



May 14, 2014

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 Renewal and Amendment to Type "B" Water Licence 8BC-MRY1314

Dear Ms. Beaulieu and Mr. Hohnstein,

Baffinland Iron Mines Corporation ("**Baffinland**") is applying for renewal and amendment to Type "B" Water Licence 8BC-MRY1314 in order to proceed with the construction of the approved Early Revenue Phase (ERP) facilities.

Baffinland intends the renewal and amendment of Type "B" Water Licence 8BC-MRY1314 to act as a 'bridging' water licence until Baffinland's Type "A" Water Licence 2AM-MRY1325 is amended to capture ERP infrastructure and activities under its administrative processes and monitoring requirements. It is anticipated that an amendment to the existing Type "A" Water Licence will be submitted to the Board 60 days after submission of this application for a renewal and amendment to the Type 'B' Water Licence 8BC-MRY1314.

Under its Type "A" Water Licence 2AM-MRY1325, Baffinland is already authorized to draw from Philips Creek during the summer period and from km 32 during the winter period, 68.5 m³ of water per day (in order to operate the current Matrix Camp and to use for dust suppression on the Tote Road). The construction activities for the ERP at Milne necessitate the use of an additional volume of 299 m³/day of water for combined domestic and construction use. The additional domestic use is associated with the expansion of the existing permitted construction accommodation camp ('Matrix Camp') and requirements for additional manpower during the ERP development phase. ERP development requirements include water use for concrete truck wash down, concrete production, compaction of laydown areas and dust suppression at Milne Port and along the Tote Road.

The facilities and infrastructure proposed to be constructed for the ERP were considered by the Nunavut Planning Commission ("**NPC**") and by the Nunavut Impact Review Board ("**NIRB**") as part of the Early Revenue Phase for the Mary River NIRB Project Certificate review undertaken from June 2013 to January 2014. Approval by the Minister of Aboriginal Affairs and Northern Development ("**AANDC**") of the amendment to Project Certificate No. 005 and approval by the Minister of AANDC and approval of the territorial Minister of Environment of amendments to the North Baffin Regional Land Use Plan was granted on April 28, 2014.

The updated application package for this renewal and amendment to Type "B" Water Licence 8BC-MRY1314 is enclosed and includes the following:

- **Appendix 1:** Type “B” Water Licence Renewal and Amendment Application
- **Appendix 2:** NPC correspondence to Aboriginal Affairs and Northern Development Canada (“**AANDC**”) Minister, Re: Recommendation to Amend the North Baffin Regional Land Use Plan to include a New Transportation Corridor for the Baffinland Iron Mine Corporation’s Early Revenue Phase Proposal, April 14, 2014
- **Appendix 3:** Project Description and Scope of the Amended Type “B” Water Licence
- **Appendix 4:** Knight Piésold, Hydrological Assessment of Phillips Creek and km 32 Lake Watersheds
- **Appendix 5:** Drawings showing the ERP Layout and details of the Polishing Waste Stabilization Pond
- **Appendix 6:** Box 22 – Financial Information
- **Appendix 7:** Hatch, Abandonment and Reclamation of Proposed Type B Water Licence Activities

Please disregard the materials previously submitted to you on April 24, 2014 in relation to this renewal and amendment.

As discussed, your earliest attention to this application would be appreciated in order to ensure that Baffinland has a decision by July 15th in order to support staging/preparation activities prior to open water. The application for the amendment of Type “A” Water Licence 2AM-MRY 1325 will be submitted to the Board within 60 days after submission of this application.

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 previously provided to the Board.

Yours truly,



Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

Cc: Mr. Ryan Barry, Executive Director, NIRB
Mr. Steven Williamson Bathory, Qikiqtani Inuit Association

References:

- 1) Baffinland Iron Mines Inc., Addendum to Final Impact Assessment for the Mary River Project, June 2013
- 2) Baffinland Iron Mines Inc., Final Impact Assessment for the Mary River Project, February 2012
- 3) Nunavut Impact Review Board – Project Certificate No. 005

- 4) Nunavut Water Board – Type “A” Licence 2AM-MRY1325
- 5) Nunavut Impact Review Board – Public Hearing Report – Mary River Project Early Revenue Phase – Baffinland iron Mines Corporation, NIRB File No. 08MN053, March 2014
- 6) Nunavut Planning Commission – Re: Recommendation to Amend the North Baffin Regional Land Use Plan to include a New Transportation Corridor for the Baffinland Iron Mine Corporation’s Early Revenue Phase Proposal, 14 April 2014
- 7) Hatch – 2014 Marginal Reclamation and Closure Security Estimate, H349000-1000-07-126-0017, October 31, 2013