



61 FRONT STREET WEST, 4TH FLOOR, TORONTO, ONTARIO, CANADA MSH 1H1 TEL. NO.: 416-847-6257

NUNAVUT WATER BOARD

DATE: FEBRUARY 25, 2011

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 518572/269319 DATED : FEBRUARY 4, 2008 AMOUNT: CAD 5, 407, 000, 00 AMENDMENT NUMBER: 3

APPLICANT: BAFFINLAND IRON MINES CORPORATION. 120 ADELAIDE ST. W. | SUITE 1016, TORONTO, ONTARIO, CANADA M5H 1T1

BENEFICIARY:

QIKIQTANI INUIT ASSOCIATION P.O. BOX 219, IGALUIT, NUNAVUT CANADA XOA OHO

ATTENTION: LANDS DEPARTMENT

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE STANDBY LETTER OF CREDIT AND MUST BE ATTACHED THERETO.

DEAR SIR(S)

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE AMOUNT OF THIS CREDIT HAS BEEN INCREASED BY CAD 9,700,000.00 THE AMOUNT OF THIS CREDIT IS AMENDED TO: CAD 26,200,000.00 .

ALL OTHER TERMS AND CONDITIONS UNCHANGED.

YOURS TRULY

THIS DOCUMENT CONSISTS OF 1 PAGE(S).

AUTHORIZED SIGNATURE/SIGNATAIRE AUTORISÉ

THE BANK OF NOVA SCOTIA/LA BANQUE DE NOUVELLE-ÉCOSSE

3 - ADVISING BANK/BANQUE NOTIFICATRICE

1 - ORIGINAL 2 - CUSTOMER/CLIENT 4 - BRANCH/SUCCURSALE

(ISSUING BANK NOTE: BETAIN IF ISSUED BY BRIEF CARLE/FULL CARLE/SWIFT) (NOTE À LA BANQUE ÉMETTRICE : À CONSERVER SI AVIS BREF/COMPLET ÉMIS PAR CABLE/SWIFT)

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