



Resource Management Directorate  
Nunavut Regional Office  
P.O. Box 100  
Iqaluit, NU, X0A 0H0

November 6, 2014

Your file - Votre référence  
2AM-MRY1325  
Our file - Notre référence  
CIDM# 868501

Phyllis Beaulieu  
Licensing Administrator  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU, X0A 1J0

**Re: Water Licence 2AM-MRY1325 - Baffinland Iron Mines Corporation – Mary River Mine – Annual Security Review – Schedule C, Item 2 (c) – Security Held by the Minister**

Dear Phyllis Beaulieu:

In accordance to the Water Licence 2AM-MRY1325 Schedule C, Item 2 (c), AANDC is required to provide, to the NWB, a confirmation of the total financial security held by the Minister of Aboriginal Affairs and Northern Development Canada (AANDC) for the Mary River Mine project.

The financial security held by the Minister for Water Licence 2AM-MRY1325 is \$166,000. The Minister holds a total of \$1,562,826 in financial security for all three water licences issued to Baffinland Iron Mines Corporation (Baffinland) for all activities associated with the Mary River Project; mining, exploration, and construction. The security amounts are summarized below:

Licence Number	Security Amount
2AM-MRY1325	\$ 166,000
2BE-MRY1421	\$1,250,000
8BC-MRY1416	\$ 146,826
<b>Total</b>	<b>\$1,562,826</b>

AANDC will provide further information for the ASR required under Schedule C, Item 2 (d) and (e), following a thorough review of Baffinland's 2015 Work Plan and Reclamation Cost Estimate.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4657 or by e-mail at [Andrea.Morgan@aandc-aadnc.gc.ca](mailto:Andrea.Morgan@aandc-aadnc.gc.ca).

Sincerely,

Andrea Morgan, P. Eng.  
Senior Project Engineer

Cc. Karen Costello, Director, Resource Management, AANDC  
James Neary, Manager, Mary River Team, AANDC  
Jean Allen, Water Management Specialist, AANDC  
Tracey McCaie, Manager, Lands Administration, AANDC