

File: 2AM-MRY1325 Modification No. 9 Follow-up

April 15, 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

RE: Licence No. 2AM-MRY1325 Type "A",; Mary River Project, Baffinland Iron Mines

Corporation; NWB Follow-up on Modification No. 9 - Milne Port Ore Stockpile Water

Management Upgrades

Dear Mr. Murray:

On July 17, 2018, the Nunavut Water Board (NWB or the Board) received a request by Baffinland Iron Mines Corporation (BIMC or Licensee) for a modification (Modification) to the amended Licence No. 2AM-MRY1325 (the Licence) issued to BIMC for the Mary River Project (the Project). The requested modification was for the expansion of the two ponds at the ore stockpile pad in Milne Port.

On September 5, 2018, the Board approved the Modification by Motion No. 2018-A1-014. At the time, the Board imposed a condition that the Licensee was required to file a Construction Summary Report of the ponds' adequate capacity sixty (60) days prior to commencing any activities on ore stockpile expansion at Milne Port.

On April 1, 2019, NWB received BIMC's as-built engineering drawings for the expansion of Pond 1 and construction of Pond 1a. The Licensee requested that the sixty-day review period be waived. On April 3, 2019, NWB distributed the submission for review.

Upon the Board's inquiry on the plans for Ponds 2 expansion and 2a construction, the Licensee stated¹:

As Pond 1 has been expanded with the addition of Pond 1a, there is sufficient volume for the addition of the new footprint on the west side of the conveyor and the expansion of the perimeter ditching, as depicted in the IFCs (H353004-40000-228-271-0007-0001) presented in Modification No. 9. The design brief in Modification 9 further clarifies in Section 4 that the upgrade to Pond 1 is required based on the increase in footprint and the associated berms and ditches. Section 5.5 goes on to clarify that the total pond capacity required for this increase in footprint is 6,750 m3.

¹ Email from Christopher Murray (BIMC) to Assol Kubeisinova (NWB), RE: [EXTERNAL] Re: Mary River Project - As Built Documentation for Milne Inlet Pond 1A, dated April 11, 2019.

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The Pond 2 expansion is required as the pond volume is insufficient for the current footprint, independent of the expansion proposed for the west side of the pad. Pond 2 will be expanded to the total volume of 6,910 m3 with the addition of Pond 2a, however the work was staged such that Pond 1a was completed first.

Based on the above and submissions to the NWB to date, Baffinland has confirmed that the expansion to the west side of the ore stockpile pad will have sufficient settling pond capacity on the west side of the ore pad reporting to Pond 1 and Pond 1a. Baffinland will continue to execute the work associated with Modification No. 9 to expand the capacity of Pond 2 with the addition of Pond 2a as a proactive measure.

On April 11, 2019, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) provided its comments stating that it had no concern regarding the drawings and indicating its preference for receiving a full Construction Summary Report.

Copies of all documents received in support of the Request 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/6%20MODIFICATIONS%20(G)/Modification%20No.%209%20Milne%20Port%20Ore%20Stockpile%20Water%20Management%20Upgrades/

The NWB, having fully reviewed the Licensee's request in the context of interveners' comments and recommendations, as well as the Licensee's response to the Board's information requests, is satisfied that Ponds 1 and 1a total capacity is as planned. The Board reminds BIMC of the Licensee's obligation to submit post—construction information in accordance with Part G, Item 4 and Part D, Item of the Licence's terms and conditions 17 after completing remaining work authorized under the Modification.

Should you have any questions regarding the above, please contact the undersigned by email to assol.kubeisinova@nwb-oen.ca or by phone at (867) 360-6338 ext. 31.

Sincerely,

Assol Kubeisinova Nunavut Water Board Technical Advisor

Enclosure: Comments – CIRNAC

Cc: Distribution List – Mary River