

File: Licence No. 2AM-MRY1325/ASR

February 14, 2018

To: Mary River Distribution List

Subject: Type "A" Water Licence 2AM-MRY1325; 2017 – 2018 Annual Security Review

Process for Mary River Project - Process Update and Agenda

Dear Parties:

This correspondence provides follow up direction supplementing the Nunavut Water Board's (NWB or Board) December 5, 2017 correspondence regarding additional guidance and a revised process schedule for the 2017 – 2018 Annual Security Review (ASR) Process for the Mary River Project. The NWB notes that to date the Board has received Interveners' submissions from the Qikiqtani Inuit Association (QIA)¹ and Indigenous and Northern Affairs Canada (INAC)².

Copies of the QIA and INAC submissions were provided to Baffinland Iron Mines Corporation (BIMC or Licensee) on February 2 and February 12, 2018, respectively. BIMC responded to the QIA comments on February 9, 2018 with the response to INAC provided on February 14, 2018. Copies of BIMC's 2018 Work Plan, all parties' submissions, as well as all other documents related to the current and previous ASR processes are accessible through the NWB's ftp site at the following link:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/2%20SECURITY%20(C)//

Parties should note that the next critical stage of the ASR Process is the ASR Teleconference scheduled for February 15, 2018. In preparation for this teleconference, the Board communicated a draft Agenda to all parties with a request for feedback. Considering the received feedback, the Board produced the final version of the Agenda attached below.

¹ Qikiqtani Inuit Association (QIA) ASR submission, received on February 2, 2018.

² Indigenous and Northern Affairs Canada (INAC) submission, received on February 12, 2018.

If you have any questions or comments regarding the above, please direct them by email to Assol Kubeisinova, Technical Advisor, at assol.kubeisinova@nwb-oen.ca or David Hohnstein, Director, Technical Services, at David.hohnstein@nwb-oen.ca.

Sincerely,

Nunavut Water Board

Raymond Quqshuun, Acting Executive Director

Cc: Mary River Distribution List

Attachment: Agenda – Mary River 2017 – 2018 Annual Security Review Process



AGENDA

MARY RIVER PROJECT (LICENCE NO. 2AM-MRY1325) 2017 – 2018 ANNUAL SECURITY REVIEW PROCESS

Teleconference Call-In Information: 1-888-289-4573; Access Code: 7214943

February 15, 2018 (11:00 a.m. –2:30 p.m., MST; 1:00 p.m. – 4:30 p.m., EST)

- 1. Opening Remarks by the NWB (15 minutes)
 - a. Purpose of the ASR Teleconference
 - b. Introduction of the Participants
 - c. Procedural History for the 2017 2018 ASR process
 - d. BIMC's 2018 Work Plan Submission
 - e. Interveners' submissions for the 2017 2018 ASR Process
 - f. Housekeeping Matters
 - 2. Submission Summaries from Parties (45 Minutes)
 - a. BIMC's ASR Submission Summary (2018 Work Plan (as revised) including details on proposed changes to the reclamation estimates and summary of all security amounts posted for the Project) (30 Minutes)
 - b. Questions from parties and the NWB regarding BIMC's submissions / Summary (15 Minutes)

Scheduled Break (15 Minutes)

- c. OIA's ASR Submission Summary (30 Minutes)
- d. Questions from parties and the NWB regarding the QIA's submissions / summary (15 Minutes)
- e. INAC's ASR Submission Summary (30 Minutes)
- f. Questions from parties and the NWB regarding INAC's submissions / summary (15 Minutes)
- 3. Presentations by BIMC, QIA, and INAC of any closing remarks related to the security assessment and offsets for the 2018 period (30 Minutes)
- 4. Closing Remarks by NWB (10 Minutes)
 - a. Timing of notification from the NWB regarding reclamation security to be posted for the Project up to and including the 2018 period, considering information submitted by all parties and any supplementary information to be submitted by INAC and/or the QIA and BIMC on updated security to be held under the QIA land lease on or before April 9, 2018 (5 Minutes)
 - d. Follow-up discussion with BIMC regarding timing issues with respect to any potential adjustment(s) to the reclamation security for the Project (5 Minutes)

5. Other Issues (5 Minutes)

List of Attendees:

Nunavut Water Board (NWB)

- Stephanie Autut Executive Director
- David Hohnstein Director of Technical Services
- Karén Kharatyan Acting Manager of Licensing
- Assol Kubeisinova Technical Advisor
- Teresa Meadows, Meadows Law NWB's Legal Counsel to the Board
- Jake Marchel, Associate at Meadows Law (observer)

Baffinland Iron Mines Corporation (BIMC)

- Christopher Murray Environmental & Regulatory Compliance Manager
- Megan Lord-Hoyle

Qikiqtani Inuit Association (QIA)

TBC

Indigenous and Northern Affairs Canada (INAC)

- Sarah Forté Water Management Specialist
- Charles Gravelle Arcadis Canada Inc.