



June 24, 2016

Justin Hack  
Water Resources Officer  
Indigenous and Northern Affairs Canada  
Nunavut Regional Office  
969 Qimugjuk Bldg, PO Box 2200  
Iqaluit, NU X0A 0H0

Re: Letter of Non-Compliance, June 16, 2016

Dear Mr. Hack,

The attached Report on Actions Taken is submitted to you in response to the Letter of Non-Compliance dated June 16, 2016, which requires Baffinland Iron Mines Corporation (BIM) to submit an Action Plan to address the sedimentation of watercourses along the Tote Road by June 24, 2016. As discussed in our meeting at your offices on June 22, 2016, the attached report will be followed up with bi-weekly reports and submission of the Tote Road and Mine Hall Road mitigation action plan on September 30th, 2016.

BIM acknowledges that some commitments made by BIM in 2015 had not yet been completed or commenced at the time of the May Inspection, however the Letter of Non-Compliance fails to reference significant work and preparation that was underway at the time that the inspection was conducted and prior to the commencement of the 2016 freshet. BIM attempted to undertake construction activities during the winter, and prior to freshet, but frozen and hard packed ground contributed to difficulties in the construction of a drainage system around the perimeter of the Milne Port Ore Stockpile and the Crusher Stockpile areas despite the use of standard equipment and methods. As a result, the project was delayed until later in May when ground thaw would permit excavation through the developing active layer. It is also noteworthy that prior to the inspection monitoring and water sampling was routinely being conducted and all water discharge results for toxicity were non-lethal.

Since the Inspection, BIM has completed many of the works committed to and has taken additional measures to address sedimentation issues which have resulted from an above average snow load year. BIM remains committed to safety and environmental protection and will continue to implement sediment and erosion control measure, as required, to prevent and/or minimize sediment loading into water.

Please don't hesitate to contact me if you have any further questions.

Thank you

*Original signed by*

Todd Burlingame  
VP, Sustainable Development

cc.      Nunavut Water Board  
         Stephen Williamson Bathory, Director, Department of Major Projects, QIA  
         Erik Allain, Manager Field Operations, INAC  
         Sarah Forte, INAC  
         Brian Penney, CEO, BIM  
         Sylvain Proulx, COO, BIM  
         Jim Millard, Environmental Supervisor, BIM