



January 9, 2014

File No.:NB102-181/34-A.01
Cont. No.:NB14-00615

Mr. Mosha Cote
Research Liaison
Nunavut Research Institute
Iqaluit, Nunavut
Canada, X0A 0H0

Dear Mosha,

**Re: 2014 Annual Report for Scientific Licence # 02 013 14R-M
Oliver Curran, Baffinland Iron Mines Corporation, Freshwater and Sediment Quality for the
Mary River Project**

Baffinland Iron Mines Corporation (Baffinland) was issued the above scientific license in 2014. In 2014, water and sediment quality sampling was conducted in accordance with Baffinland's Aquatic Effects Monitoring Plan (AEMP), filed with the Nunavut Water Board in mid-2014. The AEMP prescribes the monitoring of water flows, water and sediment quality, benthic invertebrates and fish in the lakes and streams of the project area, focusing mainly on the mine site area. Sampling stations are mostly consistent with previous baseline sampling locations, with some modifications. The AEMP monitoring program includes sampling events during each season: winter (late April and early May), spring (late June), summer (late July) and fall (late August and early September).

Baffinland intends to carry out an equivalent program in 2015 as part of its AEMP approved under Baffinland's Type A Water Licence (posted to the Nunavut Water Board's public registry). We would also like to complete water quality sampling as well as sampling and analysis of soil and vegetation associated with the dust monitoring program, which were all subject to previous scientific licenses issued to Baffinland.

We are requesting a renewal to this multi-year licence to complete the proposed monitoring programs in 2015.

Please contact the undersigned if you have questions or comments.

Yours truly,
KNIGHT PIESOLD LTD.

Signed:

Richard Cook, B.Sc.
Senior Environmental Scientist

Reviewed
and
Approved:

Steven R. Aiken, P.Eng.
Manager - Environmental Services

Copy To: Oliver Curran, Director of Sustainability, Baffinland Iron Mines Corporation

sa/RAC