



December 19, 2018

Mr. Mosha Cote
Research Liaison,
Nunavut Research Institute
Iqaluit, NU, Canada, X0A 0H0

**RE: 2018 Summary Annual Report for Scientific Research Licence 02 009 18R-M;
Scientific Research Licence Renewal Request for 2019 Monitoring Programs**

Dear Mr. Cote,

Baffinland Iron Mines Corporation (Baffinland) was issued Scientific Research Licence 02 009 18R-M (the Licence) on January 5, 2018 by the Nunavut Research Institute (NRI). The Licence, along with other permits and approvals, allowed Baffinland to conduct select monitoring programs for the Mary River Project (the Project) in 2018 as prescribed by the Project's NIRB Certificate No. 005 – Amendment 1 and Type "A" Water Licence No. 2AM-MRY1325 – Amendment 1. Baffinland requests the renewal of this multi-year licence to continue monitoring programs in 2019.

In 2018, the following monitoring was conducted under the Licence for the Project. Baffinland plans to conduct similar monitoring programs in 2019.

) **Freshwater Environment Monitoring**

- Water and sediment quality were monitored in several lakes and streams near Project sites to assess potential environmental effects.
- Flows and water levels were monitored in several rivers and streams near Project sites by means of instream pressure transducers and periodic discharge measurements.
- Sediment traps were deployed in Sheardown Lake NW to monitor annual sediment deposition rates and characterize sediment density.

) **Marine Environment Monitoring**

- Water and sediment quality were monitored in Milne Inlet to assess potential environmental effects.
- Marine habitat offset monitoring was conducted for the Milne Port Ore Dock.
- Ballast water from ore carrier vessels were monitored for salinity to confirm vessels had conducted a ballast water exchange in the North Atlantic Ocean prior to entering into Milne Inlet.
- Sea level and storm surges were monitored at Milne Port using a tidal gauge.

) **Terrestrial Environment Monitoring**

- Dustfall was measured at established stations along the Milne Inlet Tote Road and near Project sites to monitor dust deposition rates at various distances from the Project.

) **Noise, Air Quality and Climate Monitoring**

- Several weather stations continued to be operated at Project sites. Monitored parameters included, precipitation (rain), temperature, wind speed, wind direction, solar radiation, barometric pressure, and humidity.
- Air quality (SO_x, NO_x) and noise levels were monitored throughout the year at Project sites.

Annual reports for the 2018 monitoring programs listed above will be posted to Baffinland's Document Portal by March 31, 2019. Monitoring requirements and objectives for the various monitoring programs are discussed in Baffinland's suite of environmental management and monitoring plans available on Baffinland's Document Portal. Baffinland's Document Portal can be accessed on Baffinland's corporate website using the following URL:

<http://www.baffinland.com/news-reports/shareddocuments/?lang=en>

We trust that this 2018 monitoring summary in combination with the annual reports to be posted to Baffinland's Document Portal meet the NRI's annual reporting requirements under the Licence and request the renewal of Baffinland's existing multi-year licence in order to continue monitoring programs in 2019. Baffinland intends to modify its Scientific Research Licence in 2020 to reflect any monitoring changes required for the Project's Phase 2 Expansion Proposal, currently under review by the Nunavut Impact Review Board and other parties.

Please do not hesitate to contact the undersigned should you have any questions or comments.

Regards,

A handwritten signature in black ink, appearing to read "Chris Murray", with a large, stylized loop at the end.

Christopher Murray,
Environmental & Regulatory Compliance Manager

Cc: Tim Sewell, Megan Lord-Hoyle, William Bowden, Connor Devereaux, Andrew Vermeer
(Baffinland)

