

March 11, 2013

Nunavut Water Board

PO Box 119

Gjoa Haven NU

X0B 1J0

Attention: Phyllis Beaulieu, Manager of Licencing
David Hohnstein, Director, Technical Services

Re: Application for Type B Water Licence

Dear Ms. Beaulieu and Mr. Hohnstein,

As per our discussions, Baffinland Iron Mines Corporation ("**BIMC**") is applying for a new Type B Water Licence so it can start in May 2012 to build some of the fuel tanks, laydown areas and camp pads that will ultimately be needed for the Mary River Project. BIMC will also begin the development of new quarries to provide materials to build these new facilities. The company will also expand the sewage treatment facility at the Milne Port and Mine Site, in preparation for the larger workforce that will be required during the construction period.

The facilities proposed to be constructed under this Type B Water Licence were previously fully considered by the Nunavut Planning Commission and by the Nunavut Impact Review Board ("**NIRB**") as part of the Mary River NIRB Project Certificate issued on December 28, 2012. The planned preliminary construction activities described in this application that would proceed under the new Type B Water Licence will have minimal to no impact on Nunavut waters and will not generate waste.

Once issued, it is anticipated the Type A Water Licence relating to the Mary River Project will replace the Type B Water Licence that is the subject of this application.

Accordingly, please find enclosed the following materials:

- Appendix 1: General Water Licence Application Form
- Appendix 2: Executive Summary in English and Inuktitut
- Appendix 3: Project Description
- Appendix 4: List of the officers of the company and evidence of registration of the company name.
- Appendix 5: Supplemental Information Guidelines checklist
- Appendix 6: NPC Confirmation
- Appendix 7: NIRB Project Certificate
- Appendix 8: Plans and drawings relating to this application, specifically:
 - 8.a - Milne Port Type B License Drainage Plan Dwg No. H349000-2100-10-015-0001
 - 8.b - Milne Port Type B License Preliminary Earthwork Quantities
 - 8.c - Milne Port Off-Spec Effluent Pond Plan and Details Dwg No. H349000-2735-10-035-0001
 - 8.d - Milne Port Type B License Camp Infrastructure Drainage Plan Dwg. No H349000-4134-10-015-0001.
 - 8.e - Updated Borrow Pit and Quarry Management Plan.
 - 8.f - Q1 Quarry Management Plan.
 - 8.g – Milne Port Site Preparation Site Layout Drainage Plan Dwg No. H349000-2100-10-015-0001
 - 8.h – Milne Port Site Preparation Bulk Fuel Storage Overall Plan Dwg No. H349000-2613-10-014-0001.

- 8.i – Milne Port – Site Preparation Bulk Fuel Storage Site Grading Plan Dwg. No. H349000-2613-10-014-0002
- 8.j – Milne Port Site Preparation Bulk Fuel Storage Dyke Sections Dwg. No. H349000-2613-10-035-0001
- 8.k – Milne Port Site Preparation Bulk Fuel Storage Sections through Truck Loading Area Dwg. No. H349000-2613-10-035-0002
- 8.l – Milne Port Site Preparation Bulk Fuel Storage Tank Pad Details Dwg. No. H349000-2613-10-035-0003
- 8.m – Milne Port Site Preparation Bulk Fuel Storage Dyke Sections and Details Dwg. No. H349000-2613-10-035-0004

As discussed, your earliest attention to this application would be appreciated in order to ensure that BIMC can commence construction in a timely manner. Accordingly, please contact me directly with any questions or further information the Nunavut Water Board requires in respect of this application. Note fees relating to this application have been forwarded to you separately by our solicitors, Lawson Lundell LLP, in order to ensure timely receipt.

Yours truly,



Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

Cc: Mr. Ryan Barry, Executive Director, NIRB
Mr. Stephen Bathory, Director, Major Projects, QIA