



**JOINT STATEMENT TO THE NUNAVUT WATER BOARD  
Update on Reclamation Security Arbitration for the Mary River Project**

**August 2, 2019**

As stated in the March 15, 2019 Joint Submission to the Nunavut Water Board (NWB), Baffinland Iron Mines Corporation and the Qikiqtani Inuit Association have agreed, in good faith, to enter into arbitration under the Commercial Lease (Q13C301) to resolve the ongoing disparity in calculated annual reclamation security for the Mary River Project (Project). On July 26, 2019, both parties signed a Reclamation Arbitration Agreement which outlines the procedure, objectives and relevant milestones of the arbitration process. Both parties have also agreed on and retained a sole arbitrator to administer the arbitration process.

This joint statement is intended to offer the NWB insight into this ongoing process, as it relates to the development of a unified approach to calculating annual reclamation security for the Project.

This process will be governed by the arbitration provisions set in the Commercial Lease and additional terms agreed to by both parties in the Reclamation Arbitration Agreement. Parties have agreed to settle the matter in good faith in order to determine a suitable methodology for the annual calculation of reclamation security and consequently adjust the final value of reclamation security for 2019 as required.

Parties will continue to regularly inform the NWB of progress towards a suitable methodology, and will advise the NWB of the arbitrators' findings upon conclusion of the arbitration process.

It is the shared intent of both parties to conclude this arbitration in a timely manner so as to not impede the security-related regulatory and operational requirements of the Project. A timeline of activities is included below for your reference.

**Arbitration Timeline**

<b>Date</b>	<b>Milestone</b>
Feb. 15, 2019	Notice of Arbitration issued by BIMC
July 26, 2019	Signed Reclamation Arbitration Agreement
Aug. 30, 2019	Submission of materials and expert reports
Sept. 13, 2019	Delivery of responding materials
Sept./Oct., 2019	Hearing
10 days post-Hearing	Closing Written Arguments