

**Wabush Mines
Cliffs Mining Company, Managing Agent
Wabush, Labrador**

REGISTRATION PURSUANT TO
SECTION 49 (Part X)
of the
ENVIRONMENTAL PROTECTION ACT

**FOR THE
PROPOSED LAND RECLAMATION OF HAY LAKE- SCULLY MINE**

**IN THE DISTRICT
OF
LABRADOR WEST**

PROVINCE OF NEWFOUNDLAND AND LABRADOR

March 22, 2005

Name of Undertaking

**Hay Lake Reclamation
Scully Mine, Labrador**

Proponent

(i) Name of Corporate Body:

Wabush Mines; Cliffs Mining Company, Managing Agent

(ii) Address

P.O. Box 3000
Wabush, Labrador
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(iii) Chief Executive Officer

Name:	Robert Behrendt
Official Title	Resident Manager
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(iv) Principal Contact for Purposes of Environmental Assessment:

Name:	Guy Moores
Official Title:	Section Manager Environment, Health and Safety
Telephone Number:	(709) 285 7266

The Undertaking

The proposed undertaking has been titled “Hay Lake Reclamation” and is described in the following sections.

(i) Nature of the Undertaking

The undertaking consists of the continued excavation of a large Open Pit mining operation (Scully Mine), such that waste rock and ore will be removed from the area surrounding Hay Lake, a small water body within the mine lease area.

The location of the mining operation and Hay Lake are shown in Figure 1.

(ii) Rationale of the Undertaking

The reason for this undertaking is to continue resource extraction within the mining lease area of the Scully Mine.

Wabush Mines operates the Scully Mine in Labrador. The open pit iron ore operation includes plans to access and process ore contained around and under a small local water body – Hay Lake. This requirement was identified and scheduled to occur in the 1980s, however changes to the operating program within the open pit resulted in advancement of the excavation in other directions, and a delay in the need to access the ore body adjacent to Hay Lake.

The operating plan for the open pit now includes the need to advance mining into the area of Hay Lake. This activity is scheduled for mid-2005.

The water body is adjacent to the open pit mining area and will need to be drained both to assure safety of the mining operation, and to access ore adjacent to the water body. There are no alternatives or mitigation measures which can be carried out to eliminate or reduce the effect of draining the lake, other than the cessation of mining.

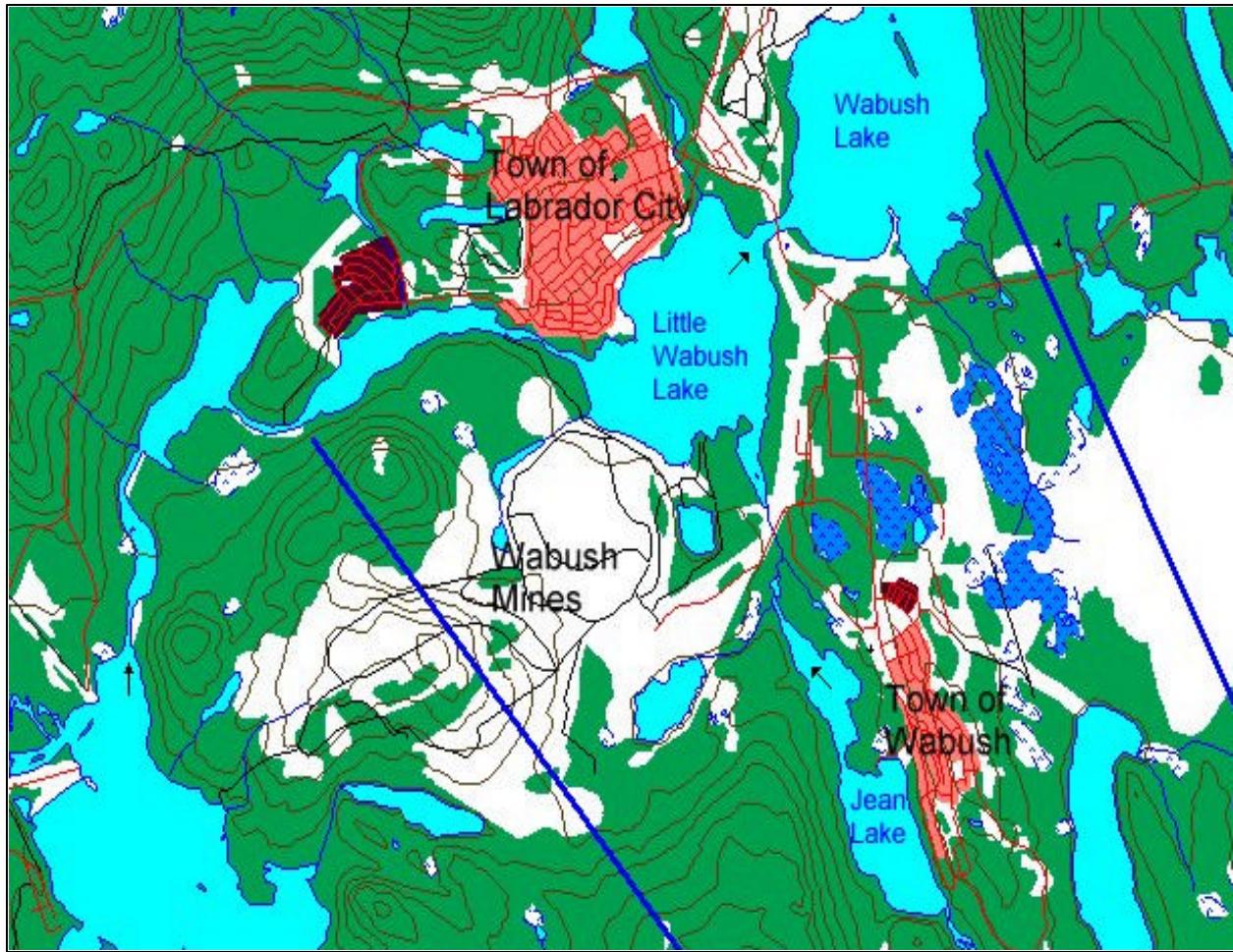


Figure 1. Scully Mine Site Wabush, Labrador

DESCRIPTION OF THE UNDERTAKING

(i) Geographic Location:

Scully Mine is located approximately five kilometres west of Wabush, Labrador (Figure 1). Hay Lake is located at the northeastern corner of the open pit complex (Figure 2).

(ii) Physical Features:

The undertaking will produce few changes in the existing infrastructure of the area since facilities currently at site will be utilized to accomplish the work. The mining operation has a pumping system and drainage network in place. All pumped water to be removed from Hay Lake will be handled by available pumps and hoses. All workers associated with this undertaking are currently on staff and will utilize existing mine facilities.

The area to be affected by this undertaking will be limited to the immediate vicinity of Hay Lake. The primary effect will be the removal of aquatic habitat and its inclusion in the mined area of Scully Mine open pit.

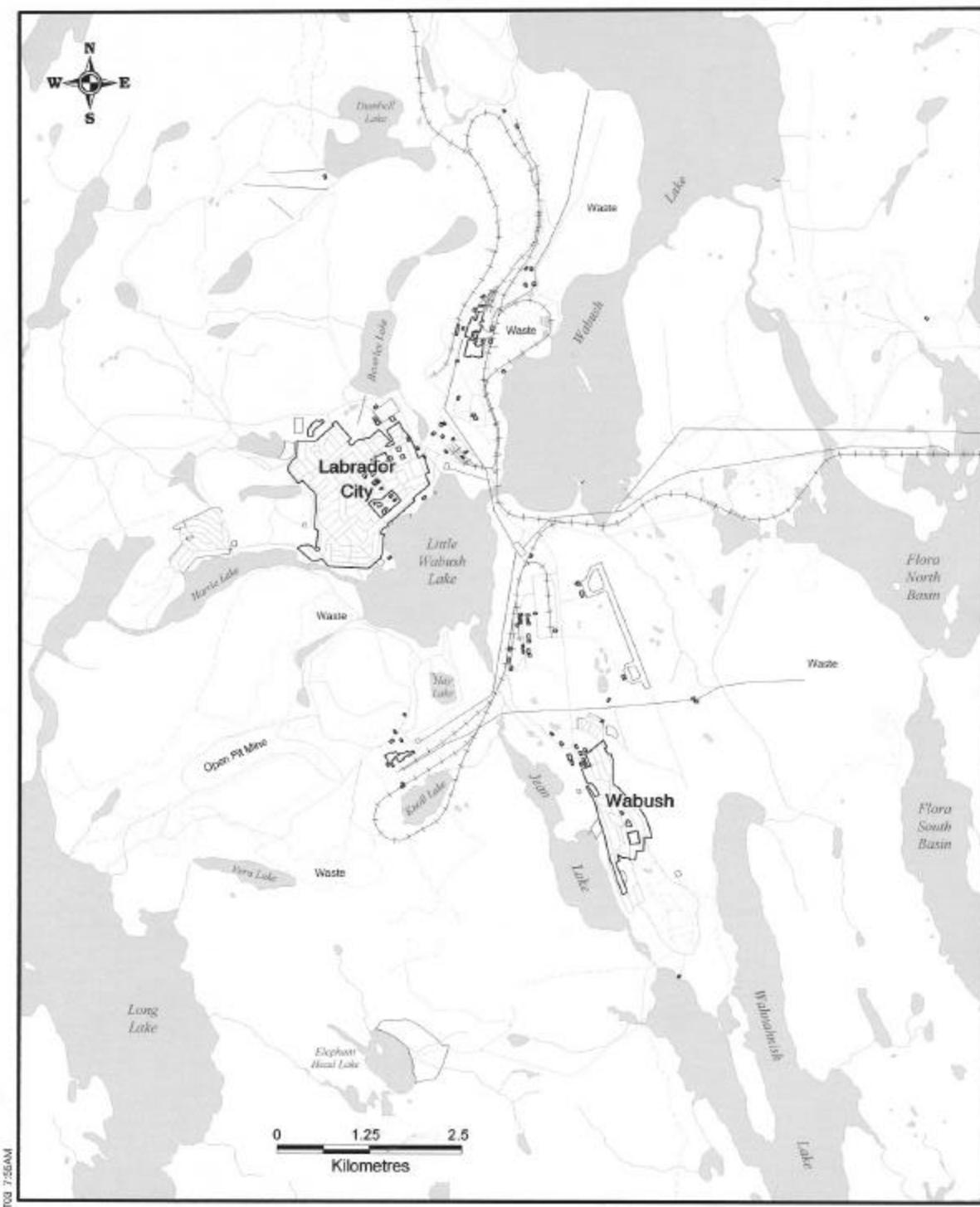


Figure 2. Hay Lake Location

(a) Physical Environment

The area of the undertaking lies entirely within the Mining Lease of Wabush Mines, hence the terrain is generally disturbed as a consequence of the industrial operation, i.e. vegetation clearing, overburden/waste rock excavation and mining of the ore body surrounding Hay Lake.

The water body itself (Figure 3) has been modified through past landfill around the pond perimeter, and through sedimentation as a result of the receipt of pumped water from the open pit drainage control operation. Outflow from Hay Lake is to the north into Little Wabush Lake.

The Hay Lake water body has been surveyed and has the following characteristics:

Area 11.7 ha

Mean depth 1.6m

Maximum depth 4m.

(b) Biological Environment

Riparian vegetation comprises scrub growth. Despite the evidence of anthropogenic influence, an aquatic survey revealed that the water body continues to support a population of fish. Catches were: 29 white sucker *Catostomus commersoni*, 3 Brook trout *Salvelinus fontinalis* and 1 Lake chub *Couesius plumbeus*. The outflow stream also contained burbot (1 *Lota lota*) and longnose dace (2 *Rhinichthys cataractae*).

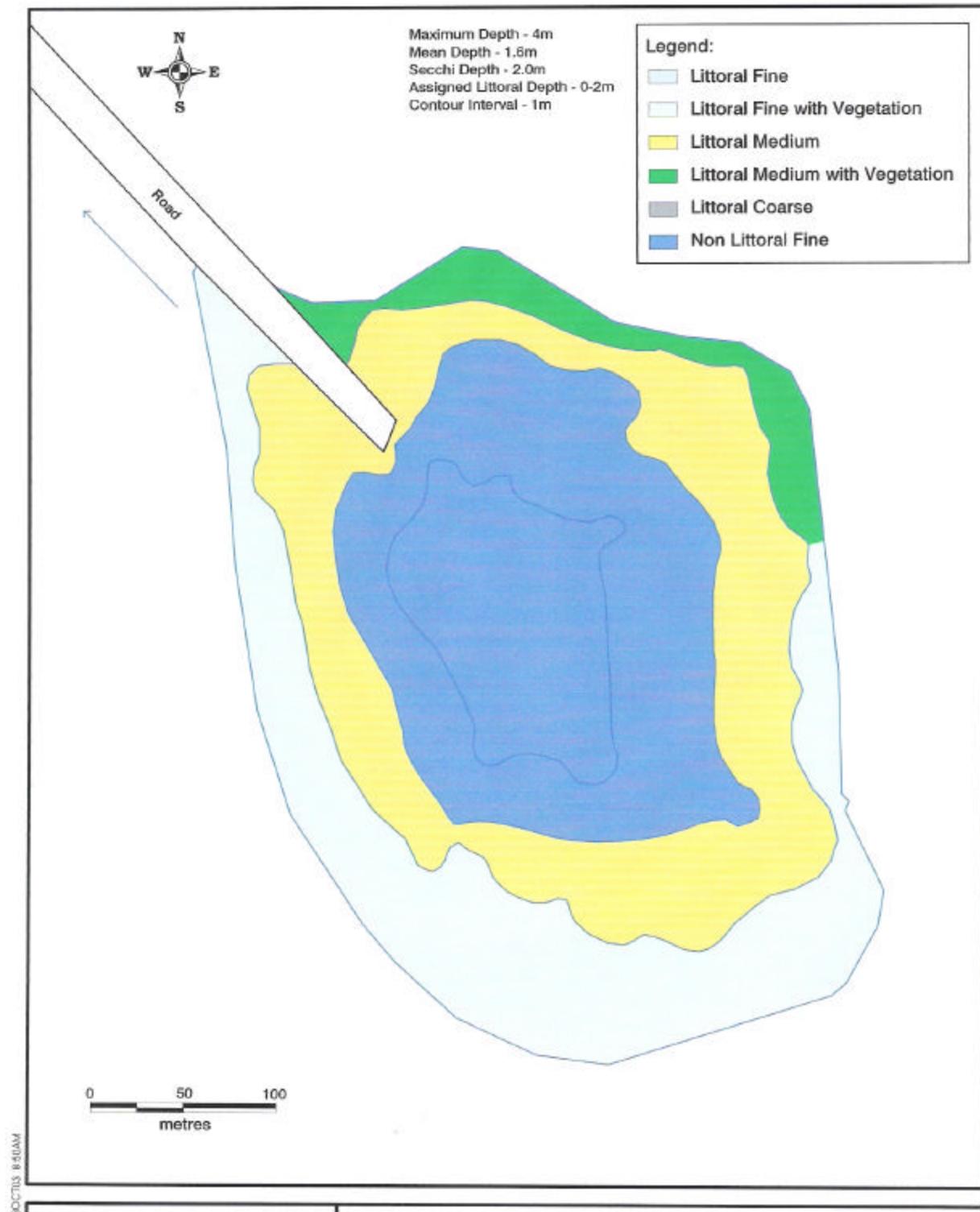


Figure 3 – Hay Lake Bathymetry and Substrate

(c) Land and Resource Use

There is no exploitation of the fish resource in this small water body, both because of its location within the Mining Lease area, and due to proximity of other, more accessible and productive water bodies. The only resource use activity is mining, as described above.

(iii) Construction

Hay Lake contains approximately 175,000 m³ of water. This quantity will be drained and pumped from the lake over a period of 60 days. The existing outflow channel, with drainage improvements will direct water by gravity flow. A pump will be deployed at the end of the access road/berm. A screened intake will be deployed approximately 0.5 m from the bottom. The screening will be sized to prevent impingement of fish. A 95 hp pump will be used, in a throttled back mode to control its flow rate. The discharge line from the pump will be run along the edge of the access road to discharge down gradient into the vegetative mat.

Existing equipment and resources will be employed to carry out the work.

(a) Construction Schedule

The draining of Hay Lake will commence June 30, 2005 and will last an estimated 60 days. The commencement of pumping will be timed to permit safe access to the pit wall by Aug. 31, 2005. In concert with the water extraction, a fish salvaging operation will be carried out June 30 – July 15.

(b) Potential Sources of Pollution During Construction

The draining of the water body will likely produce silt-laden water, given the fine substrate found in the water body. If discharged directly into fish bearing waters or natural water bodies, there is the potential to introduce high levels of suspended sediment into receiving waters.

Standard operating procedures for handling pumped water from the Open Pit will apply to this operation. Thus, all collected water will be settled and discharged only when sediment levels are at acceptable values (considered to be less than 15 ppm.)

(c) Potential Resource Conflicts

There are no other users of the subject area as the water body lies entirely within the Mining Lease for Scully Mine. Fisheries and Oceans Canada can be expected to prohibit actions that will result in fish mortality. To address this concern, and as required by DFO, Wabush Mines will carry out a fish salvage operation prior to the completion of dewatering.

Fyke nets will be set in the pond and all captures handled in an approved manner, and transported for release to Little Wabush Lake. The outflow stream will be electro-fished and all captures released downstream or in Little Wabush Lake.

Operation

There is no operations phase associated with this undertaking, other than the ongoing mining of the Scully Mine Open Pit.

Project Related Documents

Fish Habitat in Hay Lake – Habitat Quantification for the purpose of Determination of Harmful Alteration Disruption or Destruction (HADD) of Fish Habitat.

APPROVAL OF THE UNDERTAKING

The following is a list of approvals which may be required for the Undertaking.. Note that Wabush Mines EHS Policy and Procedures will apply to this activity and a project-specific Environmental Protection Plan will be developed and implemented to ensure accountability and compliance.

Provincial

The water body is within the Lease Area for the Scully Mine operation, thus, in general the activity is under regulatory control through the operating conditions for the mine.

In 1984 the Department of Environment issued a **Certificate of Authorization** for the draining of the water body to facilitate the removal of ore from the open pit.

Federal

A request for **HADD determination** has been submitted to Fisheries and Oceans Canada for decision in accordance with Sec 32 of the Fisheries Act. This may result in a screening under the **Canadian Environmental Assessment Act (CEAA)**. There may also be a requirement for an Authorization under Sec 32 of the Fisheries Act, and a supporting Compensation Agreement to ensure that an acceptable plan is in place and committed to by the Proponent.

Any capture and transfer of fish will require an **Experimental Sampling License** as issued by Fisheries and Oceans Canada.

FUNDING

The proposed undertaking does not depend upon a grant or loan from any government agency.

Date

Resident Manager, Wabush Mines