide evidence of reclamation at the Milne Port Fuel Bladder Facility, Milne Port Hazardous Waste Berm 3, and the Mine Site QL Quonset, that is to the QIA's satisfaction.	2015/10/31	BIMC
33	It is recommended that an area of 75 m ² be added to the reclamation security estimate for the QL Quonset, using the unit rate for contaminated soil removal.	Add a line item for the Mine Site QL Quonset with 75 m ² for contaminated soil removal.	2015/12/31	QIA

¹ Tetra Tech EBA (2015) Inspection of the Milne Inlet Tote Road and Associated Borrow Sources. March 2015.



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
34	It is recommended that the QIA and BIMC further discuss which criteria for remediation of petroleum hydrocarbons (PHCs) is appropriate for the Project.	Discuss which criteria for remediation of PHCs is required for the Project.	TBD	QIA & BIMC
35	It is recommended that an area of 891 m ² be added to the reclamation security estimate for the Anmar Maintenance Shop, using the unit rate for remove soft walled building - contaminated.	Add a line item for the Anmar Maintenance Shop with 891 m ² , using the unit rate for remove soft walled building - contaminated.	2015/12/31	QIA
36	Until such time that a complete list of BIMC and 3 rd Party owned mobile equipment can be provided, it is recommended that no reductions to the quantities in the reclamation security be made.	Provide a complete list of BIMC and 3 rd Party owned mobile equipment.	2015/10/31	BIMC
37	It is recommended that a line item be added to the reclamation security for onsite landfill of non-hazardous consumables. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the onsite landfill of non-hazardous consumables.	2015/12/31	QIA & BIMC
38	It is recommended that a line item be added to the reclamation security for shipment offsite of hazardous consumables. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the shipment offsite of hazardous consumables.	2015/12/31	QIA & BIMC
39	It is recommended that the volume for hazardous material and waste not be changed at this time. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the shipment offsite of hazardous material and waste.	2015/12/31	QIA & BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
40	It is recommended that the quantity of explosives in the reclamation security be increased to at least 2,233,409 kg.	Amend the line item for explosives to 2,233,409 kg.	2015/12/31	QIA
41	The QIA request BIMC to provide a complete list of culverts upgraded (new, replaced, extended) between September 2013 and present, or if not available, create a list of culverts upgraded (new, replaced, extended) between September 2013 and present.	Provide a complete list of culverts upgraded (new, replaced, extended) between September 2013 and present.	2015/12/31	BIMC
42	The QIA request BIMC to provide all water quality and quantity monitoring data from along the Tote Road for 2013 and 2014.	Provide all water quality and quantity monitoring data from along the Tote Road for 2013 and 2014.	2015/12/31	BIMC
43	The QIA request BIMC to provide the Fish Habitat No Net Loss and Monitoring Plan. ²	Provide the Fish Habitat No Net Loss and Monitoring Plan.	2015/12/31	BIMC
44	The QIA request BIMC to provide water quality monitoring data for surface runoff construction areas along the Tote Road.	Provide the water quality monitoring data for surface runoff construction areas along the Tote Road.	2015/12/31	BIMC
45	It is recommended that BIMC remind employees and contractors to use sediment or erosion control measures during construction and maintenance of water crossings in accordance with the Environmental Protection Plan. ³	Remind employees and contractors to use sediment or erosion control measures during construction and maintenance of water crossings in accordance with the Environmental Protection Plan.	2016/05/31	BIMC

² Knight Piésold (2007) Mary River Project – Bulk Sampling Program – Fish Habitat No Net Loss and Monitoring Plan. Ref. No. NB102-181/10-4, Rev. 0. August 30, 2007.

³ BIMC (2014) Environmental Protection Plan, BAF-PH1-830-P16-0008, Rev. 0. July 15, 2014.



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
46	With respect to quarry volume calculations, it is recommended that the cut volume be reported by both parties as the quarried volume.	Discuss whether the cut volume is to be considered as the quarried volume.	2015/11/20	QIA & BIMC
47	It is recommended that the annual quarried volume be determined from a start of year and end of year survey of the quarries.	Discuss whether the annual quarried volume is to be determined from a start of year and end of year survey of the quarries.	2015/11/20	QIA & BIMC
48	It is recommended that BIMC provide a limiting polygon identifying the active quarry area.	Provide survey data with a limiting polygon identifying the active quarry area.	2015/11/20	BIMC
49	It is recommended that the quarry volume calculation methodologies and survey data information exchange procedures outlined in the <i>Quarry Volume Calculation Methods Memorandum</i> ⁴ be adopted into the CPL Operations Guide ⁵	Discuss whether the quarry volume calculation methodologies and survey data information exchange procedures outlined in the <i>Quarry Volume Calculation Methods Memorandum</i> are to be adopted into the CPL Operations Guide,	2015/11/20	QIA & BIMC
50	It is recommended that the annual quarry volume calculations utilize unmanned aerial system (UAS) survey data as it is more accurate, has higher resolution (up to 100 times more survey points), and has less human error.	Discuss whether the annual quarry volume calculations are to utilize UAS survey data.	2015/11/20	QIA & BIMC

⁴ ARKTIS (2015) Mary River Project, 2015 Environmental Audit, Quarry Surveying and Volume Calculations. August 20, 2015.

⁵ QIA & BIMC (2015) Baffinland Iron Mines Corporation and Qikiqtani Inuit Association Commercial Lease No.: Q13C301 Operations Guide. V0. October 21, 2015.



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
51	It is recommended that the period for annual quarry volume calculations be adjusted from January 1 to December 31, to July 1 to June 30 in order to accommodate the use of the UAS survey method.	Discuss whether the period for annual quarry volume calculations be adjusted from January 1 to December 31, to July 1 to June 30.	2015/11/20	QIA & BIMC
52	It is recommended that the QIA and BIMC discuss the inclusion of areas storing hazardous materials (e.g., fuel berms, explosives storage) in the Waste Storage Areas land classification, but with the qualifier – Hazardous Material Storage.	Discuss the inclusion of areas storing hazardous materials (e.g., fuel berms, explosives storage) in the Waste Storage Areas land classification, but with the qualifier – Hazardous Material Storage.	TBD	QIA & BIMC

Table 2. Summary of the findings, recommendations and actions items identified during the review of the Milne Port Fuel Bladder Facility and Hazardous Waste Storage Areas, and the Mine Site QL Quonset Decommissioning Reports, as well as confirmatory soil sampling completed by ARKTIS during the 2015 Audit.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	With respect to reclamation of petroleum hydrocarbon (PHC) contaminated soils, it is recommended that the CCME coarse-grained agricultural Tier 1 criteria be used for PHCs, and the CCME fine-grained agricultural Tier 1 criteria be used for BTEX.	The QIA and BIMC further discuss the reclamation guidelines that are to be used at the Project.	2015/12/31	QIA & BIMC
2	It is recommended that the QIA request that BIMC submit the missing information identified	The following information is required from BIMC to confirm if appropriate sampling	2015/12/31	BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
	in the reclamation report review for further review.	<p>procedures were followed for the reviewed reclamation reports:</p> <ul style="list-style-type: none"> • BIMC shall confirm if the sample containers were lined with aluminum foil or Teflon. • BIMC shall confirm if the sample containers were completely filled, minimizing headspace. • BIMC shall confirm if the samples were kept cooled to approximately 4 °C prior to analysis. • BIMC shall provide the chain of custody for all samples as an appendix for each reclamation report. • BIMC shall provide the certificate of analysis for all samples as an appendix for each reclamation report. • BIMC shall provide the holding time for all samples. 		
3	It is recommended that the QIA and BIMC have further discussions about following appropriate sampling methods as recommended by the CCME.	<p>The following sampling procedures were not followed by BIMC, and cannot be rectified for the samples taken in the reviewed reclamation reports, however BIMC shall commit to following these procedures in the future:</p> <ul style="list-style-type: none"> • BIMC shall collect the sample in a single container. • BIMC shall make 1 in 10 samples a duplicate sample, if less than 10 samples 	2015/12/31	BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
		<p>are submitted, then only one duplicate is required.</p> <ul style="list-style-type: none"> BIMC shall submit at least one field blank per batch of samples analyzed. 		
4	It is recommended that no reclamation security credit associated with soil reclamation be awarded for reclaiming the Milne Port Fuel Bladder Facility as it has not been reclaimed to the appropriate standards.	The QIA and BIMC further discuss how and when the Milne Port Fuel Bladder Facility will be reclaimed to the appropriate standards.	2015/12/31	QIA & BIMC
5	It is recommended that a reclamation security credit be awarded for reclamation of Milne Port Hazardous Waste Berm 2.	The QIA provide BIMC credit for reclamation of Milne Port Hazardous Waste Berm 2 in the 2015 Annual Security Review.	2015/12/31	QIA & BIMC
6	It is recommended that no reclamation security credit associated with soil reclamation be awarded for reclaiming Milne Port Hazardous waste Berm 3 as BIMC has not provided sufficient evidence at this time to verify the area does not contain contaminated soil.	BIMC submit a report detailing the reclamation of Milne Port Hazardous Waste Berm 3 that includes soil sampling results.	2015/12/31	BIMC
7	It is recommended that no reclamation security credit associated with soil remediation be awarded for reclaiming the Mine Site QL Quonset as it has not been reclaimed to the appropriate standards.	The QIA and BIMC further discuss how and when the Mine Site QL Quonset will be reclaimed to the appropriate standards.	2015/12/31	QIA & BIMC

Summary of the findings and recommendations identified during the 2015 Audit - Baffinland Responses

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	BIM Response
1	Full 1 m3 tote of oil outside of containment outside Mine Site Nuna Maintenance Shop.	BIMC to place tote into secondary containment, by August 11, 2015	2015-08-11	BIMC	Completed
2	Damaged 1 m3 tote of waste oil inside MS-HWB-3 Hazardous Waste Berm. Concerned for a repeat of the spill that occurred at MS-HWB-4.	BIMC in process of transferring oil to undamaged tote while on site.	2015-08-11	BIMC	Completed
3	During confirmatory sampling at the former location of the Mine Site QL Quonset, hydrocarbons were smelled in a sample just outside of western perimeter of building footprint. Soil samples indicate exceedances of the Canadian Council of Ministers of the Environment (CCME) coarse-grained agricultural Tier 1 criteria.	BIMC to remediate contaminated soil.	TBD	QIA & BIMC	It is Baffinland's position that Industrial Criteria are acceptable for current land use.
4	Quatrex of used oil containers outside of containment in the northwest corner of the Mine Site Waste Management Building Area.	BIMC to transfer to hazardous waste berm by August 11, 2015.	2015-08-11	BIMC	Completed
5	Food in waste around the Mine Site Waste Management Building has attracted foxes.	BIMC committed to reminding contractors and employees to keep food waste separate.	Ongoing	BIMC	Training and education on proper waste management is ongoing with all crews.
6	Small amounts of windblown garbage to east of landfill where no fence is present.	BIMC to tidy area before the QIA September Inspection.	2015-09-16	BIMC	Completed
7	Berm surrounding green generator in the Mine Site Maintenance Shop Area is in need of minor repairs. The berm contains water with a hydrocarbon sheen.	BIMC to repair berm before the QIA September Inspection.	2015-09-16	BIMC	Completed
8	Two half full waste oil totes outside of secondary containment in between the generators in the Mine Site Utilities Area.	BIMC to place totes into secondary containment by August 11, 2015.	2015-08-11	BIMC	Completed
9	It is recommended that the KM 2 and KM 97 borrow sources be included in the reclamation security estimate as separate line items.	Remove the km 2 and km 97 Borrow Sources line item from the reclamation security estimate.	2015-12-31	QIA	It is Baffinland's understanding that this item (and the items following) has been adequately addressed during the 2016 Annual Security Review (ASR) process.
10	It is recommended that the KM 2 Borrow Source have an area of 41,795 m2, using the unit rate for grade and recontour.	Add a line item for the KM 2 Borrow Source with an area of 41,795 m2, using the unit rate for grade and recontour.	2015-12-31	QIA	See above response No. 9.
11	It is recommended that the KM 97 Borrow Source have an area of 157,012 m2, and use the unit rate for grading and recontouring significantly disturbed areas.	Add a line item for the KM 97 Borrow Source with an area of 157,012 m2, using the unit rate for grading and recontouring significantly disturbed areas.	2015-12-31	QIA	See above response No. 9.
12	It is recommended that the area of the Q1 quarry increased to the total permitted area of 700,000 m2 to align with the values used for other quarries and borrow sources in the reclamation security.	Amend the line item for the Q1 Quarry to have an area of 700,000 m2.	2015-12-31	QIA	See above response No. 9.
13	It is recommended that the area of the QMR2 quarry decreased to the total permitted area of 252,700 m2 to align with the values used for other quarries and borrow sources in the reclamation security.	Amend the line item for the QMR2 Quarry to have an area of 252,700 m2.	2015-12-31	QIA	See above response No. 9.
14	It is recommended that the area of the Deposit #1 open pit be increased to 269,500 m2.	Amend the line item for the Deposit #1 open pit to have an area of 269,500 m2.	2015-12-31	QIA	See above response No. 9.
15	It is recommended that the 14,083 m2 allocated to the Mine Site landfill for both grade and recontour, and liner removal be removed from the reclamation security estimate.	Remove the two line items for the Mine Site landfill, for grade and recontour, and liner removal.	2015-12-31	QIA	See above response No. 9.
16	It is recommended that the 75,000 L Jet A Fuel Tank at the Mine Site remain in the reclamation security estimate until BIMC confirms that it will not be built at site.	Confirm if the 75,000 L Jet A Fuel Tank at the Mine Site will be constructed.	2015-11-01	BIMC	See above response No. 9.
17	It is recommended that the items added to the reclamation security estimate as part of the 2015 Work Plan Addendum be removed, with the exception of the crusher pad extension, and one of the crusher pad E-houses.	Remove all line items in the reclamation security estimate from the 2015 Work Plan Addendum except for of the crusher pad extension, and one of the crusher pad E-houses.	2015-12-31	QIA	See above response No. 9.
18	It is recommended that the total permitted area of 56,500 m2 be added to the reclamation security estimate for the KM 104 Borrow Source using the unit rate for grade and recontour.	Add a line item for the KM 104 Borrow Source with an area of 56,500 m2 for grade and recontour.	2015-12-31	QIA	See above response No. 9.
19	It is recommended that the 66,978 m2 allocated to the D1Q1 quarry in the reclamation security estimate not be removed until the open pit footprint in the reclamation security estimate encompasses the full extent of the D1Q1 quarry.	Demonstrate that the full extent of the D1Q1 quarry is encompassed by the footprint of the open pit used in the reclamation security estimate.	2015-10-31	BIMC	See above response No. 9.
20	It is recommended that the four geology core shacks at the Mine Site Weatherhaven Camp be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated.	Add separate line items for the four geology core shacks at the Mine Site Weatherhaven Camp with areas of 72 m2, 54 m2, 36 m2, and 25 m2, using the unit rate for other buildings – non-contaminated.	2015-12-31	QIA	See above response No. 9.
21	It is recommended that 112 m2 area of the two sedimentation ponds at Camp Lake be added to the reclamation security estimate using the unit rate for grade and recontour.	Add a line item for the two sedimentation ponds at Camp Lake with an area of 112 m2 for grade and recontour	2015-12-31	QIA	See above response No. 9.
22	It is recommended that the Mine Site contractor laydown be added to the reclamation security estimate using the unit rate for grade and recontour.	Add a line item for the contractor laydown with an area of 11,250 m2 for grade and recontour.	2015-12-31	QIA	See above response No. 9.
23	It is recommended that the electrical office at the Mine Site be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated.	Add a line item for the electrical office at the Mine Site with an area of 20 m2 using the unit rate for other buildings – non-contaminated	2015-12-31	QIA	See above response No. 9.
24	It is recommended that the electrical building at the Mine Site be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated, as well as an additional line item for the concrete foundation using the unit rate for drill slab.	Add two line items for the electrical building at the Mine Site, each with an area of 20 m2 using the unit rates for other buildings – noncontaminated, and for drill slab.	2015-12-31	QIA	See above response No. 9.
25	It is recommended that the electrical building at Milne Port be added to the reclamation security estimate using the unit rate for other buildings – non-contaminated, as well as an additional line item for the concrete foundation using the unit rate for drill slab.	Add two line items for the electrical building at Milne Port, each with an area of 56 m2 using the unit rates for other buildings – noncontaminated, and for drill slab.	2015-12-31	QIA	See above response No. 9.

26	It is recommended that footprint of all Waste Storage Areas in the reclamation security estimate be updated to the surveyed area provided by BIMC in the 2014 Annual Report.	Amend the areas for all Waste Storage Areas to the surveyed areas provided by BIMC.	2015-12-31	QIA	See above response No. 9.
27	It is recommended that the ore stockpile conveyor unit rate in the reclamation security not be adjusted until BIMC provides as-built drawings for the conveyor and documentation supporting a reduction in the unit rate.	Provide as-built drawings for the conveyor and documentation supporting a reduction in the unit rate.	2015-11-01	BIMC	As-Built Documentation once available will be evaluated by BIM to determine if a reduction in security unit rate is warranted. If deemed appropriate, evidence will then be provided to the QIA to discuss appropriate change.
28	It is recommended that the value of 266,500 m2 be used for the area of abandoned sections of the Tote Road requiring reclamation, and that this quantity be updated annually until upgrades to the Tote Road are complete	Add a line item for abandoned sections of the Tote Road with an area of 266,500 m2 for grade and recontour.	2015-12-31	QIA	See above response No. 9.
29	It is recommended that the post-closure safety concern presented to humans and wildlife from the large, steep sided road cuts along the Tote Road created in 2015 be addressed in the ICRP, additional reclamation costs be included in the 2016 ASR estimate, and be discussed further by the QIA and BIMC.	Discuss the addition of a component in the ICRP that addresses the post-closure safety concern presented to humans and wildlife from the large, steep sided road cuts created in 2015.	TBD	QIA and BIM	Agreed. The Tote Road steep sided road cuts will be stabilized. In some cases the road cuts are not complete and the walls will be further cut back This will also assist in lessening the impact of snow drifting.
30	It is recommended that the 2015 Tetra Tech EBA report1 be used to update the quantities for the Tote Road line items, Unidentified Disturbed Areas and Unidentified High Priority Disturbed Areas, following the same methodology used previously in the reclamation security estimate.	Amend the areas for the Tote Road line items Unidentified Disturbed Areas to 992,674 m2 and Unidentified High Priority Disturbed Areas to 81,072 m2 using the same methodology used previously, but updated quantities from the 2015 Tetra Tech EBA Report.	2015-12-31	QIA	See above response No. 9.
31	It is recommended that BIMC receive a reduction in reclamation security estimate for reclamation of Milne Port Hazardous Waste Berm 2.	Remove the line item for Milne Port Hazardous Waste Berm 2	2015-12-31	QIA	See above response No. 9.
32	It is recommended that BIMC not receive a reduction in reclamation security estimate for reclamation of the Milne Port Fuel Bladder Facility, Milne Port Hazardous Waste Berm 3, or the Mine Site QL Quonset, until BIMC shows that the remediation has been completed to the QIA's satisfaction.	Provide evidence of reclamation at the Milne Port Fuel Bladder Facility, Milne Port Hazardous Waste Berm 3, and the Mine Site QL Quonset, that is to the QIA's satisfaction.	2015-12-31	BIMC	Noted. Baffinland will attempt to address this prior to or during the the 2017 Annual Security Review process.
33	It is recommended that an area of 75 m2 be added to the reclamation security estimate for the QL Quonset, using the unit rate for contaminated soil removal.	Add a line item for the Mine Site QL Quonset with 75 m2 for contaminated soil removal.	2015-12-31	QIA	See above response No. 9.
34	It is recommended that the QIA and BIMC further discuss which criteria for remediation of petroleum hydrocarbons (PHCs) is appropriate for the Project.	Discuss which criteria for remediation of PHCs is required for the Project.	TBD	QIA & BIMC	Agreed, discussions are ongoing.
35	It is recommended that an area of 891 m2 be added to the reclamation security estimate for the Anmar Maintenance Shop, using the unit rate for remove soft walled building - contaminated.	Add a line item for the Anmar Maintenance Shop with 891 m2, using the unit rate for remove soft walled building - contaminated	2015-12-31	QIA	See above response No. 9.
36	Until such time that a complete list of BIMC and 3rd Party owned mobile equipment can be provided, it is recommended that no reductions to the quantities in the reclamation security be made.	Provide a complete list of BIMC and 3rd Party owned mobile equipment.	2015-12-31	BIMC	See 2016 Marginal Closure and Reclamation Financial Security Estimate, H349001-1000-07-126-0002, Appendix C. Submitted October 30, 2015.
37	It is recommended that a line item be added to the reclamation security for onsite landfill of non-hazardous consumables. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the onsite landfill of non-hazardous consumables.	2015-12-31	QIA & BIMC	Completed. See BIM proposed position in 2016 Marginal Closure and Reclamation Financial Security Estimate, H349001-1000-07-126-0002 - Section 2.1.8. Submitted October 30, 2015.
38	It is recommended that a line item be added to the reclamation security for shipment offsite of hazardous consumables. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the shipment offsite of hazardous consumables.	2015-12-31	QIA & BIMC	A cost allocation for shipment of offsite of hazardous consumables is captured in previous estimates. No change warranted at this time.
39	It is recommended that the volume for hazardous material and waste not be changed at this time. The quantity should be discussed further between the QIA and BIMC.	Discuss what quantity should be used for the shipment offsite of hazardous material and waste.	2015-12-31	QIA & BIMC	See above response No. 9.
40	It is recommended that the quantity of explosives in the reclamation security be increased to at least 2,233,409 kg.	Amend the line item for explosives to 2,233,409 kg.	2015-12-31	QIA	See above response No. 9.
41	The QIA request BIMC to provide a complete list of culverts upgraded (new, replaced, extended) between September 2013 and present, or if not available, create a list of culverts upgraded (new, replaced, extended) between September 2013 and present.	Provide a complete list of culverts upgraded (new, replaced, extended) between September 2013 and present	2015-12-31	BIMC	See DFO Tote Road Annual Report for new fish bearing and other culverts installed in 2015. An interim as-built progress report is currently being compiled. The new satellite imagery will provide the base map for the plans to be included in this report. Report scheduled to be completed by end of August 2016.
42	The QIA request BIMC to provide all water quality and quantity monitoring data from along the Tote Road for 2013 and 2014.	Provide all water quality and quantity monitoring data from along the Tote Road for 2013 and 2014	2015-12-31	BIMC	The available water quality data for the Tote Road for the years' 2013, 014, and 2015 are provided in the DFO Tote Road Annual Reports for those periods.
43	The QIA request BIMC to provide the Fish Habitat No Net Loss and Monitoring Plan.2	Provide the Fish Habitat No Net Loss and Monitoring Plan.	2015-12-31	BIMC	This plan will be uploaded shortly to the QIA file transfer system (IGLU).
44	The QIA request BIMC to provide water quality monitoring data for surface runoff construction areas along the Tote Road.	Provide the water quality monitoring data for surface runoff construction areas along the Tote Road.	2015-12-31	BIMC	See responses for Items 41 and 42, above.
45	It is recommended that BIMC remind employees and contractors to use sediment or erosion control measures during construction and maintenance of water crossings in accordance with the Environmental Protection Plan.3	Remind employees and contractors to use sediment or erosion control measures during construction and maintenance of water crossings in accordance with the Environmental Protection Plan.	2015-12-31	BIMC	Noted. This is Baffinland's typical practice.
46	With respect to quarry volume calculations, it is recommended that the cut volume be reported by both parties as the quarried volume.	Discuss whether the cut volume is to be considered as the quarried volume.	2015-11-20	QIA & BIMC	Agreed. This method is being followed.
47	It is recommended that the annual quarried volume be determined from a start of year and end of year survey of the quarries.	Discuss whether the annual quarried volume is to be determined from a start of year and end of year survey of the quarries.	2015-11-20	QIA & BIMC	The quarry volumes are calculated on a quarterly basis throughout the year.
48	It is recommended that BIMC provide a limiting polygon identifying the active quarry area.	Provide survey data with a limiting polygon identifying the active quarry area	2015-11-20	BIMC	Whenever possible this practice is being followed.

49	It is recommended that the quarry volume calculation methodologies and survey data information exchange procedures outlined in the Quarry Volume Calculation Methods Memorandum4 be adopted into the CPL Operations Guide5	Discuss whether the quarry volume calculation methodologies and survey data information exchange procedures outlined in the Quarry Volume Calculation Methods Memorandum are to be adopted into the CPL Operations Guide,	2015-11-20	QIA & BIMC	Whenever possible this practice is being followed.
50	It is recommended that the annual quarry volume calculations utilize unmanned aerial system (UAS) survey data as it is more accurate, has higher resolution (up to 100 times more survey points), and has less human error.	Discuss whether the annual quarry volume calculations are to utilize UAS survey data.	2015-11-20	QIA & BIMC	Baffinland agrees with this practice but notes that the aerial drone typically cannot be used at colder times of year (October to April). Agreed to ground survey methodologies will be used during that period.
51	It is recommended that the period for annual quarry volume calculations be adjusted from January 1 to December 31, to July 1 to June 30 in order to accommodate the use of the UAS survey method.	Discuss whether the period for annual quarry volume calculations be adjusted from January 1 to December 31, to July 1 to June 30.	2015-11-20	QIA & BIMC	Baffinland is currently considering this request and further discussions will be undertaken with QIA.
52	It is recommended that the QIA and BIMC discuss the inclusion of areas storing hazardous materials (e.g., fuel berms, explosives storage) in the Waste Storage Areas land classification, but with the qualifier – Hazardous Material Storage.	Discuss the inclusion of areas storing hazardous materials (e.g., fuel berms, explosives storage) in the Waste Storage Areas land classification, but with the qualifier – Hazardous Material Storage.	TBD	QIA & BIMC	Baffinland disagrees with this approach. The waste classification should not extend to where new products are being stored such as bulk fuel containment areas, warehouse, and ammonium nitrate storage.

Table 2. Summary of the findings, recommendations and actions items identified during the review of the Milne Port Fuel Bladder Facility and Hazardous Waste Storage Areas, and the Mine Site QL Quonset Decommissioning Reports, as well as confirmatory soil sampling completed by ARKTIS during the 2015 Audit.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	BIM Response
1	With respect to reclamation of petroleum hydrocarbon (PHC) contaminated soils, it is recommended that the CCME coarse-grained agricultural Tier 1 criteria be used for PHCs, and the CCME fine-grained agricultural Tier 1 criteria be used for BTEX.	The QIA and BIMC further discuss the reclamation guidelines that are to be used at the Project	2015-12-31	QIA & BIMC	Noted and agreed that further discussion is required.
2	It is recommended that the QIA request that BIMC submit the missing information identified	The following information is required from BIMC to confirm if appropriate sampling procedures were followed for the reviewed reclamation reports: ☐ BIMC shall confirm if the sample containers were lined with aluminum foil or Teflon. ☐ BIMC shall confirm if the sample containers were completely filled, minimizing headspace. ☐ BIMC shall confirm if the samples were kept cooled to approximately 4 °C prior to analysis. ☐ BIMC shall provide the chain of custody for all samples as an appendix for each reclamation report. ☐ BIMC shall provide the certificate of analysis for all samples as an appendix for each reclamation report. ☐ BIMC shall provide the holding time for all samples.	2015-12-31	BIMC	This information will be provided prior to or during the 2017 ASR process.
3	It is recommended that the QIA and BIMC have further discussions about following appropriate sampling methods as recommended by the CCME.	The following sampling procedures were not followed by BIMC, and cannot be rectified for the samples taken in the reviewed reclamation reports, however BIMC shall commit to following these procedures in the future: ☐ BIMC shall collect the sample in a single container. ☐ BIMC shall make 1 in 10 samples a duplicate sample, if less than 10 samples are submitted, then only one duplicate is required. ☐ BIMC shall submit at least one field blank per batch of samples analyzed	2015-12-31	BIMC	Baffinland will respond to this recommendation with planned methodologies prior to or during the 2017 ASR process and prior to completing future verification sampling.
4	It is recommended that no reclamation security credit associated with soil reclamation be awarded for reclaiming the Milne Port Fuel Bladder Facility as it has not been reclaimed to the appropriate standards	The QIA and BIMC further discuss how and when the Milne Port Fuel Bladder Facility will be reclaimed to the appropriate standards.	2015-12-31	QIA & BIMC	It is Baffinland's understanding that this item has been adequately addressed during the 2016 Annual Security Review (ASR) process.
5	It is recommended that a reclamation security credit be awarded for reclamation of Milne Port Hazardous Waste Berm 2.	The QIA provide BIMC credit for reclamation of Milne Port Hazardous Waste Berm 2 in the 2015 Annual Security Review.	2015-12-31	QIA & BIMC	Agreed and appreciated.
6	It is recommended that no reclamation security credit associated with soil reclamation be awarded for reclaiming Milne Port Hazardous waste Berm 3 as BIMC has not provided sufficient evidence at this time to verify the area does not contain contaminated soil.	BIMC submit a report detailing the reclamation of Milne Port Hazardous Waste Berm 3 that includes soil sampling results.	2015-12-31	BIMC	A report will be provided prior to or before the commencement of the 2017 ASR process.
7	It is recommended that no reclamation security credit associated with soil remediation be awarded for reclaiming the Mine Site QL Quonset as it has not been reclaimed to the appropriate standards.	The QIA and BIMC further discuss how and when the Mine Site QL Quonset will be reclaimed to the appropriate standards	2015-12-31	QIA & BIMC	Noted and agreed that further discussion is required.



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November 2nd, 2015

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Mr. Erik Madsen
Vice President
Sustainable Development, Health, Safety and Environment
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, ON L6H 0C3

Mr. Madsen,

RE: BAFFINLAND IRON MINES CORPORATION'S, MARY RIVER PROJECT, SEPTEMBER 2015 INSPECTION – QIKIQTANI INUIT ASSOCIATION FINDINGS AND RECOMMENDATIONS

This letter is being issued from the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (BIMC) which provides a summary of the findings and recommendations from the QIA's September 2015 Inspection, as per Schedule E, Item 12 of the Commercial Lease No.: Q13C301 (CPL).¹ The Inspection was undertaken from September 18 to September 22, 2015, by ARKTIS Solutions Inc. (ARKTIS) on behalf of the QIA.

In summary, the September 2015 Inspection included the following activities:

- A general site inspection to assess BIMC's compliance with select environmental terms and conditions of any permits, licences, leases or other agreements that are associated with the Project.
- A follow-up on BIMC's commitments from the June 2015 Inspection² and July 2015 Inspection,³ as well as BIMC's commitments from the 2015 Audit.⁴

The findings, recommendations, and action items from the September 2015 Inspection are provided in Table 1. Outstanding action items and new findings relating to the June 2015

¹ QIA and BIMC (2013) Commercial Lease No. Q13C301. September 6, 2013.

² ARKTIS (2015) Baffinland Iron Mines Corporation, Mary River Project, June 2015 Environmental Inspection Report. July 27, 2015.

³ ARKTIS (2015) Baffinland Iron Mines Corporation, Mary River Project, July 2015 Environmental Inspection Report. September 10, 2015.

⁴ ARKTIS (2015) Baffinland Iron Mines Corporation, Mary River Project, 2015 Audit Report. October 13, 2015.



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Inspection, July 2015 Inspection, and the 2015 Audit are provided in Table 2, Table 3, and Table 4, respectively.

QIA requests that BIMC reply to this submission through submission of a status update for each recommendation or finding contained herein. Timelines presented in the accompanying tables are replicated from verbal directions during site visit close out meetings and/or as suggested by QIA taking a reasonable response timeframe into consideration.

Please do not hesitate to contact the undersigned should you require any further information.

Sincerely,

{Issued By}

Stephen Williamson Bathory
Director, Department of Major Projects
Qikiqtani Inuit Association

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Table 1. Summary of findings, recommendations, and action items from the September 2015 Environmental Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	Barrel of Jet 'A' fuel located outside of secondary containment at the Mine Site helicopter pad.	Place the barrel in secondary containment (i.e., a spill tray).	15/09/30	BIMC
2	At the Mine Site fuel bladder facility, there was large amounts of water ponding in the former fuel dispensing area, which has recently been bermed at either end. The soil in this area is likely impacted, thereby contaminating the ponded water. There is concern that the water may overtop the berms during freshet.	Monitor water levels at this location during freshet and manage the water accordingly to prevent contaminated water from leaving the lined area.	16/05/15 to 16/06/30	BIMC
3	Oily water present in the hazardous waste berm MS-HWB-3. Due to frozen conditions, it was not possible to ascertain the extent of the spill.	Treat pooled water and remove spilled waste oil from MS-HWB-3.	16/06/30	BIMC
4	Damaged 1 m ³ tote of waste oil, along with several other damaged totes in MS-HWB-3.	Transfer oil to undamaged tote in MS-HWB-3 and clearly and obviously label damaged totes and containers that are located in hazardous waste berms.	15/09/30	BIMC
5	Unlabeled barrel outside of containment in the northwest container of the Mine Site Waste Management Area.	Transfer container to a hazardous waste berm.	15/09/30	BIMC



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
6	Garbage, including food waste, outside of a sea can temporarily storing garbage in the northeast corner of the Mine Site Waste Management Area. This was also identified as a concern during the 2015 Audit.	Tidy garbage and food waste in Mine Site Waste Management Area.	15/09/30	BIMC
7	Four fuel barrels, full, adjacent to MS-HWB-6.	Relocate fuel barrels to a hazardous waste berm.	15/09/30	BIMC
8	Frost fighters stored without spill trays outside of the Mine Site batch plant.	Provide a site wide reminder regarding use of spill trays.	15/10/31	BIMC
9	1 m ³ tote with hazardous material stored outside of secondary containment at the crusher pad.	Place in tote secondary containment.	15/09/30	BIMC

Table 2. Outstanding action items and new findings relating to the June 2015 Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	Moderate amounts of pooled water with waste oil on surface in MS-HWB-4. Estimated 2000 L spill previously due to punctured containers, as reported by BIMC.	Treat pooled water and remove spilled waste oil from MS-HWB-4.	2015/09/16	BIMC
2	Liner visible on interior of berm in MS-HWB-6. Berm in poor condition.	Repair berm and cover liner of MS-HWB-6.	2015/09/16	BIMC
3	Northeast, and west of the Mine Site Waste Management Building requires general housekeeping (i.e. used unknown liners, crushed fuel barrels, garbage/litter).	Clean up area around the Mine Site Waste Management Building.	2015/09/16	BIMC



Table 3. New findings relating to the July 2015 Inspection.

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Table 4. Outstanding action items and new findings relating to the 2015 Audit, not including those action items with timelines scheduled beyond the September 2015 Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
1	During confirmatory sampling at the former location of the Mine Site QL Quonset, hydrocarbons were smelled in a sample just outside of western perimeter of building footprint. Soil samples indicate exceedances of the Canadian Council of Ministers of the Environment (CCME) coarse-grained agricultural Tier 1 criteria.	BIMC to remediate contaminated soil.	TBD	QIA & BIMC
2	Food in waste around the Mine Site Waste Management Building has attracted foxes.	BIMC committed to reminding contractors and employees to keep food waste separate.	Ongoing	BIMC
3	Two sea can warehouses/workshops at the bulk sample ore stockpile laydown at the Mine Site were relocated to the crusher pad and ore stockpile area. The previous locations of these structures may have contaminated soil.	Consider adding the contaminated soil from the previous locations of these structures to the reclamation security estimate.	15/12/31	QIA
4	A new access road to the crushing pad from the Haul Road is being constructed.	Consider adding the new area of the crusher and ore stockpile area access road to the reclamation security estimate.	15/12/31	QIA
5	A new refueling station is being constructed at Milne Port for the ore haul trucks to improve efficiency, and reduce traffic through the Milne Port camp. A 50,000 L tank for diesel will be located in a lined berm.	Consider adding the refueling station at Milne Port to the reclamation security estimate.	15/12/31	QIA



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No.	Recommendation or Finding	Action Item	Timeline	Responsible Party
6	Old Tote Road alignments at KM 49 and KM51.	Consider adding the old Tote Road alignments at KM 49 and KM51 to the reclamation security estimate.	15/12/31	QIA
7	Anmar Maintenance Shop at Milne Port – all of the debris and building material remaining from the fire have been removed and packaged for shipment offsite. The liner and potentially contaminated soil remain in place. BIMC anticipates that the reclamation of this area will be finalized in 2016.	Finalize reclamation of the area and submit reporting of reclamation with the 2016 Annual Report.	None.	BIMC
8	Hazardous Waste Berm MP-HWB-5 at Milne Port – the structure and liner have been removed. Samples of the underlying soils have been sent to the laboratory for analysis, and BIMC is awaiting results. BIMC anticipates that the reclamation of this area will be completed in 2015, and the reclamation report will be provided with the 2015 Annual Report.	Finalize reclamation of the area and submit reporting of reclamation with the 2015 Annual Report.	None.	BIMC

Table 1. Summary of findings, recommendations, and action items from the September 2015 Environmental Inspection

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	Baffinland Response
1	Barrel of Jet 'A' fuel located outside of secondary containment at the Mine Site helicopter pad.	Place the barrel in secondary containment (i.e., a spill tray).	15/09/30	BIMC	Completed
2	At the Mine Site fuel bladder facility, there was large amounts of water ponding in the former fuel dispensing area, which has recently been bermed at either end. The soil in this area is likely impacted, thereby contaminating the ponded water. There is concern that the water may overtop the berms during freshet.	Monitor water levels at this location during freshet and manage the water accordingly to prevent contaminated water from leaving the lined area.	16/05/15 to 16/06/30	BIMC	This area will be monitored during the spring melt and pumped as required.
3	Oily water present in the hazardous waste berm MS-HWB-3. Due to frozen conditions, it was not possible to ascertain the extent of the spill.	Treat pooled water and remove spilled waste oil from MS-HWB-3.	16/06/30	BIMC	This will be addressed due to oily water treatment program in 2016.
4	Damaged 1 m3 tote of waste oil, along with several other damaged totes in MS-HWB-3.	Transfer oil to undamaged tote in MS-HWB-3 and clearly and obviously label damaged totes and containers that are located in hazardous waste berms.	15/09/30	BIMC	Completed
5	Unlabeled barrel outside of containment in the northwest container of the Mine Site Waste Management Area.	Transfer container to a hazardous waste berm.	15/09/30	BIMC	Completed
6	Garbage, including food waste, outside of a sea can temporarily storing garbage in the northeast corner of the Mine Site Waste Management Area. This was also identified as a concern during the 2015 Audit.	Tidy garbage and food waste in Mine Site Waste Management Area.	15/09/30	BIMC	Completed
7	Four fuel barrels, full, adjacent to MS-HWB-6.	Relocate fuel barrels to a hazardous waste berm.	15/09/30	BIMC	Completed
8	Frost fighters stored without spill trays outside of the Mine Site batch plant.	Provide a site wide reminder regarding use of spill trays.	15/10/31	BIMC	Completed and ongoing.
9	1 m3 tote with hazardous material stored outside of secondary containment at the crusher pad.	Place in tote secondary containment	15/09/30	BIMC	Completed

Table 2. Outstanding action items and new findings relating to the June 2015 Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	Baffinland Response
1	Moderate amounts of pooled water with waste oil on surface in MS-HWB-4. Estimated 2000 L spill previously due to punctured containers, as reported by BIMC.	Treat pooled water and remove spilled waste oil from MS-HWB-4.	2015-09-16	BIMC	This will be addressed due to oily water treatment program in 2016.
2	Liner visible on interior of berm in MS-HWB-6. Berm in poor condition	Repair berm and cover liner of MS-HWB-6.	2015-09-16	BIMC	Completed
3	Northeast, and west of the Mine Site Waste Management Building requires general housekeeping (i.e. used unknown liners, crushed fuel barrels, garbage/litter).	Clean up area around the Mine Site Waste Management Building.	2015-09-16	BIMC	Completed and ongoing.
4	Liner from the Milne Port Fuel Bladder Farm has been deposited with contaminated soil in the Landfarm facility.	Segregate liner from contaminated soil in landfarm and prepare for transportation offsite.	2015-09-16	BIMC	Completed and ongoing.
5	BIMC stated during the September 2015 Inspection that the water management structures around the Milne Port ore stockpile would be constructed prior to freshet in 2016.	Construct the water management structures around the Milne Port ore stockpile prior to freshet.	2015-09-16	BIMC	This is the current plan.

Table 3. New findings relating to the July 2015 Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	Baffinland Response
1	Due to poor weather conditions, the unmanned aerial system (UAS) was unable to conduct the proposed surveys along the Tote Road during the allotted time period as previously discussed by the QIA and BIMC	Advance discussions related to Tote Road reconciliation with QIA.	None.	BIMC	Discussions have advanced and are continuing.
2	Upgrade at KM 49 involves straightening of the Tote Road and a reduction of grade. Some material appears to have been cut from the slope and used as fill in the same upgrade.	This upgrade should be included in the list of priority survey targets along the Tote Road	2016	QIA & BIMC	Agreed. The satellite imagery should cover this area.
3	Upgrade at KM51 involves straightening of Tote Road. This section is relatively flat, and it does not appear to require any material be cut.	This upgrade should be included in the list of priority survey targets along the Tote Road.	2016	QIA & BIMC	Agreed. The satellite imagery should cover this area.

Table 4. Outstanding action items and new findings relating to the 2015 Audit, not including those action items with timelines scheduled beyond the September 2015 Inspection.

No.	Recommendation or Finding	Action Item	Timeline	Responsible Party	Baffinland Response
1	During confirmatory sampling at the former location of the Mine Site QL Quonset, hydrocarbons were smelled in a sample just outside of western perimeter of building footprint. Soil samples indicate exceedances of the Canadian Council of Ministers of the Environment (CCME) coarse-grained agricultural Tier 1 criteria.	BIMC to remediate contaminated soil	TBD	QIA & BIMC	This area will be resampled during 2016. It is recommended that the QIA and BIMC have further discussions regarding the application of appropriate CCME soil criteria for the site (i.e., industrial vs. Agricultural /Parkland)
2	Food in waste around the Mine Site Waste Management Building has attracted foxes.	BIMC committed to reminding contractors and employees to keep food waste separate.	Ongoing	BIMC	This is Baffinland's normal practice.
3	Two sea can warehouses/workshops at the bulk sample ore stockpile laydown at the Mine Site were relocated to the crusher pad and ore stockpile area. The previous locations of these structures may have contaminated soil.	Consider adding the contaminated soil from the previous locations of these structures to the reclamation security estimate	15/12/31	QIA	This scenario is considered unlikely but this can be addressed during the 2017 ASR process.
4	A new access road to the crushing pad from the Haul Road is being constructed.	Consider adding the new area of the crusher and ore stockpile area access road to the reclamation security estimate.	15/12/31	QIA	Agreed. This should be considered during the 2017 ASR process.
5	A new refueling station is being constructed at Milne Port for the ore haul trucks to improve efficiency, and reduce traffic through the Milne Port camp. A 50,000 L tank for diesel will be located in a lined berm.	Consider adding the refueling station at Milne Port to the reclamation security estimate	15/12/31	QIA	This was considered during the 2016 ASR process.
6	Old Tote Road alignments at KM 49 and KM51.	Consider adding the old Tote Road alignments at KM 49 and KM51 to the reclamation security estimate.	15/12/31	QIA	This was considered during the 2016 ASR process.
7	Anmar Maintenance Shop at Milne Port – all of the debris and building material remaining from the fire have been removed and packaged for shipment offsite. The liner and potentially contaminated soil remain in place. BIMC anticipates that the reclamation of this area will be finalized in 2016.	Finalize reclamation of the area and submit reporting of reclamation with the 2016 Annual Report.	None	BIMC	The completion report for the fire debris and soils impacted during the fire is submitted with the 2015 Annual Report. Further remediation of the remaining area of impact from historical use of the maintenance shop will be conducted during 2016 and reported in the 2016 annual report.
8	Hazardous Waste Berm MP-HWB-5 at Milne Port – the structure and liner have been removed. Samples of the underlying soils have been sent to the laboratory for analysis, and BIMC is awaiting results. BIMC anticipates that the reclamation of this area will be completed in 2015, and the reclamation report will be provided with the 2015 Annual Report.	Finalize reclamation of the area and submit reporting of reclamation with the 2015 Annual Report.	None	BIMC	The analyses was completed in 2015, but the final report will be submitted as part of the 2016 annual report.