File No: 2AM-MRY1325 – Amendment No. 1/ ASR Process

November 1, 2016

To: Mary River Distribution List

Subject: Type "A" Water Licence 2AM-MRY1325, Mary River Project; 2017

Annual Security Review Process – Revised Process Schedule

Dear Parties:

In response to the Nunavut Water Board's ("NWB" or "Board") October 5, 2016 correspondence¹ regarding the 2016 – 2017 Annual Security Review (ASR) process for the Type "A" Water Licensee issued to the Mary River Project (Licence No. 2AM-MRY1325), the NWB received a joint submission² from the Qikiqtani Inuit Association (QIA) and Indigenous and Northern Affairs Canada (INAC).

The QIA and INAC requested in their submission changes to some of the dates included in the ASR process schedule developed and issued by the NWB, which the Board considered granting prior to the process commencement date of November 1, 2016. The Board, however, has had to postpone its decision on the joint QIA – INAC request due to correspondence³ received from Baffinland Iron Mines Corporation (BIMC) on October 31, 2016 indicating that submission of the 2017 work plan, which requires receipt by the Board by November 1, 2016 to commence the review process, will be delayed until November 4, 2016.

As BIMC's delayed submission has introduced further changes to the schedule previously distributed by the Board and commented on by the QIA and INAC, the NWB has decided to make additional revisions to the process schedule to reflect BIMC's delayed submission as well as the

¹ Letter from NWB to Mary River Distribution List Re: Type "A" Water Licence No. 2AM-MRY1325 – Amendment No.1, Mary River Project; 2016 – 2017 Annual Security Review Process and Guidance for Timing with Respect to the Annual Security Review Required Under Part C and Schedule C, October 5, 2016.

² Email from S. W. Bathory, QIA, to S. Joseph, and D. Hohnstein, NWB; Cc'd to S. Forte, INAC and T. Burlingame, BIMC; Re: RE: 161005 2AM-MRY1325 2016-2017 Annual Security Review NWB Guidance -OAAE BIM Correspondence, October 31, 2016.

³ Email from W. McPhee to S. Joseph and D. Hohnstein, NWB; S.W. Bathory, QIA; S. Forte, INAC; Cc'd T. Burlingame and A. Grzegorczyk, BIMC; Re: RE: 161005 2AM-MRY1325 2016-2017 Annual Security Review NWB Guidance –OAAE, October 12, 2016.

QIA and INAC's joint request. A copy of the revised schedule is herein attached. Parties wishing to provide comments or recommended changes for the Board's consideration <u>must</u> do so prior to <u>4 p.m. Mountain Time</u>, <u>November 2</u>, <u>2016</u>, by email to <u>licensing@nwb-oen.ca</u>.

In closing, the Board would like to advise all stakeholders that the ASR process, including the timelines for critical submissions, such as the project's work plan for the preceding year, is governed by Part C, Schedule C and/or Schedule J of the Type "A" Water Licence issued to the Mary River Project. Schedule J, Item 1 of the Licence states as follows:

Unless otherwise directed by the Board, on an annual basis on or before the 1st of November, the Licensee shall submit to the Board an annual work plan and updated estimate of the anticipated mine closure and reclamation costs for the upcoming year.

Consequently, submissions not provided in accordance with the provisions of the Licence or schedule provided by the Board, which generally reflects relevant timelines, have the potential to impact the administrative compliance aspects of the file or project. The Board, therefore, encourages all stakeholders to assist in ensuring that the objectives of the process are achieved pursuant to the terms and conditions of the Licence.

If you have any questions or comments regarding the above, please direct them by email to Sean Joseph, Senior Technical Advisor, at Sean.Joseph@nwb-oen.ca or David Hohnstein, Director, Technical Services, at David.Hohnstein@nwb-oen.ca.

Sincerely,

Stephanie Autut Executive Director

NUNAVUT WATER BOARD

cc: NWB Public Registry

Attachment: Table 1 – Revised Process Schedule

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Table 1: Licence No. 2AM-MRY13250 – Revised Schedule for 2015 – 2016 ASR Process

Date	Event
November 3, 2016	Licensee, the Minister, and QIA to file information with the NWB in accordance with relevant section(s) of Schedule C, Item 2 in Amended Licence No. 2AM-MRY1325.
November 4, 2016	The Licensee to file with the NWB a copy of its 2017 Work Plan as required under Schedule J of the Licence.
November 24, 2016	Licensee to file any updated information regarding additional security amounts posted with the Designated Inuit Organization and territorial or federal authorities that have issued authorizations to the Project including the QIA and INAC.
December 2, 2016	Interested parties to file written submissions with the NWB in accordance with relevant section(s) of Schedule C, Item 2 in the Amended Licence No. 2AM-MRY1325.
December 6, 2016	Licensee to file response to interveners' submissions.
December 9, 2016	NWB to hold the ASR Meeting by Teleconference.
December 16, 2016	Parties to file revisions or addendums to written submissions based upon ASR Meetings with the NWB in accordance with relevant section(s) of Schedule C, Item 2 of the Amended Licence No. 2AM-MRY1325.
January 16, 2017	NWB to advise the Licensee and interested parties of the total reclamation security required for 2017 Work Plan under Part C, Item 1 of the Licence).
February 16, 2017	Licensee to file the total reclamation security amount for 2017 Work Plan (within thirty (30) days).