

May 19, 2015

Baffinland Iron Mines Corporation 2275 Upper Middle Road East Oakville, ON Canada L6H 0C3

Re: Surface Water Drainage to Camp Lake – Acknowledgment of Deliverable Mary River Project – Water Licence No. 2AM-MRY1325

Dear Mr Millard:

During a compliance inspection, which was conducted on June 17-19, 2014 by Aboriginal Affairs and Northern Development Canada (AANDC) Water Resource officers, some concerns were identified pertaining to the sediment loading of surface drainage into Camp Lake near MS-MRY-1a.

In a report submitted to AANDC on May 15, 2015, it is recognized that Baffinland Iron Mines Corporation (BIMC) has completed the construction of small settling sumps as a measure to decrease the flow velocity and in turn provide additional time to allow for the settling out of suspended sediments prior to the runoff entering Camp Lake.

This letter is to acknowledge that BIMC is continuing to fulfill their commitments to address this concern as detailed in their Final Design Plan, Surface Water Drainage to Camp Lake Near Freshwater Intake (Sediment Control Plan) - October 30, 2014.

On-site verification of the measures implemented will be conducted by a Water Resource Officer during the next water licence inspection.

Sincerely,

Justin Hack

Justin Hack

Water Resource Officer

Aboriginal Affairs and Northern Development Canada

Igaluit, NU



cc. Erik Allain, Manager, Field Operations, AANDC Iqaluit Scott Burgess, AANDC Iqaluit Phyllis Beaulieu, NWB Jim Millard, BIMC