



September 24, 2014

Your file - Votre référence
Bank of Nova Scotia ISLOC #OSB832TOR

Our file - Notre référence
IQALUIT-#851998

Oliver Curran
Director of Sustainability
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, Ontario
L6H 0C3

Re: Acceptance of Amendment #1 to the Bank of Nova Scotia Irrevocable Standby Letter of Credit #OSB832TOR

Dear Mr. Curran,

Please be advised that on behalf of the Minister of Indian Affairs and Northern Development, I accept the above referenced amended irrevocable standby letter of credit that was issued by the Bank of Nova Scotia on August 26, 2014. This financial guarantee satisfies Part B, Item 1 of Baffinland Iron Mines Corporation's Type 'B' water licence, #8BC-MRY1416, for their Mary River Site Preparation Project.

Please don't hesitate to contact me by email at murray.ball@aandc-aadnc.gc.ca or telephone at (867) 975-4550 for further information.

Sincerely,

Murray Ball
Manager, Water Resources Division
Nunavut Regional Office
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
IQALUIT, Nunavut
X0A 0H0

c.c.: Karen Costello, Director of Resource Management, AANDC
David Abernethy, Water Resources Regional Coordinator, AANDC
Melanie Netser, Administrative Assistant, AANDC
Phyllis Beaulieu, Manager of Licensing, NWB