

File: 2AM-MRY1325 / D2

August 1, 2019

Christopher Murray Environmental & Regulatory Compliance Manager Baffinland Iron Mines Corporation Suite 300 – 2275 Upper Middle Road East Oakville, Ontario, Canada L6H 0C3

Email: christopher.murray@baffinland.com

Subject: Licence No. 2AM-MRY1325; Notification for Construction by Baffinland Iron

Mines Corporation of the km 106 Revised Run-of-Mine Stockpile and

Sedimentation Pond

Dear Mr. Murray:

On June 24, 2019, Baffinland Iron Mines Corporation (BIMC or Licensee) submitted the Design Brief and Issued for Construction Drawings (Notification of Construction) to the Nunavut Water Board (NWB or Board) to comply with Part D, Item 2 of Water Licence No. 2AM-MRY1325 (Licence).

It should be noted that the Licensee had earlier indicated its intent to construct a run-of-mine stockpile and associated water management infrastructure at km 107 in its correspondence received by the Board on September 21, 2018. However, the review was stalled when the Board requested the Licensee to address comments from the interveners¹. On June 24, 2019, BIMC provided the Notification of Construction altering the location of the run-of-mine stockpile and accompanying it with updated technical documentation. The NWB distributed the submission to interested parties for review.

On July 10, 2019, Crown-Indigenous Relations and Northern Affairs (CIRNA) recommended that BIMC demonstrate that "the details and engineering designs of the planned construction work activities previously submitted (Construction Drawings – September 18, 2018) are applicable for Km 106".

On July 10, 2019, the Qikiqtani Inuit Association (QIA) provided its review of the submission requesting that the Licensee provide the following:

• A confirmation of the minimum distance of the development area to the passing stream;

¹ Ida Porter (NWB) to Christopher Murray (BIMC), Re: 181109 2AM-MRY1325 Comment Request on Construction Drawings Submission Run of MSSP-OLAE, dated November 9, 2018.

- More information on the "potential disturbance area";
- Clarification on security placement for the infrastructure to be constructed; and
- A provision of an Operations, Maintenance and Surveillance (OMS) Manual upon the completion of construction.

The Licensee provided its response to comments on July 25, 209 stating:

- the km 106 area does not have similar characteristics to km 107, as demonstrated in the geotechnical investigation report;
- A reclamation security surplus of approximately \$68,800 was placed as the result of the 2019 Annual Security Review process;
- A commitment to prepare an OMS Manual for the constructed sedimentation pond;
- A minimum distance of 31 m from the high-water mark to the disturbance area (including construction) would be observed; and
- The potential disturbance area was estimated as a constant offset of 75 m from the edge of each structure. This disturbance area was estimated to include all areas that could have the potential to be impacted during construction. However, these areas are not intended to be disturbed, nor are they part of the design footprint for the stockpile.

On or before August 1, 2019, CIRNA and QIA confirmed that their concerns were resolved.

Copies of all documents received during the review of the Notification of Construction can be accessed through the NWB's Public Registry and FTP site using the following link:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MRY1325%20BIMC/3%20TECH/5%20CONSTRUCTION%20(D)/D%202/

By copy of this letter, the Board accepts the Notification of Construction for the km 106 Revised Run-of-Mine Stockpile and Sedimentation Pond at the Mary River project dated June 24, 2019. The Licensee is advised that the construction may commence upon Board acceptance.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 or assol.kubeisinova@nwb-oen.ca at your earliest convenience.

Regards,

Assol Kubeisinova Nunavut Water Board Technical Advisor

cc: Distribution List – Mary River