



NWB Tools

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## FW: ASR Letter - Additional Information on DFO securities requested by the Board

1 message

**Erik Madsen** <erik.madsen@baffinland.com>

Wed, Dec 3, 2014 at 6:30 AM

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Hello Phyllis:

As per the attached November 6, 2014 letter, Baffinland was requested to provide further information:

1) regarding the amount of the security held with the DFO , 2) the specific activities in respect of which the DFO security is held, 3) the extent to which the security held by DFO overlaps with reclamation activities included under the licence and 4) rationale for the Board to consider the DFO security when considering the global security amount required to reclaim activities and undertakings authorized under the Licence.

Below are information addressing these questions:

1) Baffinland has posted two letters of security with the DFO – 1) For \$3,003, 159.00 (see attached LOC #OSB7060TOR) and 2) For \$562,500 (see attached LOC #OSB7061TOR);

2) The first Letter of Credit (#OSB7060TOR for \$3,003,159) is for the implementation of the offsetting plan and second Letter of Credit (#SB7061TOR for \$562,500) is for the monitoring of the offsetting plan.

Both of these Letter of Credits relate to the fish habitat offsetting plan for the ore dock construction in the ocean environment at Milne Inlet and NOT freshwater;

3) There is no real extent of overlap with the Type A water licence as this is in the ocean environment and not freshwater;

4) This information is being provided to the Water Board just to show all the types and amounts of security Baffinland holds related to the project with other permits or authorizations with other Regulatory Agencies. For example, at this upcoming ASR review process Baffinland will provide information related to the amount of security it plans to post with Aboriginal Affairs related to the Land Lease it obtained for the construction of the ore dock which is constructed on the ocean bed which is crown land.

We trust this information addresses the points requested in your letter and Baffinland will provide an overview of all the security amounts at the December 18<sup>th</sup> meeting.

Should you need any clarification please feel free to contact me.



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**3 attachments**



**141106 2AM-MRY1325 ASR Process and Timelines-OSJE.pdf**  
51K



**OSB7060TOR.pdf**  
123K



**OSB7061TOR.pdf**  
122K