



Canadian Imperial Bank of Commerce

Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, ON M5G 2M8
Tel: 1-800-268-6331
Fax: 416-217-8583
SWIFT: CIBCCATT

**Irrevocable
Standby Letter of Credit No.:
SBGT129709**

Beneficiary:

Her Majesty the Queen in the
Right of Canada, as represented
by the Minister of Northern Affairs
Payable to the Receiver General of Canada
c/o P.O. Box 100, Bldg. 918
Iqaluit, Nunavut X0A 0H0 Canada

Applicant:

Baffinland Iron Mines Corporation
2275 Upper Middle Road East
Suite 300,
Oakville, ON L6H 0C3 Canada

Date and Place of Expiry:

March 29, 2022 Toronto

Date of Issue:

March 23, 2021

Amount:

Not exceeding CAD1,197,000.00 (One Million One
Hundred Ninety Seven Thousand Canadian Dollars)

Attention: Manager of Water Resources, Nunavut Regional Office
Department of Crown-Indigenous Relations and Northern Affairs

Re: Additional security posted pursuant to Baffinland's Type 'A' Water Licence 2AM-MRY1325 issued by the
Nunavut Water Board

We, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, are pleased to inform the Minister of Northern Affairs that, at the request of our customer, Baffinland Iron Mines Corporation ("Baffinland"), we establish our Irrevocable Standby Letter of Credit No. SBGT129709 in your favour for a sum not exceeding the aggregate amount of CAD1,197,000.00 (One Million One Hundred and Ninety Seven Thousand Canadian Dollars), effective immediately, and expiring at our office with the close of business on March 29, 2022 (the "Expiry Date") or such later date as may apply if automatically extended in the manner provided for below.

This Standby Letter of Credit is issued for your benefit with respect to the Type 'A' Water Licence 2AM-MRY1325, issued by the Nunavut Water Board for the Annual Security Review associated with the 2021 Work Plan.

This Standby Letter of Credit is available with us for drawing at sight, without enquiry as to whether you have a right as between yourself and the Applicant to make such demand and without recognizing any claim of the Applicant or objection by the Applicant, against presentation to us, by you or your duly authorized representative or agent, of the following documents:



Canadian Imperial Bank of Commerce

This page 2 forms an integral part of Standby Letter of Credit No. SBT129709

(1) a sight draft, payable to the Receiver General of Canada, drawn on Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, ON, M5G 2M8 and

(2) the original of this Irrevocable Standby Letter of Credit No. SBT129709 for endorsement of payment thereon; and

(3) a statement signed by an official of the Minister of Northern Affairs certifying

a) that the signatory is an official of Department of Crown-Indigenous Relations and Northern Affairs Canada and has the authority to sign the statement on behalf of the Minister of Northern Affairs ("the Minister"), and

b) either

(i) that the Minister is entitled to apply the amount drawn, being all or part of the security posted and maintained pursuant to Type A Number 2AM-MRY1325, issued by the Nunavut Water Board, whether as originally issued or as amended, renewed or replaced from time to time, or

(ii) that this Standby Letter of Credit is due to expire in thirty (30) days or less and that the Applicant has not replaced this Standby Letter of Credit by posting with the Minister other security satisfactory to the Minister.

Partial drawings are permitted.

This Standby Letter of Credit is effective from 9.00 A.M.(EST) on March 29, 2021 and shall expire at our counters at 5.00 pm (EST) on March 29, 2022.

It is a condition of this Standby Letter of Credit that it shall be deemed to be automatically extended, without amendment, for one year from the present or any future expiry date hereof, unless at least ninety (90) days prior to any such date, we shall notify you in writing, by registered mail or courier to the Minister of Northern Affairs, PO Box 100, Building 918, Iqaluit, Nunavut X0A 0H0, Canada that we have elected not to extend this Standby Letter of Credit for any additional period.

The Water Licence is referred to herein for reference purposes and does not form part of the terms of this Standby Letter of Credit.

We hereby engage with you that we will honour all drawings under and in compliance with the terms and conditions of this Standby Letter of Credit.

This Standby Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (2007 revision), International Chamber of Commerce Publication Number 600. Notwithstanding Article 36 of said Publication, if this Standby Letter of Credit expires during an interruption of business as described in Article 36, we agree to effect payment if this Standby Letter of Credit is drawn on us within thirty (30) days after the resumption of business.

Regards



Authorised Signature(s)
Jagdish Mulki
Senior Trade Finance Specialist



Authorised Signature (s)
Christie Thavaratnam
Senior Trade Finance Specialist