



Indigenous and
Northern Affairs Canada

Affaires autochtones
et du Nord Canada

Our file - Notre référence
IQALUIT-#1134851

March 1, 2017

Adam Grzegorzczuk
Approvals Manager
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, ON L6H 0C3

Sent via registered mail and email: adam.grzegorzczuk@baffinland.com

**Re: Acceptance of the Bank of Nova Scotia Irrevocable Standby Letter of Credit No.
OSB4357TOR Amendment #1**

Dear Mr. Grzegorzczuk,

Please be advised that on behalf of the Minister of Indian Affairs and Northern Development, I accept the above referenced amendment to the irrevocable standby letter of credit that was issued by Bank of Nova Scotia on February 16, 2017. This financial guarantee in the amount of \$ 254,555 together with the irrevocable standby letter of credit OSB246237TOR of the amount of \$ 1,044,000, satisfies the reclamation security requirements of \$ 1,298,555 specified under Part C, Item 1 of Nunavut Water Board Water Licence No. 2AM-MRY1325 Amendment 1 and the direction from the Nunavut Water Board under the annual security review process dated January 20, 2017, for the Mary River Iron Mine.

Please don't hesitate to Sarah Forté, Water Management Coordinator, by telephone at (867) 975-3876 or by email at sarah.forte@aadnc-aadnc.gc.ca for further information.

Sincerely,

Ian Parsons
Acting Manager, Water Resources Division
Nunavut Regional Office
Indigenous and Northern Affairs Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Cc. Karen Costello, Director of Resource Management, Indigenous and Northern Affairs
Canada
Karén Kharatyan, Acting Manager of Licensing, Nunavut Water Board
Stephanie Autut, Executive Director, Nunavut Water Board

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