



December 19, 2013

Nunavut Water Board
PO Box 119
Gjoa Haven NU
X0B 1J0

Attention: Phyllis Beaulieu, Manager of Licensing,
David Hohnstein, Director, Technical Services

Application for Renewal and Amendment of Type B Water Licence 2BB-MRY 1114

Dear Ms. Beaulieu and Mr. Hohnstein,

Baffinland Iron Mines Corporation ("BIMC") is applying for renewal and amendment of its current Type B Water Licence 2BB-MRY1114 (the "Type B Water Licence") to permit ongoing exploration activities on its mineral leases in the Qikiqtani Region of Nunavut. Please note that this application package updates and replaces the materials filed with the Nunavut Water Board (the "Board") on December 16, 2013.

We have reviewed the recently Board-initiated amended terms of the Type B Water Licence and noted the following.

- All camp facilities originally captured under the scope of this licence are now included under Type A Licence 2AM-MRY1325 for the Mary River Project. However, Baffinland wishes to retain the ability to establish satellite camps (under 50 persons in size) from time to time to support drilling programs in the future. Therefore, Baffinland requests that the NWB remove the general prohibition against camps currently included in the Type B Water Licence, and allocate 49 m³/ day for future domestic use when required.
- The revised definition of "Bulk Sampling Program" describes the program as, "*potential activities designed and conducted to further investigate the metallurgical properties of the claim blocks associated with Deposit No.1 at the Mary River Project during the 2014 period.*" Baffinland wishes to request that the NWB amend this definition to remove the phrase "during the 2014 period" so that the ability to undertake bulk sampling is retained over the term of the licence.
- The definition of "secondary containment" in the amended Type B Water Licence currently reads as follows: "*Secondary Containment*" means an impermeable structure, external to and separate from primary containment, which prevents unplanned spills of hazardous materials and provides a minimum capacity of 110% of the original vessel. Where multiple vessels are stored within the containment, it must provide a minimum capacity equal to the sum of the largest vessel and 10% of the aggregate volume of all other vessels located in the containment. This structure shall also provide containment and control of hoses and nozzles." Given that secondary containment does not always take the form of a separate structure and can be accomplished by various means including the use of double walled tanks and hoses, Baffinland wishes to request that the

NWB clarify this definition to the effect that double walled hoses and tanks may constitute the “*impermeable structure, external to and separate from primary containment*” contemplated in this definition.

- The decision accompanying the renewed Type B Water Licence indicates that a revised Spill Contingency Plan is due by January 4, 2013, and an updated Abandonment and Restoration Plan, Quality Assurance/Quality Control Plan and Monitoring Plan is due by February 4, 2013. Baffinland requests that the requirement to update these plans be deferred until after issuance of the renewed licence, given that further amendments will be under consideration by the Board in the near term which may impact the updating of these materials and given that no exploration will be undertaken under the Type B Water Licence before the Type B Water Licence is renewed.

Please find enclosed the following materials, in which Baffinland addresses the above noted matters and requests renewal of the Type B Water Licence for a 25 year term:

- General Water Licence Application Form;
- Appendix 1: Executive Summary in English
- Appendix 2: Executive Summary in Inuktitut;
- Appendix 3: Executive Summary in French;
- Appendix 4: Project Description;
- Appendix 5: Type B Water Licence Compliance Review;
- Appendix 6: List of the officers of the company and evidence of registration of the company name;
- Appendix 7: Most recent relevant Nunavut Impact Review Board (“NIRB”) conformity determination (see also <ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BB%20-%20Bulk%20Sampling/2BB-MRY1114/2%20ADMIN/2%20NPC%20NIRB/1%20NIRB> for past conformity determinations relevant to this licence);
- Appendix 8: Most recent relevant Nunavut Planning Commission (“NPC”) conformity determination (see also <ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BB%20-%20Bulk%20Sampling/2BB-MRY1114/2%20ADMIN/2%20NPC%20NIRB/0%20NPC/> for past determinations relevant to this licence).

This package has also been provided to NIRB and the NPC in order to request their confirmation that as per most recent relevant determinations, no further NIRB or NPC determination is required in relation to this renewal/amendment application.

Note fees relating to this application have been forwarded to you separately by our solicitors, Lawson Lundell LLP, in order to ensure timely receipt.

Please contact Mr. Oliver Curran or the undersigned directly with any questions or further information the Nunavut Water Board requires in respect of this application.

Yours truly,

A handwritten signature in black ink, appearing to read 'Erik Madsen', with a stylized, cursive script.

Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

cc: Mr. Ryan Barry, Executive Director, NIRB
Ms. Sharon Ehaloak, Executive Director, NPC
Ms. Karen Costello, Regional Director, AANDC
Mr. Stephen Bathory, Director, Major Projects, QIA
Mr. Sean Joseph, NWB