

September 28, 2011

Aboriginal Affairs and Northern Development Canada
Manager, Land Administration
Nunavut Regional Office
Building 918
P.O. Box 100
Iqaluit, NU
X0A 0H0

Attention: Mr. Jeff Mercer
Manager, Land Administration
John Craig
A/Land Specialist
Land Administration - Nunavut

Re: Mary River Project
Application for Class A Land Use Permit – Steensby Inlet

Baffinland Iron Mines Corporation (Baffinland) has submitted an application to NIRB for review and approval of Pre-Development Work (PDW) for its Mary River Project. A significant portion of this PDW will occur at the Steensby site.

As per our discussion with Mr. Craig on September 28, 2011, for the execution of the Pre-Development Work, Baffinland requires a Class A Land Use Permit for a 267 ha parcel of crown land at the Steensby site.

Attached is the application form for this Class A LUP application. The content of this application form should be viewed with the documentation provided with the PDW application submitted on September 15, 2011⁽¹⁾. Figure 4.0 presents the layout of the PDW Facilities at the Steensby site. The estimated surface area for PDW is 267 ha.

Description of the PDW Facilities

The objective of PDW is primarily the mobilization and staging of equipment and material in preparation for the construction phase of the Project. The scope of the PDW for the Steensby site is described in Section 6.0 of the PDW application.

The PDW consists of the following activities:

1. Installation of a spud barge to enable unloading of freight;
2. Earthwork associated with the preparation of laydown areas, access roads, land farm, and construction of the secondary containment of the fuel tank farm; filling of fuel tanks;
3. Construction of an airstrip;
4. Development of the Steensby quarry;
5. Storage and use of explosives (pre-packaged and emulsion prepared on site);
6. Temporary maintenance facilities (fold-away type of shelters for maintenance of mobile equipment and machinery);
7. Installation of a number of contractor administration trailers, warehouses (fold away types);

8. Wastewater treatment facilities for oily water; and,
9. Solid waste storage area, land farm and hazardous waste storage area.

In addition to these PDW activities, geotechnical drilling investigations will continue within the limits of the requested Crown Land lease throughout 2012 and 2013 in order to validate ground conditions for the construction of the various Steensby port facilities.

Application Fees

The processing fees (\$169.50) for this application were submitted on September 15 with the application for the Crown Land Lease at Steensby Inlet.

Yours truly,



Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

Cc: Ryan Barry, Executive Director, NIRB

Attachment:

1. Application for Class A LUP
2. Figure 4.0 – Steensby Inlet Layout of PDW Facilities

References:

1. Baffinland Iron Mines Corporation, Application for Approval of Pre-Development Work, September 15, 2011