Appendix H -
MMER Sampling and Reporting Requirements Memo (Minnow)

Memorandum

Date: May 20, 2015

To: Jim Millard (Baffinland Iron Mines Corp.)

c.c.: Oliver Curran (Baffinland Iron Mines Corp.), Cynthia Russel and Pierre Stecko (Minnow Environmental Inc.).

From: Paul LePage (Minnow Environmental Inc.)

RE: Overview of MMER Sampling and Reporting

The Mary River Project is expected to become subject to the Metal Mining Effluent Regulations (MMER) under Canada's *Fisheries Act* in June 2015 upon the release of a cumulative amount of greater than 50 cubic meters (m^3) of effluent per day to the receiving environment. As a result, under the MMER, Baffinland Iron Mines Corporation (Baffinland) will be required to initiate Effluent and Water Quality Monitoring studies.

Minnow Environmental Inc. (Minnow) has prepared this memorandum to provide an overview of the information that must be submitted to Environment Canada once the Mary River Project becomes subject to the MMER. This memorandum has been organized according to the timeline for which the ensuing monitoring information is initially due to Environment Canada to meet Baffinland's MMER obligations.

Information Required Within 60 Days of Initiation of Effluent Discharge

Information that must be submitted to Environment Canada within 60 days following the release of effluent above the trigger level (i.e., 50 m^3/day) includes the following:

- Name and address of the mine owner and operator;
- Name and address of the mine parent company;
- Final discharge point(s) plans, specifications, and general description;
- Final discharge point(s) coordinates, reported in latitude and longitude degrees, minutes and seconds; and,
- Name of water body receiving final effluent discharge(s).

For the Mary River Project, the final discharge points may initially include MS-09 (East Pond) and MS-06 (Ore Stockpile Runoff) locations. The MS-09 pond will collect runoff

from the Early Revenue Phase (ERP) waste rock stockpile, whereas the MS-06 pond will collect surface runoff from mine site infrastructure and treated sewage water. Notably, effluent from sewage treatment facilities is not required to be monitored/reported under the MMER, but there may be requirements for monitoring to meet Baffinland's territorial (permitting) obligations. It is also noteworthy that records regarding effluent flow monitoring equipment (e.g., model numbers and year, manufacturer specifications for key equipment/components) and a calibration log must be maintained by the mine, but this information is not required to be routinely reported to Environment Canada.

The information indicated above must be submitted to the Environment Canada MMER Authorization Officer assigned to the Mary River Project, as follows:

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Sampling Required Following Initiation of Effluent Discharge

Effluent and water quality monitoring must be initiated upon the mine becoming subject to the MMER, and consists of:

- effluent deleterious substances monitoring;
- effluent acute toxicity testing;
- effluent volume monitoring;
- effluent characterization;
- effluent sublethal toxicity testing; and,
- receiving environment water quality.

Effluent deleterious substance (and pH) monitoring must be conducted weekly, at least 24 hours apart, at the final effluent discharge point during periods of effluent discharge. Analytical parameters measured for deleterious substance monitoring, required laboratory detection limits, and monthly mean limits are provided in Table 1. Baffinland will not be required to monitor effluent cyanide concentrations, as long as this substance is not used as a process reagent within the operations area. In addition, the monitoring frequency for radium-226 may be reduced in the event that concentrations are below 0.037 Bq/L for 10 consecutive sampling events.

Table 1: Effluent monitoring frequency and parameters associated with deleterious substances, acute toxicity and characterization monitoring components under the MMER.

Monitoring Component	Monitoring Frequency	Substance	Method Detection Limit[a]	Mean Monthly Limit
Deleterious Substances	weekly	Arsenic	0.010 mg/L	0.50 mg/L
		Copper	0.010 mg/L	0.30 mg/L
		Lead	0.010 mg/L	0.20 mg/L
		Nickel	0.010 mg/L	0.50 mg/L
		Zinc	0.010 mg/L	0.50 mg/L
		Total Suspended Solids	2.0 mg/L	15.0 mg/L
		Radium-226[b]	0.01 Bq/L	0.37 Bq/L
		pH	-	-
Acute Toxicity	Monthly	Rainbow Trout – Pass/Fail	-	-
		Daphnia magna – Pass-Fail	-	-
Effluent Characterization	four-times per year	Aluminum	0.05 mg/L	-
		Cadmium	0.00001 mg/L	-
		Iron	0.1 mg/L	-
		Mercury[b]	0.001 mg/L	-
		Molybdenum	0.005 mg/L	-
		Ammonia	0.05 mg/L	-
		Nitrate	0.05 mg/L	-
		Hardness	1 mg/L	-
		Alkalinity	2 mg/L	-
		Specific Conductance	-	-
Effluent Sublethal Toxicity	two-times per year	Fathead minnow	-	-
		Ceriodaphnia	-	-
		Duckweed	-	-
		Green alga	-	-

[a] Method detection limits for deleterious substances stipulated under the MMER, whereas those for effluent characterization are recommended by Minnow to allow comparison to relevant guidelines (e.g., Canadian Water Quality Guidelines)

[b] Sampling frequency can be reduced once the mine can demonstrate radium-226 concentrations less than 0.037 Bq/L over 10 consecutive sampling events, and mercury concentrations less than 0.0001 mg/L over 12 consecutive sampling events.

Acute toxicity testing must be conducted monthly, during periods of effluent discharge, to assess the influence of mine effluent on rainbow trout and *Daphnia magna* based on 'Pass/Fail' endpoints. Should samples be shown to be acutely lethal (i.e., ≥50% mortality), sampling frequency must be increased.

Effluent volume must be monitored in cubic meters (m^3), and reported in m^3/day, m^3/month and m^3/year, as appropriate. The effluent volume data will be used to calculate monthly loadings for each of the deleterious substances.

Effluent characterization must be conducted four times each calendar year, not less than one month (30 days) apart, while the mine is depositing effluent. In the event that effluent is discharged for only short periods each calendar year, the monitoring frequency will be reduced. It is recommended that effluent characterization be conducted at the same time as monitoring for deleterious substances and, if possible, receiving environment water quality monitoring. The list of substances required for effluent characterization is included in Table 1.

Effluent sublethal toxicity sampling must initially be conducted two-times annually using the effluent that contributes the greatest loadings of deleterious substances to the receiving environment. For each sampling event, sublethal toxicity tests must be conducted using fathead minnow (*Pimephales promelas*; 7-day survival and growth test), a cladoceran invertebrate (*Ceriodaphnia dubia*; 7-day survival and reproduction test), duckweed (*Lemna minor*; 7-day growth inhibition test), and a green alga (*Psuedokirchneriella subcapitata*; 3-day growth inhibition test) using standard test methods (Environment Canada 2007a,b,c, 2011).

Receiving environment water quality monitoring must be conducted four times each calendar year, not less than one month (30 days) apart, while the mine is depositing effluent. At a minimum, the sampling areas for receiving environment water quality monitoring at the Mary River Project must include an effluent-exposed station situated downstream of the effluent discharge(s) and a reference station located upstream of any mine effluent-related influences. Monitoring requirements for the receiving environment monitoring include field measurements of water temperature, dissolved oxygen, pH and specific conductance, as well as sampling for the substances required for deleterious substance and effluent characterization monitoring (see Table 1).

In terms of initiation of effluent and receiving environment water quality sampling, the following schedule is indicated in the MMER:

Deleterious Substances:	Within one week of the mine becoming subject to MMER.
Effluent Acute Toxicity:	Within one month of the mine becoming subject to MMER.
Effluent Volume:	Within one week of the mine becoming subject to MMER.

Effluent Characterization: Within six months of the mine becoming subject to MMER.
Effluent Sublethal Toxicity: Within six months of the mine becoming subject to MMER.
Receiving Water Monitoring: Within six months of the mine becoming subject to MMER.

For practicality, effluent volume should be monitored daily. In addition, given that effluent is likely to be discharged over a relatively short period of ice-free conditions from approximately June to September at the Mary River Project, the effluent characterization, effluent sublethal toxicity and receiving environment water quality monitoring must all be completed within six months of the Mary River Project becoming subject to the MMER. Thus, Baffinland must be prepared to organize and conduct this sampling in the summer 2015 open-water period.

Reporting Schedule and Content

Effluent monitoring reports are due to the Environment Canada Authorization Officer for all tests and monitoring conducted during each calendar quarter not later than 45 days after the end of the quarter, and annually not later than March 31st of the following calendar year. The quarterly reports will include all information related to effluent deleterious substances and pH (concentration and monthly mean concentration data), the number of days effluent was discharged and the volume of effluent discharged (monthly), mass loadings estimates from effluent for the deleterious substances, effluent acute toxicity data, effluent characterization data, effluent sublethal toxicity data and receiving environment water quality monitoring data. These reports will generally be provided electronically, with the analytical data also required to be entered into the Regulatory Information Submission System (RISS) database. A hypothetical schedule for sampling and reporting, based on an initial effluent discharge date of 30 June 2015, is provided as Table 2.

For the annual effluent and water quality monitoring report, key information that should be provided to the Authorization Officer includes:

a) The dates on which each sample was collected for effluent characterization, sublethal toxicity testing and water quality monitoring:

- four dates for effluent characterization (4 times per calendar year and not less than 1 month apart), while the mine is depositing effluent;
- four dates for water quality monitoring (4 times per calendar year and not less than 1 month apart), while the mine is depositing effluent;
- dates for sublethal toxicity testing (2 times each calendar year for 3 years and once each year after the third year, with the first testing to occur on an effluent sample collected not later than 6 months after the mine becomes subject to the MMER). The sublethal toxicity testing date(s) should match the date(s) for

Table 2: Example sampling and reporting schedule for Baffinland's Mary River Project under a hypothetical effluent discharge date of June 30, 2015.

Component		Sampling Initiation	Sampling Frequency (when discharging)	Year 1 Reporting Period				
				First Quarter Report	Second Quarter Report	Third Quarter Report	Fourth Quarter Report	Annual Report
				July, Aug, Sept 2015	Oct, Nov, Dec 2015	Jan, Feb, Mar 2016	Apr, May, Jun 2016	Jun 30 to Dec 31 2015
Effluent	Deleterious Su□stances and p□	□ul□ □st □□t□□□0□□	e□er□ □ee□[a]	□3 □ee□s of data; 3 mont□l□a□erages	□3 □ee□s of data; 3 mont□l□a□erages	no effluent disc□arge li□el□(free□e□up□	no effluent disc□arge li□el□(free□e□up□	□6 □ee□s of data; 6 mont□l□a□erages
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[a] □ ee□l□monitoring samples must □e collected a minimum of □□ □ours apart

[□] Sampling e□ents must □e spaced at least one mont□ (30 da□s□apart from one anot□er□and t□us fe□er t□an four sampling e□ents ma□occur in instances in □□ic□effluent is disc□arged o□er s□ort periods□

effluent characterization, as the sublethal toxicity sample must be an aliquot of the effluent characterization sample; and,

- if the required number of tests were not conducted, indicate the reason why (i.e., the number of days that the effluent was being discharged or the habitat conditions that prevented the collection of effluent characterization and/or water quality monitoring samples).

b) The locations of the final discharge points from which samples were collected for effluent characterization, noting that effluent characterization is conducted at all identified final discharge points (FDPs).

c) The location of the final discharge point from which samples were collected for sublethal toxicity testing and the data on which the selection of the final discharge point was based:

- Indicate from which FDP the effluent was collected for the sublethal toxicity testing and why that FDP was chosen for mines with more than one FDP (e.g., effluent that discharges into a sensitive receiving environment, has the greatest mass loading).

d) The latitude and longitude of sampling areas for receiving environment water quality monitoring, in degrees, minutes and seconds, and a description that is sufficient to identify the location of the sampling areas (possibly supplemented with maps).

e) The results of effluent characterization, sublethal toxicity testing and water quality monitoring:

- Include the results from all analyses completed on effluent (chemical and physical parameters), sublethal toxicity testing and receiving environment water quality monitoring.
- Include results from all required parameters, as well as any optional site-specific parameters that were measured.
- For sublethal toxicity testing, the laboratory reports should be included as an appendix in the annual report.

f) The methodologies used to conduct effluent characterization and water quality monitoring, and the related method detection limits:

- Some sampling methods are outlined in the Guidance Document for the Sampling and Analysis of Metal Mining Effluent: Final Report available at http://dsp-psd.pwgsc.gc.ca/Collection/En49-24-1-39E.pdf.

- Indicate the methodology used (e.g., inductively coupled plasma combined with mass spectrometry [ICP-MS], graphite furnace atomic absorption spectrometry [GFAAS]) for effluent characterization and water quality monitoring.
- Indicate the method detection limits for the methodology used—for MMER deleterious substances, the method detection limits identified in Table 1 should be met. Note that the Canadian Council of Ministers of the Environment's Canadian Environmental Quality Guidelines (e.g., Water Quality Guidelines for the Protection of Aquatic Life) or additional territorial/site-specific water quality guidelines should also be considered for comparisons of the receiving environment water quality monitoring.

g) A description of quality assurance and quality control measures that were implemented and the data related to the implementation of those measures:

Conclusions

I trust the information provided in this memorandum provides you with sufficient overview of the MMER sampling and reporting that Baffinland will be required to fulfil to meet its MMER obligations. Once organized, Minnow would be happy to review your monitoring schedules to verify that MMER compliance will be met. Should you require further details or wish to discuss any aspect of this information, please do not hesitate to contact me at your convenience.

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References

Environment Canada. 2007a. Biological Test Method: Test of Reproduction and Survival Using the Cladoceran *Ceriodaphnia dubia*. Environmental Technology Centre, Ottawa, Ontario. Environmental Protection Series. Report EPS 1/RM/21. Second Edition. February 2007.

Environment Canada. 2007b. Biological Test Method: Growth Inhibition Test Using a Freshwater Alga. Environmental Technology Centre, Ottawa, Ontario. Report EPS 1/RM/25. Second Edition. March 2007.

Environment Canada. 2007c. Biological Test Method: Test for Measuring the Inhibition of Growth Using the Freshwater Macrophyte *Lemna minor*. Environmental Technology Centre, Ottawa, Ontario. Environmental Protection Series. Report 1/RM/37. Second Edition. January 2007.

Environment Canada. 2011. Biological Test Method: Test of Larval Growth and Survival Using Fathead Minnows. Environmental Technology Centre, Ottawa, Ontario. Environmental Protection Series. Report 1/RM/22. Second Edition.

Appendix I – Oily Water Treatment Plant (For Vehicle Wash Water) O & M Manuals

File excluded as it is 69 MB and 300 pages; please request from Baffinland if needed