



June 22, 2017

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Nunavut Water Board  
PO Box 119, Gjoa Haven, NU X0B 1J0

**Re: 2017 Diamond Drilling Program – Type “B” Water License 2BE-MRY1421, QIA Commercial Lease No. Q13C301, INAC Land Use Permit N2014C0013**

Baffinland will be commencing a diamond drilling program to increase confidence in the 5-year mine pit, and upgrade Deposit No. 2 to a measured and indicated resource. The program is being managed by Baffinland’s Exploration department, and performed by Boart Longyear’s coring division. The program is scheduled to start July 1, and end by September, 2017. A total of approximately 17 drill holes are planned, with depths ranging from 47 - 450 metres (m) in depth. Drill holes will require water to support diamond drill coring techniques. Refer to the attached map sheets (1 and 2) provided in Attachment A for the proposed drill hole collar locations and proposed water sources. The UTM coordinates for the drill program collars are presented in Attachment B.

The equipment to be utilized for the program includes two LM 55 rock coring drill rigs mounted to a skid for the duration of the Deposit No. 1 drill campaign. These drills will not be mounted to a skid for the duration of the Deposit No. 2 drill campaign. The diameter of the holes to be advanced is approximately 61.1 mm. Other supporting vehicles include a CAT 988 or CAT D9 to pull the skid-mounted drills and move other supporting equipment, a “wobble wagon” to supply sumps with water, and a helicopter for moving non-skid mounted drills and other supporting equipment/supplies.

Under Part C, Item 1, of the Type “B” Water License 2BE-MRY1421 (Type “B” Water License), Baffinland is required to provide notification to the Board and the Inspector, of new water sources to be used during drilling that are not currently identified. There are 5 new water sources that may be used to support the drilling program and are denoted by the “PS” symbol on the map sheets provided in Attachment A. Tables showing the locations of the proposed water sources to support the drilling program are provided in Attachment C. New water sources denoted as PS-17-04 and PS-17-05 will be sumps that are supplied water from Camp Lake, an approved water source under Baffinland’s Type “A” Water Licence. The estimated water usage rate for the drilling program is approximately 1.3 m<sup>3</sup> per linear metre drilled. Assuming 1,010 metres and 1,905 metres drilled at Deposit 1 and 2, respectively, the total water volume requirements for the Deposit 1 and 2 drill holes are 2,477 m<sup>3</sup> and 1,010 m<sup>3</sup>, respectively.

Based upon visual assessment and knowledge from previous drilling programs in the area, Baffinland believes that the new water sources required for Deposit 2 (PS-17-01, 02, 03) are large enough in size to sustain such a withdrawal of water. The new water sources (ponds) denoted as PS-17-02 and PS-17-03 are not believed to be fisheries habitat and will be visually monitored for draw down during periods of withdrawal. The Mary River (PS-17-01) has been used as a water source in previous drilling programs and has sufficient flow volumes necessary to support the proposed water requirements for Deposit 2 drilling activities. Despite best planning, it should be noted that unforeseen circumstances may preclude some changes in plans as the program proceeds. Baffinland will endeavor to inform the Inspector and land owner in such circumstances.

In accordance with Part B, Item 8 of the Type "B" Water License, Baffinland proposes to use flow meters to track water usage volumes during the proposed drilling program.

In addition, drill waste generated from drilling program will be disposed of in sumps consistent with requirements outlined in Part F, Item 2 of Type "B" Water Licence. Daily environmental monitoring will be performed, including pre-, during, and post-inspections. Drill water runoff and siltation mitigation measures consistent with Baffinland's Environmental Protection Plan (BAF-PH1-830-P16-0008 r1) will be employed as required.

We trust that this information meets the various notifications required by the above referenced parties. Please do not hesitate to contact the undersigned, should you have any question or comments.

Submitted by:



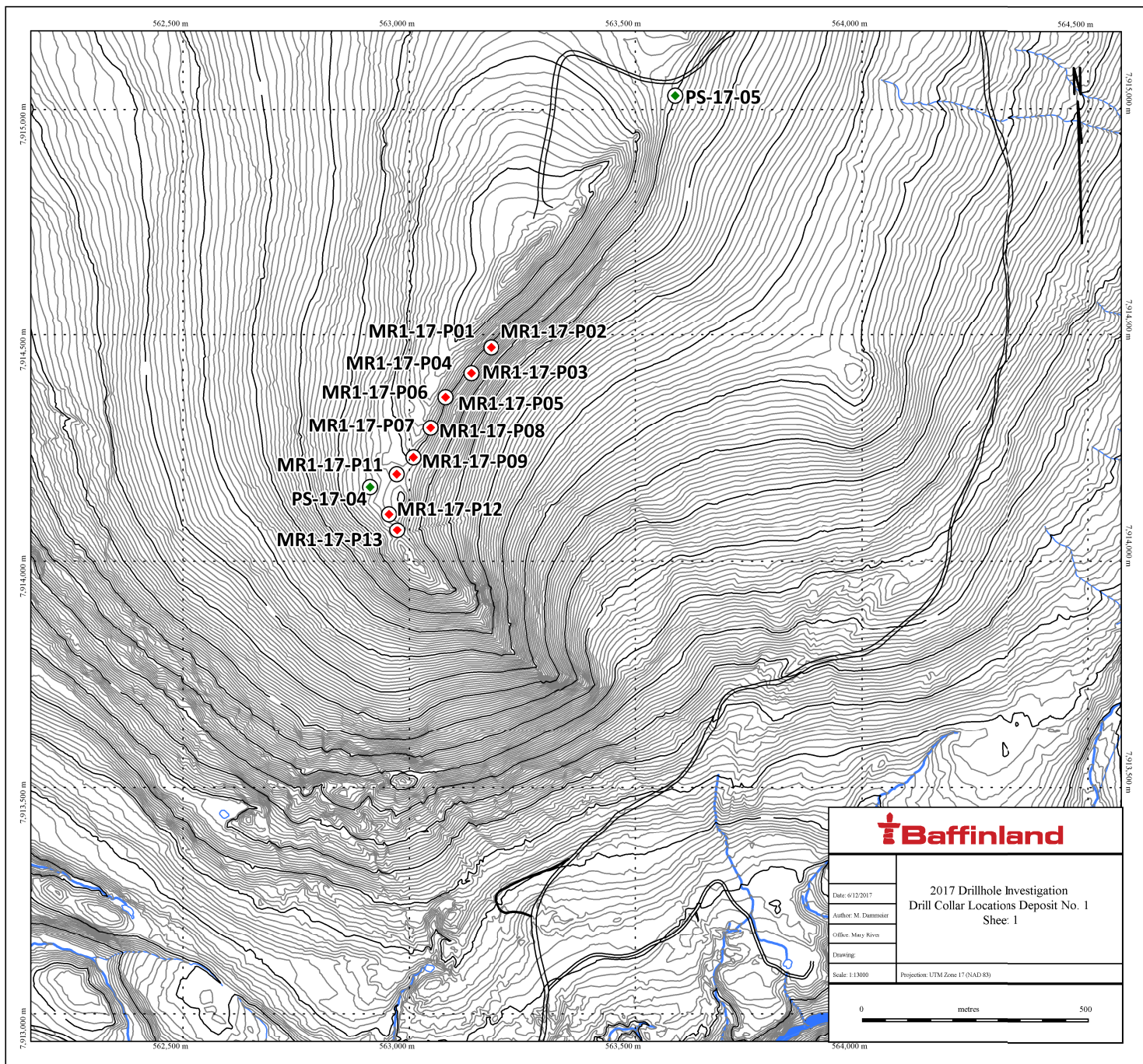
William Bowden  
Environmental Superintendent

Attachments:

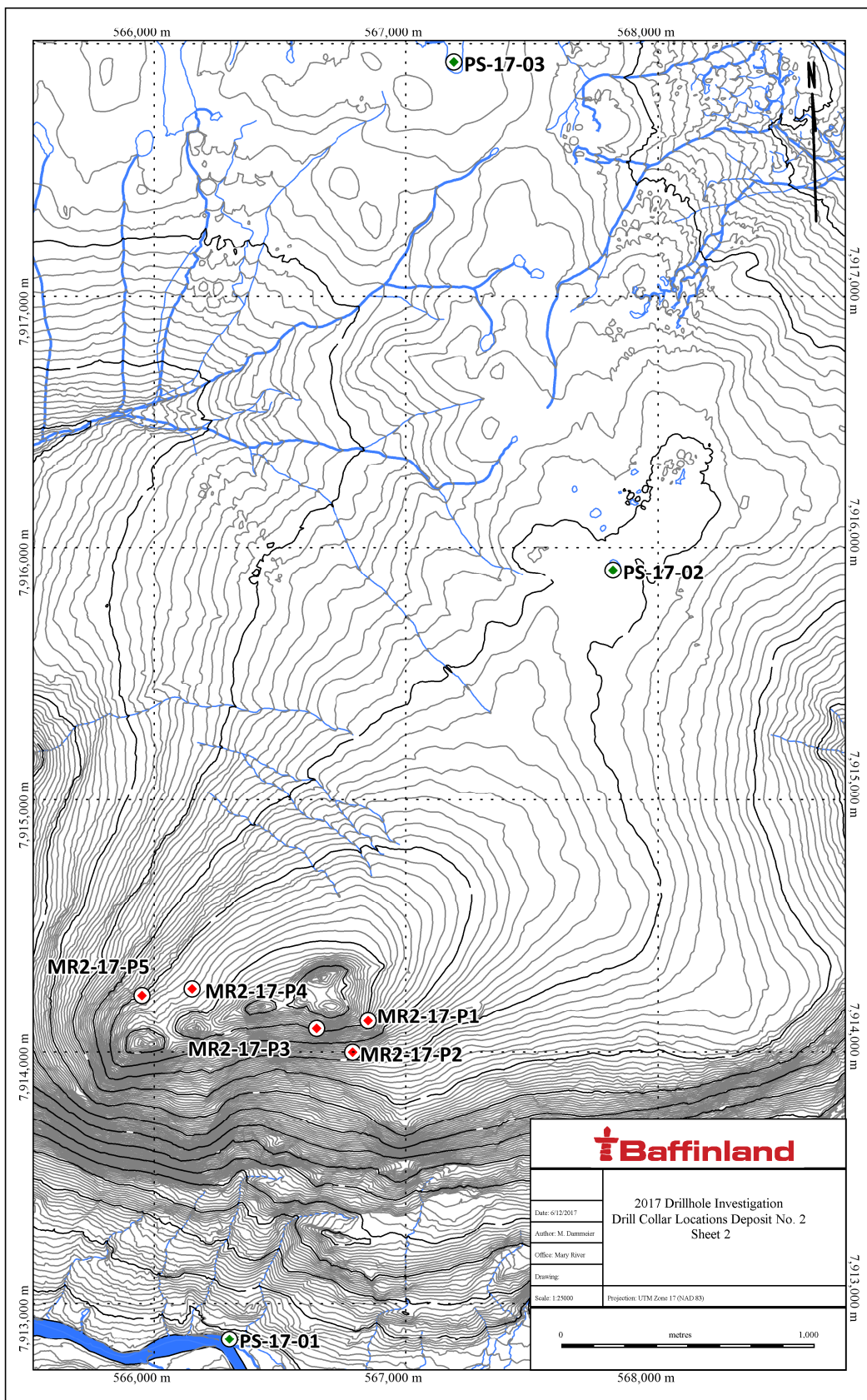
- Attachment A: Map Sheet 1, 2017 Drill Hole Investigation – Drill Collar Locations Deposit 1  
Map Sheet 2, 2017 Drill Hole Investigation – Drill Collar Locations Deposit 2
- Attachment B: UTM Coordinates of Proposed Drill Hole Collars
- Attachment C: Locations/UTM Coordinates of Proposed Water Sources

Cc: Wayne McPhee, Todd Burlingame, Allan Knight, Laura Taylor, Michael Anderson, Andrew Vermeer, Thomas Iannelli, Meghan Dammeier (Baffinland)  
Jonathan Mesher (INAC)

**ATTACHMENT A**  
**2017 Drill Hole Investigation – Drill Hole Collar Locations**







**ATTACHMENT B**  
**UTM Coordinates of Proposed Drill Hole Collars**

### Drill Hole Summary

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Length	Deposit
MR1-17-P01	563181	7914472	630	65	1
MR1-17-P02	563181	7914472	630	65	1
MR1-17-P03	563137	7914415	630	68	1
MR1-17-P04	563137	7914415	630	58	1
MR1-17-P05	563080	7914362	640	98	1
MR1-17-P06	563080	7914362	640	47	1
MR1-17-P07	563047	7914294	640	95	1
MR1-17-P08	563047	7914294	640	50	1
MR1-17-P09	563009	7914229	640	133	1
MR1-17-P11	562972	7914192	644	146	1
MR1-17-P12	562955	7914105	644	95	1
MR1-17-P13	562973	7914069	639	90	1
MR2-17-P1	566851	7914123	622	340	2
MR2-17-P2	566790	7913998	585	450	2
MR2-17-P3	566645	7914093	628	315	2
MR2-17-P4	566151	7914250	614	350	2
MR2-17-P5	565952	7914224	599	450	2

**ATTACHMENT C**  
**Locations/UTM Coordinates of Proposed Water Sources**



### Existing Water Sources\*

Location	Tote Road Chainage
Camp Lake	At Camp Lake Water Jetty - Km 100

\*Type "A" Licence 2AM-MRY1325 - refer to Part E, Tables 2, 3, and 4.

### Potential New Water Sources

Potential New Water Sources*	Easting (m)	Northing (m)
PS-17-01	566298	7912858
PS-17-02	567821	7915910
PS-17-03	567191	7917928
PS-17-04	562913	7914164
PS-17-05	563588	7915030

\*Refer to Attachment A, Sheets 1 and 2