



March 31, 2013

Transmitted via: e-mail, ftp site (electronic copy), and courier (hard copy)

Phyllis Beaulieu, Manager of Licencing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Email: licensing@nunavutwaterboard.org

Attention: Ms. Phyllis Beaulieu

RE: Submission of 2012 Annual Report and Environmental Management Plan Updates to the Nunavut Water Board,
Type B Water Licence No. 2BB-MRY1114
Mary River Project

Baffinland Iron Mines Corporation (Baffinland) is pleased to submit, herewith, one copy of the Annual Water Licence Report which is a requirement under Part B, Item 6 of the above referenced water licence. This report has been prepared to summarize the project activities and monitoring undertaken by Baffinland during 2012.

In accordance with Part B, Item 6 of the above referenced water licence, an annual review of the project Environmental Management Plans developed under the licence needs to be undertaken. The year 2013 is a regulatory transition year that may see the granting of a new Type B licence (likely early May) to allow for the site preparation that includes the construction of limited infrastructure prior to the anticipated receipt of the Type A Water Licence (likely late June or early July). In consideration of this, Project Environmental Management Plans have been updated to support the 2013 Work Plan (see Appendix B of the attached report) which spans the applicability between the existing Type B Water Licence, proposed revised Type B Water Licence, as well as the incorporation of the proposed Type A Water Licence. It is recognized that there may be requirements to further update Project Environmental Management Plans based on the specific terms and conditions of approval of the proposed Type A Water Licence and QIA Production Lease once known, however, it is anticipated that any updates required will be minor in nature.

The Environmental Management Plans, as presented, are also intended to address specific NIRB Project Certificate terms and conditions and reporting requirements under the Certificate.

A brief summary of the updates to the Environmental Management plans within the context of the 2013 Work Plan are summarized below. The management plans are presented in Appendix F of the attached report.

- **Appendix F.1 - Abandonment and Reclamation Plan**. This Plan is an update to the March 2012 version of the A&R Plan and reflects changes in reclamation requirements caused by operations and reclamation activities and reflects continued improvement in cost estimation accuracy. The updated version presents only minor changes and reclamation requirements remain similar to the 2012 plan. The A&R Plan is currently being updated to support the Type A Water Licence process and to account for the 2013 Work Plan.

Baffinland Iron Mines Corporation

Suite 1016 120 Adelaide Street West, Toronto, ON Canada M5H 1T1

Tel: +1 (416) 364-8820 • Fax: +1 (416) 364-0193

www.baffinland.com

- **Appendix F.2 - Emergency Response and Spill Contingency Plan.** This Plan replaces the Spill Contingency Plan (Revision 6, dated July 2012) and is an update to the plan presented in the Final Environmental Impact Statement (FEIS: Appendix 3B, Attachment 5). This Plan supports activities of the 2013 Work Plan under the existing Type B Water Licence, future Type B and the transition to the new Type A.
- **Appendix F.3 - Surface Water and Aquatic Ecosystems Management Plan.** This Plan replaces the Site Water Management Plan (Revision 5, dated March 2012) and is an update to the plan presented in the FEIS (Appendix 3B, Attachment 5). This Plan supports activities of the 2013 Work Plan under the existing Type B Water Licence, future Type B and the transition to the new Type A. The Plan presents site drainage plans for the Milne Port and Mine Sites which will be a requirement under the Type A Water Licence.
- **Appendix F.4 - Fresh Water Supply, Sewage, and Wastewater Management Plan.** This Plan is an update to the plan presented in the FEIS (Appendix 3B, Attachment 5) and supplements the existing Wastewater Management Plan (Revision 3, dated March 2012). The existing March 2012 Wastewater Management Plan will continue to support the existing Sewage Treatment Plants (STPs) at the Mine Site and Milne Port which service existing exploration camps, while the new Plan will support the construction and commissioning of the new STPs for new camps at the Mine Site and Milne Port, as well as supporting potable water supply and oily water treatment activities under the Type A Water Licence.
- **Appendix F.5 - Comprehensive Environmental Monitoring Plan.** This Plan is an update to the March 2012 version of the plan and supports activities of the 2013 Work Plan under the existing Type B Water Licence and future Type B. This Plan will apply to the site preparation activities prior to receipt of the new Type A in late June or early July. Once the Type A Water Licence is issued a revised Environmental Monitoring Plan will be developed that reflects the specific terms and conditions of the Type A licence, QIA Production Lease, and outcomes of various Working Groups that are currently meeting to discuss environmental monitoring.

The Annual Report and Environmental Management Plan updates have been uploaded to our ftp site. The accompanying e-mail provides you with instructions to access and download the document files. A hard copy of the document and CD will also be sent to you via courier.



Please do not hesitate to contact jim.millard@baffinland.com should you have any questions regarding this submission or have problems downloading the document.

Yours sincerely,

Baffinland Iron Mines Corporation

A handwritten signature in black ink, appearing to read "J. Millard", written over a horizontal line.

James Millard, M.Sc., P.Geo.
Environmental Manager

Attach: One hard copy and CD of the 2011 Annual Report to the Nunavut Water Board

cc: Sean Joseph (NWB)
Nunavut Impact Review Board
Stephen Bathory (QIA)
Andrew Keim (INAC)
Erik Madsen and Oliver Curran (Baffinland)