

Water Resources Nunavut Regional Office P.O. Box 100 Igaluit, NU, X0A 0H0

June 2, 2017

Your file - Votre référence 2BE-MRY1421

Our file - Notre référence CIDM#11500010

Ida Porter Licensing Administrator **Nunavut Water Board** P.O. Box 119 Gjoa Haven, NU, X0B 1J0

Re: 2BE-MRY1421 - Mary River Exploration Project - Baffinland Iron Mines **Corporation – 2016 Annual Report**

Dear Ms. Porter,

On May 3, 2017, you sent out the 2016 Annual Report for the above referenced licence, indicating that interested parties should provide comments within 30 days.

Indigenous and Northern Affairs Canada (INAC) has conducted a technical review of the annual report and the results of our review are presented in the attached memorandum for the Nunavut Water Board's consideration. Comments have been provided pursuant to INAC's mandated responsibilities under the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Department of Indian Affairs and Northern Development Act.

INAC appreciates the opportunity to participate in this review. If there are any questions or concerns, please contact me at (867) 975-3876 or by e-mail at sarah.forte@aandcaadnc.gc.ca.

Sincerely,

Sarah Forté Water Management Coordinator



Technical Review Memorandum

To: Ida Porter, Licensing Administrator, Nunavut Water Board

CC: Andrew Vermeer, Regulatory Reporting Specialist, Baffinland Iron Mines

Corporation

From: Sarah Forté, Water Management Coordinator, Water Resources Division, INAC

Date: June 2, 2017

Re: Review of Baffinland Iron Mines Corporation's 2016 Annual Report for Type B

Water Licence #2BE-MRY1421

Applicant: Baffinland Iron Mines Corporation Project: Mary River Exploration Project

Region: Qikiqtani

A. BACKGROUND

On May 3, 2017, the Nunavut Water Board (Board) distributed Baffinland Iron Mines Corporation's (Baffinland) 2016 Annual Report for type B water licence 2BE-MRY1421. It is entitled 2016 Qikiqtani Inuit Association (QIA) and Nunavut Water Board (NWB) Annual Report for Exploration and Geotechnical Drilling Activities, and is dated March 31, 2017.

The Mary River Project is an iron mine with activities covered under water licences 2AM-MRY1325 and 2BE-MRY1421. The type A licence is for the mine operations and the type B is an exploration licence, and as the report title suggests, it is also used to cover geotechnical drilling activities.

The work carried out under licence 2BE-MRY1421 was limited to geotechnical drilling, principally along the Tote Road. All activities were supported in camps covered by the type A licence, so no domestic water use or waste generation occurred under licence 2BE-MRY1421. The type of drilling used for 108 of the 113 holes drilled does not use any water and a total of 7 m³ of water were used from approved sources.

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B. RESULTS OF REVIEW

INAC notes that Baffinland has followed the Board's recommendation from their 2015 Report Review, and produced a separate annual report for water licence 2BE-MRY1421. This is appreciated and produces a clearer picture of the activities falling under this licence.

INAC is satisfied that the 2016 annual report produced meets all the requirements outlined in Part B Item 6 of water licence 2BE-MRY1421. The information is clear, succinct and relevant. We have not found deficiencies in the report and have no specific comments.

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