



NEWS RELEASE

Mary River Iron Mine Decision a Positive Sign for Nunavut Mining Industry

(Iqaluit, NU – July 16, 2015) The Minister of Aboriginal Affairs and Northern Development, the Honourable Bernard Valcourt has approved Baffinland Iron Mines Corporation's ("BIMC") application for an exemption under section 11.5.11 of the Nunavut Land Claims Agreement.

In April, 2015, the Nunavut Planning Commission issued a negative conformity determination for a Phase 2 project proposal for the Mary River Iron Mine, located near Pond Inlet on Baffin Island in Nunavut. The Commission stated that the proposed icebreaking activity to allow winter shipping did not conform to the North Baffin Regional Land Use Plan. In May, BIMC applied to the Minister for an exemption from the land use plan. In a July 13, 2015 letter, Minister Valcourt granted the exemption and advised of his decision to "refer the company's Mary River Phase 2 Proposal to the Nunavut Impact Review Board ("NIRB") for a screening and subsequent reconsideration process". The NIRB will now be responsible for completing environmental and socio-economic assessments of BIMC's Phase 2 project proposal.

"We are pleased to see the Mary River Phase 2 project advance to the NIRB process for a comprehensive environmental and socio-economic assessment," said Brooke Clements, President of the NWT & Nunavut Chamber of Mines. "We believe that this is a good outcome for the Mary River project and the communities that benefit from and are affected by it. The NIRB process is designed to focus on mitigation of potential environmental impacts and to take into account concerns expressed by Nunavummiut. The Minister's decision should help to bolster investor confidence in Nunavut's mining and exploration sector."

The Mary River project continues to be a significant contributor to local training, jobs, and business opportunities and has the potential to become the largest generator of royalties to an Inuit or Aboriginal land owner in Canada.

The open pit mine, located 935 km north of Iqaluit has five known iron deposits. Production from the "Early Revenue Phase" began in September, 2014. The proposed Phase 2 project would see an increase in production and shipment of ore. This additional efficiency would increase the financial viability of the Project and ensure that benefits generated by the Mary River Mine are maximized.

The Mary River Iron Mine is owned by BIMC, a subsidiary of the global steel producer Arcelor Mittal and Iron Ore Holdings LP. BIMC's Head Office is located in Oakville, Ontario, and its Northern Headquarters are in Iqaluit, Nunavut.

For more information on the NWT and Nunavut mining industries, please visit the website at www.miningnorth.com or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com or Elizabeth Kingston, General Manager-Nunavut at Tel: (867) 979-5291 or email: generalmanagernu@miningnorth.com.