

Date: May 5, 2017

Nunavut Water Board
P.O. Box 119
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**Subject: Water Licences: 2AM-MRY1325 - Amend. 1 and 2BE-MRY1421
Baffinland Iron Mines Corporation Response to Nunavut Water Board's
Review of the 2015 QIA and NWB Annual Report and Revised Management
Plans;**

Dear Mr. Joseph,

Baffinland Iron Mines Corporation (Baffinland) has reviewed the recommendations and comments included in the Nunavut Water Board's (NWB) review of Baffinland's 2015 QIA and NWB Annual Report and revised management plans. Baffinland wishes to thank the NWB for their comments and recommendations and has incorporated the majority of the NWB's recommendations into the 2016 annual reports for Baffinland's Type "A" and "B" Water Licences (2AM-MRY1325 and 2BE-MRY1421).

Baffinland's responses to the NWB's recommendations are provided below.

NWB Recommendation	Baffinland Response
Recommendation 1 The Annual Report developed for each Water Licence issued to the Project should be submitted as a separate and independent document to satisfy the reporting requirements specific to each particular Licence and not as a combined document under a joint submission.	Baffinland has addressed this recommendation by submitting separate 2016 annual reports for each of Baffinland's Water Licences: Type A (2AM-MRY1325) and Type B (2BE-MRY1421). The 2016 annual reports were submitted to the Nunavut Water Board electronically on March 31, 2017.
Recommendation 2 Future Annual Reports submitted to address the reporting requirements of each Licence should exclude information intended to address requirements of the Commercial Lease Agreement that exists between the Qikiqtani Inuit Association (QIA) and the Licensee except in cases where there is overlap in information required by the two authorizations. In such cases, the same information may be duplicated and included in the Report required under the Water Licence.	Due to significant overlap in annual reporting requirements outlined in Baffinland's Lease with the QIA and Water Licences issued by the NWB, Baffinland has combined the NWB and QIA annual reports in the past. To assist reviewers in locating relevant information, Baffinland has included detailed concordance tables (Appendix A) in each annual report. Upon discussing this recommendation with the NWB, Baffinland received approval from the NWB by email on Jan 19, 2017 to continue to combine the NWB and QIA annual reports.

NWB Recommendation	Baffinland Response
<p>Recommendation 3</p> <p>The section of the Report that addresses water use for the Type “A” Water Licence 2AM-MRY1325 / 2AM-MRY1325 – Amendment No. 1 should include specific details on water withdrawn and used for the purposes outlined in Schedule B, Item 1(a)(i) – (iii) of the of the Type “A” Licence, in accordance with the thresholds established under the same Licence. Further, the sections of the Annual Report addressing water usage under the Type “B” Water Licence 2BE-MRY1421 should include specific details on the quantity of water withdrawn and used for all purposes outlined in Part B, Item 6(i) – (ii) of this Licence. Similarly, water use pertaining to Licence No. 8BC-MRY1416 should include specific details on the quantity of water withdrawn and used for the purposes outlined under this Type “B” Licence.</p>	<p>Water volumes withdrawn in 2016 under the authorization of Baffinland’s water licences are provided in the 2016 annual reports for each respective water licence. Baffinland will continue to use this format in future annual reports.</p> <p>No water was withdrawn under the authorization of Baffinland’s Type B Water Licence No. 8BC-MRY1416 in 2016. Type B Water Licence No. 8BC-MRY1416 was cancelled on February 25, 2016 by the NWB.</p>
<p>Recommendation 4</p> <p>The total quantity of water withdrawn from the marine environment for use in dust suppression under each of the Licences issued to the Project should be included in the Report.</p>	<p>Noted. Future annual reports will provide water quantities withdrawn from marine environments. No water was withdrawn from the marine environment in 2016.</p>
<p>Recommendation 5</p> <p>Similar to the recommendations provided in the previous section, specific clarity is required for the quantities and types of waste generated and managed specifically under each Licence associated with the Project.</p>	<p>Details on waste deposited and managed by the Mary River Project are provided in the 2016 annual reports for each respective water licence. Baffinland will continue to use this format in future annual reports.</p>
<p>Recommendation 6</p> <p>The Report included details on waste backhauled to facilities in southern Canada for treatment and/or disposal. However, details or confirmation on whether any waste was backhauled to communities in Nunavut was not seen in the Report. Therefore, confirmation should be provided on whether any waste is backhauled to communities in Nunavut, as part of the information included in future Reports.</p>	<p>Noted. Baffinland will ensure that future annual reports provide confirmation on whether waste has been backhauled to communities in Nunavut. No waste was backhauled to communities in Nunavut during 2015 and 2016.</p>

NWB Recommendation	Baffinland Response
Recommendation 7 Management plans specific to addressing the requirement of each Water Licence should be provided for consideration by the Board as such plans may not interchangeably and sustainably address the requirements of more than one Water Licences if the Licences' terms and conditions do not allow for this.	Noted. Details on spills occurring on the Mary River Project are provided in the 2016 annual reports for each respective water licence.
Recommendation 8 Management plans specific to addressing the requirement of each Water Licence should be provided for consideration by the Board as such plans may not interchangeably and sustainably address the requirements of more than one Water Licences if the Licences' terms and conditions do not allow for this.	This issue has been resolved by the incorporation of the Type B Water Licence No. 8BC-MRY1416 into the scope of the Type "A" Water Licence No. 2AM-MRY1325 – Amendment 1 (Type A Water Licence). Type "B" Water Licence No. 8BC-MRY1416 was canceled on February 25, 2016.

If you have any questions regarding this submission, please do not hesitate to contact the undersigned directly at wayne.mcphee@baffinland.com or at 416-364-8820 ext. 5088.

Kind Regards,



Wayne McPhee
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Cc: Andrew Vermeer; William Bowden, Laura Taylor (Baffinland)
Manager of Licensing (NWB)