

July 07, 2014

Jim Millard, Environmental Manager, Baffinland Iron Mines Corporation, 2275 Upper Middle Road East, Suite 300. Oakville, Ontario, L6H- 0C3

Water Licence: 2AM-MRY1325

RE: Plans required Submitted in Follow-up to April and June 2104 Inspections

Background

The properties of Baffinland Iron Mines Corporation (BIMC) at Milne Camp and Mary River Camp were inspected June 17-19, 2014. Two major concerns were noted during the inspection with respect to waste ash storage at Milne Camp and Mary River Camp and the surface drainage (yard swale) to Camp Lake near MS-MRY-1(Mary River Camp).

At the end of the inspection the Water Resource Officers and BIMC discussed options and two plans were requested to be submitted to address these concerns. The plan required for the waste ash in barrels was requested to be submitted on or before July 04, 2014 and the plan to for the surface drainage (yard swale) was requested to be submitted on or before July 21, 2014.

Comments

AANDC Field Operations acknowledges that BIMC has met the requirements of submitting both plans by the required dates and will continue to work with and monitor BIMC to ensure these plan are executed within the time lines as outlined in the Followup to April and June 2014 Inspections response submitted on July 04, 2014 by BIMC. All activities will be conducted according to the requirements of Water Licence 2AM-MRY1325 and supporting documentation.

Robert Savard Water Resource Officer. AANDC, Iqaluit, NU.

Nunavut Water Board CC. Trevor Myers, Environmental Superintendant, Baffinland Erik Allain, Manger Field Operations, AANDC Justin Hack, Water Resource Officer