Final Submission Regarding Baffinland Iron Mines Corporation Type A Water Licence Renewal Application for the Mary River Project

Aboriginal Affairs and Northern Development Canada

Final Submission to the Nunavut Water Board

April 22, 2015

EXECUTIVE SUMMARY

Aboriginal Affairs and Northern Development Canada (AANDC or the Department) has participated in the ongoing review of Baffinland Iron Mines Corporation's (Baffinland or BIMC) application (the application) for the amendment of Type A water licence 2AM-MRY1325 (Type A licence or 2AM-MRY1325) for the Mary River Project.

The intent of Baffinland's requested amendment is to consolidate under one licence all requirements for the construction and operation of the Mary River Project. It principally consists of transferring the rights and obligations of Type B water licence 8BC-MRY1416 to 2AM-MRY1325. The application also includes requests for increasing capacity at Milne Port and additional water withdrawal for dust suppression along the Tote Road.

The two technical issues raised by AANDC have been resolved through discussion with Baffinland. The third technical issue relates to the reclamation liability cost estimates associated with the fully developed mine site, and with the site development under the Early Revenue Phase as detailed in the 2015 Work Plan. The reclamation cost estimates and review process have been addressed through the Annual Security Review and the Type A water licence amendment application process reviews. Some additional concerns are raised regarding clarifications made since the technical meeting as to water withdrawal quantities and revisions made by BIMC to the security section within the updated water licence application.

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