

## **JOINT SUBMISSION TO THE NUNAVUT WATER BOARD**

**January 6, 2017**

**FINAL**

Subsequent to the December 9, 2016 conference call regarding the 2017 Annual Security Review (ASR), Baffinland (BIM) and the Qikiqtani Inuit Association (QIA) have had further discussions and meetings respecting estimates, including the proposed 2017 Work Plan.

The current security (as conditionally agreed upon during the 2016 ASR) posted pursuant to the Commercial Lease is \$48,845,500 in respect of Inuit Owned Lands (IOL) held by the QIA.

BIM and the QIA have reached an agreement, subject to further process for discussions between the parties referred to below, for BIM to post an additional \$2,538,500 to the QIA related to BIM's 2017 Work Plan. This agreement would result in the QIA holding total security in the amount of \$51,384,000, satisfying the requirements for the posting of security under the provisions of the signed Commercial Lease (Q13C301) between BIM and the QIA. These additional monies will be posted as an amendment to the irrevocable current letter of credit with the QIA consistent with the requirements of the Q13C301. Once submitted to the QIA a copy of the security amendment will be provided to the Nunavut Water Board (NWB) for their own records upon receipt by the QIA.

It is understood by the QIA that BIM will post this additional security in such that the QIA receives the original hard copy LOC Amendment at QIA's offices no later than April 15, 2017. This posting schedule was agreed to be submitted for NWB consideration and strictly relates to security held under Q13C301.

Continued discussions regarding the calculation of security under the Commercial Lease are anticipated in 2017 and may result in changes and refinements to future positions of the QIA and BIM. Any such changes that result from further joint efforts are anticipated to be applied in the context of the 2018 ASR process.

BIM and QIA look forward to working with NWB when parties embark on future ASR processes.