

Ministre des Affaires  
autochtones et du Nord



Minister of Indigenous and  
Northern Affairs

Ottawa, Canada K1A 0H4

MAR 22 2016

Mr. Thomas Kabloona  
Chairperson  
Nunavut Water Board  
PO Box 119  
GJOA HAVEN NU X0B 1J0

Dear Mr. Kabloona:

Thank you for your letter of February 5, 2016, concerning the annual security review of the Mary River Project water licence (2AM-MRY1325) for the March 2016-March 2017 period. As outlined in your letter, following a review of Baffinland Iron Mines Corporation's revised 2015 work plan and their 2016 work plan, the Nunavut Water Board has determined that the total security requirement for the Mary River Project should be increased from \$47,683,500 to \$50,055,000. The Board acknowledges that \$48,845,500 of this total will be held by the Qikiqtani Inuit Association under its commercial land lease for the Inuit-owned land portion. For the Crown land portion of the project, the Board has determined that \$1,210,000 in security is required to address potential land and water reclamation costs and should therefore be secured under the water licence.

As you are aware, finding an appropriate balance between Crown and Inuit land owner security has been challenging for the Mary River Project. I am pleased with the Board's determination that water licence security should be increased, as it is a very positive step toward addressing the previous imbalance. However, it is hoped that further discussions between Indigenous and Northern Affairs Canada and the Qikiqtani Inuit Association will help further define an approach for shared management of security interests. Indigenous and Northern Affairs Canada will be initiating these discussions with the Qikiqtani Inuit Association in the coming weeks.

I would like to reiterate that it continues to be Indigenous and Northern Affairs Canada's view that an amendment process is required to formally change the amount of security held under a water licence. A change to the amount of security held under a Type "A" water licence is a change to a term and condition, and as such, requires my approval. I am confident the inclusion of such an amendment approval step can be efficiently included in future annual security review processes.

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I would like to recognize the diligent work of the Board and parties during this year's annual security review, and look forward to receiving an amended Mary River Project water licence for approval in the coming months.

Sincerely,



Hon. Carolyn Bennett, M.D., P.C., M.P.

c.c.: Mr. PJ Akeeagok  
Mr. Erik Madsen