

ATTACHMENT 2

NWB COMPLETED APPLICATION FOR WATER LICENCE RENEWAL



Application for Water Licence Renewal

Document Date: April 2013

Application Submission Date: 01/22/2021
Month/Day/Year

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OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo and request for background information	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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OFFICE DES EAUX DU NUNAVUT

APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-MRY1421

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

X Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

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Vice President
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2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

N/A

3. NAME OF PROJECT

Is the name of the project the same as that considered in the existing water licence?

X Yes ☐ No

Indicate the name of the project including the name of the location: Mary River Exploration Project

4. LOCATION OF UNDERTAKING

Is the location of the undertaking the same as that considered in the existing water licence?

X Yes ☐ No

Project Extents

Latitude: 72° 05' 17" N Longitude: 80° 59' 23" W
Latitude: 69° 49' 50" N Longitude: 80° 59' 27" W
Latitude: 71° 56' 30" N Longitude: 73° 27' 29" W
Latitude: 69° 42' 07" N Longitude: 74° 15' 51" W

Camp Location(s)

Please see Attachment 1 – Project Description, Table 1 - Locations of Potential Satellite Camps, from the Mary River Type B Exploration Project Description.

As per the enclosed project description, Baffinland requests the ability to establish small satellite (under 50 person) exploration camps. Baffinland proposes that prior to establishing any satellite camp in the above noted locations, that it will provide the Board with thirty (30) days or more advance notice and that such notice will include specific information such as the associated power supply and fuel depot, method of sewage disposal, and if required sewage treatment, incineration equipment, and waste management facilities.

5. MAP

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

X Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

See Attachment 1 - Project Description, Figure 1 – Current Land Tenure.

NTS Map Sheet No.: 1 Map Name: Current Land Tenure Map Scale: 1:446,300

6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

X Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: _____

X Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: see below Date of expiry: see below

- Mineral Leases 2483, 2484, 2485 – expires August 27, 2034
- L- 5816, L- 5829 – expires October 28, 2039
- Exploration agreements PI17-001 Subarea A – expires May 1, 2028
- Exploration Agreement PI17-001 Subarea B – expires May 1, 2028

Surface

X Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

- Land Use Permit N2019C0009 – Steensby (issued June 30, 2019, expires June 29, 2024)
- Tote Road and Borrow Area Land Use Permit N2019Q0011 (issued June 30, 2019, expires June 29, 2024)

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: _____

X IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: see below Date of expiry: see below

- Commercial Lease Q13C301 expiry: December 31, 2043
- Land Use Permit QL2-2012 - PI-15 and PI14

☐ Commissioner's Land Use Authorization

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other

Date (expected date) of issuance: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

X Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☒ North Baffin
☐ South Baffin
☐ Akunnig

☐ Keewatin
☐ Sanikiluaq
☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. NPC Conformity Determination is included as Appendix B.

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

NPC Conformity Determination is included as Appendix B. The activities associated with the renewal were reviewed by NPC, and a conformity determination was issued on January 6, 2011 and on February 14, 2014 which still applies.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy.

Activities were previously screened by the Nunavut Impact Review Board. The renewal is exempt from screening by the NIRB under section 12.4.3 of the Nunavut Agreement because the NPC is of the understanding that it is for a component or activity that was part of the original proposal and its inclusion is not a significant modification of the Project.

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

X Yes ☐ No

List and attach plans and drawings or project proposal.

A detailed Project Description is included as Attachment 1.

10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

X Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

X Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

☐ Industrial

☐ Agricultural

X Mining and Milling (includes exploration/drilling/exploration camps)

☐ Conservation

☐ Municipal (includes camps/lodges)

☐ Recreational

☐ Power

☐ Miscellaneous (describe below):

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

☒ To obtain water for camp/ municipal purposes

☒ To obtain water for industrial purposes

☒ To cross a watercourse

☐ To alter the flow of, or store water

☐ Other: _____

☐ To divert a watercourse

☐ To modify the bed or bank of a watercourse

☐ Flood control

13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence?

X Yes ☐ No

Name of water source(s): See Section 4 – Water Use and Water Supply of Attachment 1 - Project Description. Consistent with the terms of the current Licence, streams will not be used as a water source unless authorized and approved by the Board in writing. Potential camp locations can be seen in Attachment 1 - Figure 1 – Current Land Tenure.

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

X Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s): Baffinland will, at least thirty (30) days prior to the commencement of use of water, submit the following to the Board for approval, in cases where Baffinland requires water in sufficient volume that the source water body may potentially be drawn down: volume required, hydrological overview of the water body, details of impacts, and, proposed mitigation and monitoring measures

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

X Yes ☐ No

Provide the overall estimated quantity of water to be used: 299 m³/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

X Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source:

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

X Yes ☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): Consistent with the current licence, total camp water use shall not exceed forty-nine (49) cubic metres per day. Drill water shall be obtained from water source(s) proximal to the drilling targets, as outlined in the application, and shall not exceed 250 cubic metres per day. The volume of water for all purposed under this licence shall not exceed two hundred and ninety-nine (299) cubic metres per day.

Are the method(s) of extraction the same as those considered in the existing licence?

X Yes ☐ No

Describe the method(s) of extraction: Baffinland will equip all water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and will withdraw water at a rate such that fish do not become impinged on the screen. Baffinland will abide by the DFO Protocol for Winter Water Withdrawal in the NWT (2005). Baffinland activities will not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

X Yes ☐ No

Estimated quantity(s) of water returned to source(s): 0 m³/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

X Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): Water used under the Licence will not be returned to the source. Expected water returned to source is 0 m³/day.

14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

☒ Sewage

☒ Solid Waste

☒ Hazardous

☐ Bulky Items/Scrap Metal

☐ Animal Waste

☐ Other (describe): _____

☒ Waste oil

☒ Greywater

☒ Sludges

☒ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

X Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

X Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

X Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

X Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

See Attachment 1 – Project Description, Section 5.1 Types of Wastes for expected waste generated.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	--	--	--	--
Waste Oil	--	--	--	--
Solid Waste	--	--	--	--
Grey Water	--	--	--	--
Sludges	--	--	--	--
Hazardous Waste	--	--	--	--
Contaminated soil and/or water	--	--	--	--

16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

X Yes ☐ No

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

X Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

Direct, indirect, and cumulative impacts related to water and waste are detailed in Attachment 1 – Project Description.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

X Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

X Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Baffinland continues to consult with the North Baffin communities and organizations regarding; ongoing construction and operational activities at the Project, shipping season, progress regarding employment from the North Baffin communities, environmental monitoring activities and results, exploration activities and future phases of the Project. Baffinland's senior management team continued to participate in these meetings.

The QIA and NWB Annual Report for Operations details a complete list of consultations and meetings held with regulators, stakeholders and the public by Baffinland.

21. SECURITY INFORMATION

Is the financial security assessment the same as that considered in the existing water licence?

X Yes ☐ No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

X Yes ☐ No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

Baffinland confirms that \$1,250,000 will remain under the renewed licence as reclamation security for relevant activities and/or facilities, as there are no changes to the scope and scale of the Mary River Exploration Program. To the extent that the establishment of any satellite camp has an impact on reclamation security, Baffinland would post the additional security with the relevant land owner required prior to proceeding with the activity.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an updated statement of financial security.

Baffinland confirms that \$1,250,000 will remain under the renewed licence as reclamation security for relevant activities and/or facilities, as there are no changes to the scope and scale of the Mary River Exploration Program. Refer to Appendix E for confirmation of reclamation security held under licence 2BE-MRY1421.

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a list of the officers of the company.

Brian Penney is the President and Chief Executive Officer (CEO) of Baffinland Iron Mines Inc.
Tayfun Eldem is the Group Executive Vice President and Chief Operating Officer.
Fernando Ragone is the Chief Financial Officer.

Other Officers include Stephanie Anderson, Mark O'Brien, Sylvain Proulx, Udloriak Hanson and Megan Lord-Hoyle.

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

Appendix C – Corporation Profile Report includes evidence of officers and registration of the company name.

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

The QIA-NWB Annual Report for Exploration and Geotechnical Activities includes an annual review of compliance, outcomes of inspections and conformance to the Licence.

During 2019, the QIA conducted several inspections and an annual audit at the Project. During the annual audit in August 2019, it was identified that the exploration boreholes at Deposit No. 3 had not been backfilled with drill cuttings. Boreholes were restored to natural conditions by cutting of the borehole casing to near grade surface and/or removing the casing, consistent with the Exploration Closure and Reclamation Plan (BAF-PH1-830-P16-0038). QIA also noted concerns regarding the management of drill cuttings near watercourses. To improve the management drill cuttings, Baffinland implemented the use of sand bags at borehole locations, where feasible, to increase sump capacity and the settling time of drill water in sumps as well as support silt fences downstream.

During 2019, Baffinland did not receive any inspection and/or compliance reports from CIRNAC Water Resources Officers (the Inspector) outlining concerns pertaining to the scope of the Type 'B' Water Licence.

24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☒ Yes ☐ No

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Exploration activities are ongoing over proposed term of the licence.

Construction

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? April 16, 2021

Indicate the proposed term of the renewal (maximum of 25 years): 10 years

Requested date of renewal issuance: April 2021 Requested Expiry Date: April 2031

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

X Yes ☐ No If no, date expected _____

Updated plans, including designs and reports (see Block 23).

X Yes ☐ No If no, date expected _____

Updated security assessment (see Block 21).

X Yes ☐ No If no, date expected _____

Updated financial statement (see Block 22).

X Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

X Yes ☐ No If no, date expected _____

English Summary of Renewal Application.

X Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

X Yes ☐ No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

X Yes ☐ No If no, date expected _____

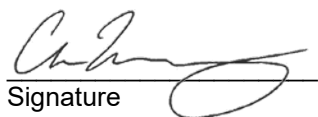
Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

X Yes ☐ No If no, date expected _____

28. SIGNATURE

I, Christopher Murray

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.


Signature

January 27, 2021
Date

APPENDIX A

Executive Summary

Executive Summary

Baffinland Iron Mines (Baffinland) is applying for a renewal of the Type 'B' Water Licence 2BE-MRY1421 to continue mineral exploration activities in the North Baffin Region. The activities included in this renewal application have been permitted in the past and are common to exploration properties throughout Nunavut. Baffinland has requested that the renewed licence be issued for a 10-year term in consideration that the exploration activities will likely occur throughout the life-of-mine of the Mary River Project. Renewal of the Type 'B' Water Licence 2BE-MRY1421 will permit Baffinland to continue to carry out exploration activities including establishment of small camps, surface drilling and trenching, and geotechnical drilling in the future. Other activities will include scientific and engineering studies, geotechnical investigations, as well as progressive reclamation programs associated with exploration. All of these activities were considered under the current Type 'B' Water Licence and Project Certificate No. 005, and were previously assessed by the Nunavut Planning Commission (NPC) for conformity with the North Baffin Regional Land Use Plan.

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Résumé

Baffinland Iron Mines (Baffinland) demande le renouvellement du permis d'exploitation des eaux de type 'B' 2BE-MRY1421 afin de poursuivre les activités d'exploration minière dans la région de Baffin Nord. Les activités incluses dans cette demande de renouvellement ont été permises dans le passé et sont communes aux propriétés d'exploration dans tout le Nunavut. Baffinland a demandé que le permis renouvelé soit délivré pour une période de 10 ans, étant donné que les activités d'exploration se dérouleront probablement tout au long de la durée de vie de la mine du projet Mary River. Le renouvellement du permis d'utilisation de l'eau de type 'B' 2BE-MRY1421 permettra à Baffinland de poursuivre ses activités d'exploration, notamment l'établissement de petits camps, le forage et la tranchée en surface et le forage géotechnique à l'avenir. D'autres activités comprendront des études scientifiques et techniques, des études géotechniques, ainsi que des programmes de remise en état progressive associés à l'exploration. Toutes ces activités ont été prises en considération dans le cadre de l'actuel permis d'utilisation de l'eau de type 'B' et du certificat de projet no 005, et ont déjà été évaluées par la Commission d'aménagement du Nunavut (NPC) pour la conformité au Plan d'aménagement du territoire régional de Baffin-Nord.

APPENDIX B

NPC CONFORMITY
DETERMINATION



January 13, 2021

NPC FILE No: 149434

Richard Dwyer

Manager of Licensing
Nunavut Water Board (NWB)
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By email: richard.dwyer@nwb-oen.ca
licensing@nwb-oen.ca

Tracey McCaie

Manager Land Administration
Crown-Indigenous Relations and Northern
Affairs Canada (CIRNAC)
P.O. Box 100, Iqaluit, NU X0A 0H0
By email: tracey.mccaie@canada.ca ;
isa.qamaniq-mason@canada.ca

Carson Gillis

Director, Lands and Resources
Nunavut Tunngavik Inc. (NTI)
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By email: cgillis@tunngavik.com

Jared Ottenhof

Senior Manager, Department of Major Projects
Qikiqtani Inuit Association (QIA)
P.O. Box 1340, Iqaluit NU X0A 0H0
By email: jottenhof@qia.ca; dmp@qia.ca

Talia Maksagak

Manager, Technical Administration
Nunavut Impact Review Board (NIRB)
P.O. Box 1360, Cambridge Bay, NU X0B 0C0
By email: tmaksagak@nirb.ca, info@nirb.ca

Christopher Murray

Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville ON L6H0C3 Canada
By email: christopher.murray@baffinland.com

Dear Mr. Dwyer, Ms. McCaie, Mr. Gillis, Mr. Ottenhof, Ms. Maksagak, and Mr. Murray:

RE: NPC File # 149434 [Application for Renewal of NWB Water Licence 2BE-MRY1421]

- **Related NPC File No.:** 148193 [Mary River Project Land, Freshwater, and Marine Based Monitoring Program]; [Mary River Phase 2 Expansion Project]; 148423 [Mary River 2017 Winter Sealift]; 148801 [Ege Bay Exploration Program]; 148841 [Production Increase, Fuel Tank and Milne Port Accommodations - Project Modification to Project Certificate No. 005 - 08MN053]; and 149260 [Production Increase, Fuel Tank and Milne Port Accommodations - Project Modification to Project Certificate No. 005 - 08MN053].
- **Related NIRB File No.:** 08MN053 & 17UN012; Related NWB File No.: 2AM-MRY1325.
- **Location:** Qikiqtani Region; [Near the community of Pond Inlet].

The following works and activities have been proposed in the above-noted project proposal:

1. Renewal of the Type "B" Water Licence 2BE-MRY1421 for exploration and geotechnical drilling activities under the Mary River Exploration Project. All of the activities listed under this renewal application have been

permitted in the past and are consistent with exploration and geotechnical drilling activities. It is reminded that all activities undertaken as part of this Mary River Exploration Project will be for exploration and geotechnical investigation purposes, and not production activities.

A complete description of the project proposal reviewed by the NPC can be accessed online using the link below. The Nunavut Planning Commission (NPC) has completed its review of the above noted project proposal. It conforms to the North Baffin Regional Land Use Plan (NBRLUP). The proponent has undertaken to comply with the applicable conformity requirements of Appendix C, H, and I of the NBRLUP.

The activities associated with this proposal were previously reviewed by NPC, and a conformity determination was issued on January 6, 2011, and on February 14, 2014 which still applies. In addition, the activities were previously screened by the Nunavut Impact Review Board (NIRB FILE NO.: 08MN053, 17UN012, Project Certificate No. 005). The above-noted project proposal is exempt from screening by the NIRB under section 12.4.3 of the Nunavut Agreement because the NPC is of the understanding that it is for a component or activity that was part of the original proposal and its inclusion is not a significant modification of the project.

By way of this letter, the NPC is forwarding the project proposal to the regulatory authorities identified by the proponent. Project materials, including the applicable conformity requirements, are available at the following address:

<https://lupit.nunavut.ca/portal/project-dashboard.php?appid=149434&sessionid=>

This conformity determination applies only to the above noted project proposal as submitted. The regulatory authorities to which this letter is addressed are responsible under the Nunavut Agreement to implement any of the applicable conformity requirements by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued.

My office would be pleased to discuss how best to implement the applicable requirements and to review any draft authorizations that regulatory authorities wish to provide for that purpose. If you have any questions, please do not hesitate to contact me at (867) 979-3444.

Sincerely,

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

Goump Djalogue
Senior Planner, MCIP, RPP
Nunavut Planning Commission

APPENDIX C

CORPORATE PROFILE REPORT

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1904371	BAFFINLAND IRON MINES CORPORATION	2013/10/09
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
2275 UPPER MIDDLE ROAD EAST	NOT APPLICABLE	A
Suite # SUITE 300	New Amal. Number	Notice Date
OAKVILLE	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA L6H 0C3		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
2275 UPPER MIDDLE ROAD EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # SUITE 300	Transferred Out Date	Cancel/Inactive Date
OAKVILLE	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		EP Licence Eff.Date
CANADA L6H 0C3		EP Licence Term.Date
	Number of Directors	Date Commenced
	Minimum	in Ontario
	Maximum	Date Ceased
	00001	in Ontario
	00010	NOT APPLICABLE
Activity Classification		NOT APPLICABLE
NOT AVAILABLE		

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
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CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

Corporate Name History

BAFFINLAND IRON MINES CORPORATION

Effective Date

2013/10/09

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

1843208 ONTARIO INC.

BAFFINLAND IRON MINES CORPORATION

Corporate Number

1843208

658456

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
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CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

Administrator:

Name (Individual / Corporation)

STEPHANIE
ANDERSON

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2017/03/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Administrator:

Name (Individual / Corporation)

MARK
O'BRIEN

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2018/07/03

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
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CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

Administrator:

Name (Individual / Corporation)

BRIAN

PENNEY

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2016/02/15

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF EXECUTIVE OFFICER

Resident Canadian

Administrator:

Name (Individual / Corporation)

BRIAN

PENNEY

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2020/09/14

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
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CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

Administrator:

Name (Individual / Corporation)

SYLVAIN

PROULX

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2020/10/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Administrator:

Name (Individual / Corporation)

FERNANDO

RAGONE

Address

2275 UPPER MIDDLE ROAD EAST

Suite # 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2019/02/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

**Administrator:
Name (Individual / Corporation)**

FERNANDO

RAGONE

Address

2275 UPPER MIDDLE ROAD EAST

Suite # SUITE 300
OAKVILLE
ONTARIO
CANADA L6H 0C3

Date Began

2020/09/14

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025577638
Transaction ID: 77912222
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/21
Time Report Produced: 13:30:49
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CORPORATION PROFILE REPORT

Ontario Corp Number

1904371

Corporation Name

BAFFINLAND IRON MINES CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2021/01/05 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

APPENDIX D

TYPE B RENEWAL COMPLIANCE
ASSESSMENT

Table 1: Compliance Review for Type 'B' Water Licence 2BE-MRY1421

Current Licence Term	Confirmation of Compliance
Part A (Scope of Licence), Item 1	Yes
Part A (Definitions), Item 2	n/a
Part A (Enforcement), Item 3	Yes – see Section 9.4 Inspection and Compliance Reports under Baffinland's 2019 QIA and NWB Annual Report for Exploration & Geotechnical Activities.
Part B (General Conditions), Item 1	Yes
Part B (General Conditions), Item 2	Yes - BIMC confirms that \$1,250,000 is currently furnished and maintained with the Minister.
Part B (General Conditions), Item 3	Yes
Part B (General Conditions), Item 4	n/a
Part B (General Conditions), Item 5	n/a
Part B (General Conditions), Item 6	Yes, see Baffinland's QIA and NWB Annual Reports for Exploration & Geotechnical Activities on public registry.
Part B (General Conditions), Item 7	n/a
Part B (General Conditions), Item 8	Yes
Part B (General Conditions), Item 9	Yes
Part B (General Conditions), Item 10	Yes
Part B (General Conditions), Item 11	Yes
Part B (General Conditions), Item 12	Yes, see Baffinland's QIA and NWB Annual Reports for Exploration & Geotechnical Activities on public registry.

Current Licence Term	Confirmation of Compliance
Part B (General Conditions), Item 13	Yes
Part B (General Conditions), Item 14	Yes
Part B (General Conditions), Item 15	Yes
Part C (Conditions Applying to Water Use), Item 1	Yes, see Section 4 – Water Use of the 2019 QIA and NWB Annual Report for Exploration & Geotechnical Activities on public registry.
Part C (Conditions Applying to Water Use), Item 2	Yes, notifications are submitted at a minimum 15 days prior to use of waters not currently identified.
Part C (Conditions Applying to Water Use), Item 3	Yes
Part C (Conditions Applying to Water Use), Item 4	Yes, Baffinland submits requests to the Board for approval in writing, at least thirty (30) days prior to the use of water.
Part C (Conditions Applying to Water Use), Item 5	Yes
Part C (Conditions Applying to Water Use), Item 6	Yes
Part C (Conditions Applying to Water Use), Item 7	Yes
Part C (Conditions Applying to Water Use), Item 8	Yes
Part D (Conditions Applying to Waste Disposal), Item 1	Yes
Part D (Conditions Applying to Waste Disposal), Item 2	n/a
Part D (Conditions Applying to Waste Disposal), Item 3	Yes
Part D (Conditions Applying to Waste Disposal), Item 4	Yes
Part D (Conditions Applying to Waste Disposal), Item 5	Yes
Part D (Conditions Applying to Waste Disposal), Item 6	Yes

Current Licence Term	Confirmation of Compliance
Part D (Conditions Applying to Waste Disposal), Item 7	Yes
Part D (Conditions Applying to Waste Disposal), Item 8	Yes
Part D (Conditions Applying to Waste Disposal), Item 9	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 1	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 2	Yes – Baffinland will provide thirty (30) days' notice to the Board and an Inspector prior to constructing and operation of any of the camp facilities.
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 3	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 4	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 5	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 6	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 7	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 8	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 9	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 10	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 11	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 12	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 13	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 14	Yes
Part E (Conditions for Camps, Access Infrastructures and Operations), Item 15	Yes
Part F (Conditions Applying to Drilling Operations), Item 1	Yes

Current Licence Term	Confirmation of Compliance
Part F (Conditions Applying to Drilling Operations), Item 2	Yes
Part F (Conditions Applying to Drilling Operations), Item 3	Yes
Part F (Conditions Applying to Drilling Operations), Item 4	Yes
Part G (Conditions Applying to Drilling Operations), Item 5	Yes
Part F (Conditions Applying to Drilling Operations), Item 6	Yes, see the QIA and NWB Annual Reports for Exploration & Geotechnical Activities on the public registry.
Part F (Conditions Applying to Drilling Operations), Item 7	Yes
Part F (Conditions Applying to Drilling Operations), Item 8	Yes
Part F (Conditions Applying to Drilling Operations), Item 9	Yes
Part G (Conditions Applying to Spill Contingency Planning), Item 1	Baffinland has included an updated Spill Contingency Plan with the renewal application.
Part G (Conditions Applying to Spill Contingency Planning), Item 2	Yes
Part G (Conditions Applying to Spill Contingency Planning), Item 3	Yes
Part G (Conditions Applying to Spill Contingency Planning), Item 4	Yes
Part G (Conditions Applying to Spill Contingency Planning), Item 5	Yes
Part G (Conditions Applying to Spill Contingency Planning), Item 6	Yes
Part H (Conditions Applying to Modifications), Item 1	Yes
Part H (Conditions Applying to Modifications), Item 2	Yes
Part H (Conditions Applying to Modifications), Item 3	Yes

Current Licence Term	Confirmation of Compliance
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 1	Baffinland has included an updated Exploration Closure and Reclamation Plan with the renewal application.
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 2	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 3	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 4	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 5	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 6	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 7	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 8	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 9	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 10	Yes
Part I (Conditions Applying to Abandonment and Restoration or Temporary Closing), Item 11	Yes
Part J (Conditions Applying to the Monitoring Program), Item 1	Yes

Current Licence Term	Confirmation of Compliance
Part J (Conditions Applying to the Monitoring Program), Item 2	Yes
Part J (Conditions Applying to the Monitoring Program), Item 3	Yes
Part J (Conditions Applying to the Monitoring Program), Item 4	Yes
Part J (Conditions Applying to the Monitoring Program), Item 5	Yes
Part J (Conditions Applying to the Monitoring Program), Item 6	Yes
Part J (Conditions Applying to the Monitoring Program), Item 7	Yes
Part J (Conditions Applying to the Monitoring Program), Item 8	Yes
Part J (Conditions Applying to the Monitoring Program), Item 9	Yes

APPENDIX E

CONFIRMATION OF
RECLAMATION SECURITY



February 14, 2014

Our reference
IQALUIT-#779522

Your reference
Bank of Nova Scotia ISLOCs:
#OSB4357TOR and #OSB1495TOR

Erik Madsen
Vice President
Sustainable Development, Health, Safety & Environment
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
OAKVILLE, ON
L6H 0C3

Dear Mr. Madsen:

Re: Receipt of new water licence reclamation security related to Type 'A' Water Licence #2AM-MRY1325, Bank of Nova Scotia ISLOC #OSB4357TOR

Release of former water licence reclamation security related to Type 'A' Water Licence #2AM-MRY1325, Bank of Nova Scotia ISLOC #OSB1495TOR

As you are well aware, the reclamation security required under Baffinland Iron Mine Corporation's (Baffinland) Type 'A' Water Licence for the Mary River Project was reduced by \$9,634,000 to \$166,000 following the Nunavut Water Board's January 23, 2014 security review determination¹ of Baffinland's 2014-15 work plan pursuant to Part C and Schedule C of the licence.

Baffinland arranged for the Bank of Nova Scotia to issue an irrevocable standby letter of credit (letter of credit) to satisfy the licence's new reclamation security requirement (Reference #OSB4357TOR). Also, as stated in your February 4, 2014 letter to Mr. Murray Ball of Aboriginal Affairs and Northern Development Canada² (the department), Baffinland are requesting that the department release the Bank of Nova Scotia letter of credit (Reference #OSB1495TOR) currently held under the licence in the amount of \$9,800,000. The department has received and accepted the new letter of credit, dated January 31, 2014. Enclosed is the previously issued letter of credit, along with its first and only amendment respectfully dated August 13, 2013 and January 2, 2014, that is replaced by the new letter of credit.

It should be noted that the letter of credit being returned is in the amount of \$4,311,784 not \$9,800,000. The remaining balance, \$5,488,216, was held under Baffinland's Type 'B' Water Licence, #2BB-MRY1114, for the Mary River Exploration Project. This discrepancy was resolved through the Nunavut Water Board's January 23, 2014 security review determination and December 4, 2013 Type 'B' Water Licence amendment (reduced Type 'B' Water Licence reclamation security requirement by \$5,488,216 to \$1,250,000).

¹ Nunavut Water Board. *Water Licence #2AM-MRY1325, 2014-15 Annual Security Review Determination*. January 23, 2014.

² Baffinland Iron Mines Corporation. *Re Release of security related to Type A Water Licence No. 2AM-MRY1325; New posted security (letter of credit) for Type A Water Licence No. 2AM-MRY1325*. Letter from Mr. Erik Madsen, Baffinland Iron Mines Corporation, to Mr. Murray Ball, Aboriginal Affairs and Northern Development Canada. February 4, 2014



The Nunavut Water Board's January 23, 2014 security review determination set the project's global security amount to \$39,959,000 (an increase of \$3,959,000 from the amount determined during the 2013 Type 'A' Water Licence application review). Of this amount, only \$166,000 is required to be held by the Minister of Aboriginal Affairs and Northern Development Canada under Part C, Item 1 of the licence, with the remaining \$39,793,000 being secured under a land lease with the Qikiqtani Inuit Association.

Feel free to contact me by telephone at 867-975-4555 or email at david.abernethy@aandc-aadnc.gc.ca for further information

Sincerely,

David W.
Abernethy

Digitally signed by David W. Abernethy
DN: email=David.W.Abernethy@aadnc-aandc.gc.ca,
ou=Northern Development Canada, ou=Regional Office,
cn=David W. Abernethy, c=CA
Date: 2014.02.14 12:22:45 -0500

David Abernethy
Regional Coordinator
Water Resources Division
Nunavut Regional Office
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
IQALUIT, NU
X0A 0H0

c.c.: Mr. Murray Ball, Aboriginal Affairs and Northern Development Canada
Ms. Karen Costello, Aboriginal Affairs and Northern Development Canada
Ms. Patti Gilbert, Aboriginal Affairs and Northern Development Canada
Mr. Damien Côté, Nunavut Water Board
Mr. Stephen Bathory, Qikiqtani Inuit Association
Ms. Stephanie Anderson, Baffinland Iron Mines Corporation
Mr. Oliver Curran, Baffinland Iron Mines Corporation

Encl.

Bank of Nova Scotia. *Irrevocable Standby Letter of Credit #OSB1495TOR*. Issued August 13, 2013 and Amended January 2, 2014.



The Bank of Nova Scotia

Trade Service Centre
61 Front Street West, 4th Floor
Toronto, Ontario, M5H 1H1
Tel: 416-847-6250
Fax: 416-866-4286
SWIFT: NOSCCATTTPT

**Irrevocable
Standby Letter of Credit
No. OSB1495TOR**

Amendment no. 1
Dated January 02, 2014

Beneficiary:

Her Majesty the Queen in Right of
Canada, as represented by the
Minister of Indian Affairs and
Northern Development Canada, Canada

Applicant:

Baffinland Iron Mines Corporation
2275 Upper Middle Road East
Suite 300
Oakville, Ontario, L6H 0C3 Canada

We amend our Standby Letter of Credit subject to the following terms and conditions. This amendment forms an integral part of the original instrument. All other terms and conditions remain unchanged.

Amended Terms:

1. Beneficiary's name has been amended from " Her Majesty the Queen in Right of Canada, as represented by the Minister of Indian Affairs and Northern Development Canada, Payable to the Receiver General of Canada" to "Her Majesty the Queen in Right of Canada, as represented by the Minister of Aboriginal Affairs and Northern Development Canada, Payable to the Receiver General of Canada".
2. Under documentary requirement point No. 3 "A statement signed by ... satisfactory to the Minister" has been deleted in its entirety and replaced by " A statement signed by an official of the Department of Aboriginal Affairs and Northern Development Canada certifying
 - A) That the signatory is an official of Aboriginal Affairs and Northern Development Canada and has the authority to sign the statement on behalf of the Minister of Aboriginal Affairs and Northern Development Canada ("the Minister"), and
 - B) Either
 - I. that the Minister is entitled to apply the amount drawn, being all or part of the security posted and maintained pursuant to Type A - \$4,311,784.00 - Licence #2AM-MRY1325 issued by the Nunavut Water Board, whether as originally issued or as amended, renewed or replaced from time to time, or
 - II. that this Credit is due to expire in thirty (30) days or less and that the applicant has not replaced this Credit by posting with the Minister other security satisfactory to the Minister.
3. On page 1, the description "Re: Security Pursuant to

ORIGINAL



The Bank of Nova Scotia

Type B - \$1,250,000.00 - Licence #2BB-MRY1114

Type A - \$3,061,784.00 - Licence #2AM-MRY1325" has been deleted in its entirety and replaced with:

" Re: Security Pursuant to

Type A - \$4,311,784.00 -Licence #2AM-MRY1325".

Unless otherwise instructed herein, all correspondence and enquiries regarding this transaction should be directed to our Customer Service Centre at the above address, telephone: 416-847-6250. Please indicate our reference number in all your correspondence or telephone enquiries.

Regards,


Authorised Signature(s) 

ORIGINAL



The Bank of Nova Scotia

Trade Service Centre
61 Front Street West, 4th Floor
Toronto, Ontario, M5H 1H1
Tel: 416-847-6250
Fax: 416-866-3740
SWIFT: NOSCCATTTPT

**Irrevocable
Standby Letter of Credit No.
OSB1495TOR**

Beneficiary:

Her Majesty the Queen in Right of
Canada, as represented by the
Minister of Indian Affairs and
Northern Development Canada, Canada

Applicant:

Baffinland Iron Mines Corporation
2275 Upper Middle Road East
Suite 300
Oakville, Ontario, L6H 0C3 Canada

Date of Issue:

August 13, 2013

Date and Place of Expiry:

February 28, 2014 Canada

Amount:

Not Exceeding CAD 4,311,784.00 Four Million Three Hundred
Eleven Thousand Seven Hundred Eighty Four and 00/100
Canadian Dollars

Beneficiary's Full Name and Address:

Her Majesty the Queen in Right of Canada,
as represented by the Minister of Indian Affairs and Northern Development Canada,
Payable to the Receiver General of Canada
c/o P.O. Box 100, Bldg. 918
Iqaluit, Nunavut, Canada X0A 0H0
Attention: Regional Director General, Nunavut Regional Office

RE: SECURITY PURSUANT TO

TYPE B - \$1,250,000.00 - LICENCE #2BB-MRY1114

TYPE A - \$3,061,784.00 - LICENCE #2AM-MRY1325

AT THE REQUEST AND FOR THE ACCOUNT OF BAFFINLAND IRON MINES CORPORATION (THE APPLICANT), WE, THE BANK OF NOVA SCOTIA, TORONTO TRADE SERVICE CENTRE, 61 FRONT STREET WEST, SUITE 402, TORONTO, ONTARIO, CANADA M5H 1H1, HEREBY ESTABLISH IN YOUR FAVOUR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. OSB1495TOR ("LETTER OF CREDIT" OR "CREDIT") FOR SUMS NOT EXCEEDING IN THE AGGREGATE AMOUNT OF FOUR MILLION THREE

ORIGINAL



HUNDRED ELEVEN THOUSAND SEVEN HUNDRED EIGHTY FOUR AND 00/100 CANADIAN DOLLARS (CAD4,311,784.00).

THIS CREDIT IS AVAILABLE WITH US FOR DRAWING AT SIGHT, WITHOUT ENQUIRY AS TO WHETHER YOU HAVE A RIGHT AS BETWEEN YOURSELF AND THE APPLICANT TO MAKE SUCH DEMAND AND WITHOUT RECOGNIZING ANY CLAIM OF THE APPLICANT OR OBJECTION BY THE APPLICANT, AGAINST PRESENTATION TO US, BY YOU OR YOUR DULY AUTHORIZED REPRESENTATIVE OR AGENT, OF THE FOLLOWING DOCUMENTS:

1. A SIGHT DRAFT, PAYABLE TO THE RECEIVER GENERAL OF CANADA, DRAWN ON THE BANK OF NOVA SCOTIA, TORONTO TRADE SERVICE CENTRE, 61 FRONT STREET WEST, SUITE 402, TORONTO, ONTARIO, CANADA M5H 1H1; AND

2. THE ORIGINAL OF THIS IRREVOCABLE LETTER OF CREDIT NO. OSB1495TOR FOR ENDORSEMENT OF PAYMENT THEREON; AND

3. A STATEMENT SIGNED BY AN OFFICIAL OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT CANADA CERTIFYING

A) THAT THE SIGNATORY IS AN OFFICIAL OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT CANADA AND HAS THE AUTHORITY TO SIGN THE STATEMENT ON BEHALF OF THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT CANADA ("THE MINISTER"), AND

B) EITHER

I. THAT THE MINISTER IS ENTITLED TO APPLY THE AMOUNT DRAWN, BEING ALL OR PART OF THE SECURITY POSTED AND MAINTAINED PURSUANT TO TYPE B - \$1,250,000.00 - LICENCE #2BB-MRY1114, TYPE A - \$3,061,784.00 - LICENCE #2AM-MRY1325 ISSUED BY THE NUNAVUT WATER BOARD, WHETHER AS ORIGINALLY ISSUED OR AS AMENDED, RENEWED OR REPLACED FROM TIME TO TIME, OR

II. THAT THIS CREDIT IS DUE TO EXPIRE IN THIRTY (30) DAYS OR LESS AND THAT THE APPLICANT HAS NOT REPLACED THIS CREDIT BY POSTING WITH THE MINISTER OTHER SECURITY SATISFACTORY TO THE MINISTER.

PARTIAL DRAWINGS ARE PERMITTED.

THIS CREDIT IS EFFECTIVE FROM 12:00 PM ON AUGUST 15TH, 2013 AND SHALL EXPIRE AT OUR COUNTERS AT 12:00 P.M. ON FEBRUARY 28TH, 2014. THIS CREDIT SHALL BE RENEWED

ORIGINAL



AUTOMATICALLY FOR AN ADDITIONAL ONE-YEAR PERIOD FROM THE INITIAL EXPIRATION DATE AND FOR AN ADDITIONAL ONE-YEAR PERIOD FROM EACH FUTURE EXPIRATION DATE (EACH SUCH EXPIRATION DATE, THE OPERATIVE EXPIRATION DATE), UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE OPERATIVE EXPIRATION DATE WE NOTIFY YOU IN WRITING BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS CREDIT RENEWED FOR SUCH ADDITIONAL PERIOD.

THE WATER LICENCE IS REFERRED TO HEREIN FOR REFERENCE PURPOSES AND DOES NOT FORM PART OF THE TERMS OF THIS CREDIT.

WE HEREBY AGREE THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT SHALL BE DULY HONoured BY US IF PRESENTED FOR PAYMENT ON OR BEFORE THE OPERATIVE EXPIRATION DATE.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 600. NOTWITHSTANDING ARTICLE 36 OF SAID PUBLICATION, IF THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 36, WE AGREE TO EFFECT PAYMENT IF THIS CREDIT IS DRAWN ON US WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

Regards,

Authorised Signature(s)

ORIGINAL