

P.O. Box 119 GJOA HAVEN, NU X0B 1J0 TEL: (867) 360-6338 FAX: (867) 360-6369

kNK5 wmoEp5 vtmpq NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

File No.: 2BB-MRY1114/TR/I19

December 17, 2012

Jim Millard, M.Sc., P.Geo. Senior Environmental Superintendent Baffinland Iron Mines Corporation Suite 1016 – 120 Adelaide Street West Toronto, Ontario M5H 1T1

Email: jim.millard@baffinland.com

RE: Review of January – December 2011 SNP Reports for Licence No. 2BB-MRY1114 Issued to Baffinland Iron Mines Corporation (BIMC) for the Mary River Project

Dear Mr. Millard:

The Nunavut Water Board (NWB or Board) received from Baffinland Iron Mines Corporation (BIMC) the following Surveillance Network Program (SNP) reports intended to fulfill the requirements of Part I, Item 19 of the terms and conditions in Licence 2BB-MRY1114 (Previous Licence No. 2BB-MRY0710), which has been issued for the Mary River Project:

- January 2011 SNP Report received March 2, 2011 and distributed March 4, 2011;
- February 2011 SNP Report received April 4, 2011 and distributed April 13, 2011;
- March 2011 SNP Report received April 30, 2011 and distributed May 4, 2011;
- April 2011 SNP Report –received May 31, 2011 and distributed June 6, 2011;
- May 2011 SNP Report received June 30, 2011 and distributed July 4, 2011;
- June 2011 SNP Report received July 30, 2011 and distributed August 11, 2011;
- July 2011 SNP Report received August 31, 2011 and distributed September 2, 2011;
- August 2011 SNP Report received September 30, 2011 and distributed October 6, 2011;
- September 2011 SNP Report received October 31, 2011 and distributed November 2, 2011;
- October 2011 SNP Report received November 30, 2011 and distributed December 5, 2011:

- November 2011 SNP Report Received on December 30, 2011 and distributed on January 16, 2012; and
- December 2011 SNP Report Received January 31, 2012 and distributed February 10, 2012.

In addition to distributing the above-mentioned documents, the NWB provided public access to the information through the following link to its ftp site (Username: "public" and Password: "registry"):

ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BB%20-%20Bulk%20Sampling/2BB-MRY1114/3%20TECH/9%20MONITORING%20(I)/I19%20SNP%20Reports/2011/

The Board has not been in receipt of any comments from intervening parties pertaining to those reports. The NWB's staff reviewed the documents and determined they are mostly consistent with the reporting requirements under Licence 2BB-MRY1114. The Board, however, notes that the SNP reports for February, March, and May 2011indicate that oil and grease and/or faecal coliform analyses had not been conducted because of delays in shipping of samples for analyses, errors in sampling, the bottles containing samples being broken during transportation, or for other reasons

For due diligence purposes and to ensure that all required analyses are being conducted for the parameters in the Licence, the NWB recommends that the Licensee develop and implement appropriate contingency measures as part of its monitoring program. Further, the NWB recommends that in cases where a facility, such as a wastewater treatment plant, is producing effluent that does not meet the criteria in the Licence, the Licensee should include as part of the respective SNP reports an explanation of the measures implemented and/or contemplated to resolve the issue(s) associated with that facility.

Should you have any questions, please contact the undersigned at (604) 321-8185 or by email at sjoseph@nunavutwaterboard.org.

Regards,

Original Signed By:

Sean Joseph Technical Advisor

Cc: Qikiqtani Distribution List