Baffinland
Iron Mines Corporation

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Wednesday, 2004 March 10

Nunavut Water Board
PO Box 119
Gjoa Haven, Nunavut
X0E 1JO

Nunavut Water Board
MAR 12 2004
Public Registry

Dear Sir or Madam;

Re: Water Licence Application for the Mary River Programme

Please find enclosed a completed application for a water licence for the Mary River project located on mining licences 2483, 2484 and 2485 encompassed by IOL parcel PI-17/37G. Proposed exploration activities will include geological mapping, diamond drilling and preliminary environmental baseline work. Enclosed is a cheque in the amount of $30.00 for the Water Licence and $30.00 for the Water Use Fee

If you have any questions, please do not hesitate to call me at 416-364-8820.

Yours sincerely.

Baffinland Iron Mines Corporation

Michael T Zurowski, P.Eng
President

Attachments (see list)

Baffinland Iron Mines Corporation
Suite 500, 56 Temperance Street, Toronto, ON Canada M5H 3V5
Tel: +1 (416) 364-8820 • Fax: +1 (416) 364-0193
www.baffinland.com

ATTACHMENTS LIST - WATER LICENCE

1. Cheque
2. Application - Water Licence
3. Supplementary Remote Camp Questionairre
4. Project Description
5. Project Summary - English
6. Project Summary - Inuktituk
7. Spill Response Plan
8. Abandonment and Restoration Plan
9. Drill Equipment List
10. Maps
    a. 1:50,000 Topographical map (37G5)
    b. Project location maps and drill holes plans
11. MSDS sheets
    a. Fuel
    b. Calcium Chloride Salt
    c. Drill Muds and Additives

P.O. Box 119
Gjoa Haven, NU X0E 1J0
Tel: (867) 360-6338
Fax: (867) 360-6369
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NUNAVUT WATER BOARD
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WATER LICENCE APPLICATION FORM

Application for: (check one)

X New **___ Amendment** **___Renewal** **___Assignment**

LICENCE NO:
(for NWB use only) NWB2MRY

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Michael T Zurowski
Baffinland Iron Mines Corporation
Suite 500, 56 Temperance Street
Toronto, Ontario Canada, M5H 3V5

Phone: 416-364-8820
Fax: 416 364 0193
e-mail: mtz@bellnet.ca or info@baffinland.com

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Phone:
Fax:
e-mail:

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)
Location of the exploration work on the Mary River Project of Baffinland Iron Mines Corporation will be entirely on the existing mining leases 2483, 2484 and 2485. The camp is proposed as located on the attached topographical map centred as follows.

Latitude: 71° 18' 30 Longitude: 79° 23' 30'' NTS Map No. 37G/5 Scale 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

See attached project description and summary

5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in **"bold"**)

___ **Industrial**
___ **Mining and Milling**
___ **Municipal** (includes camps/lodges)
___ Power
___ Agricultural
___ **Conservation**
___ Recreational
X **Miscellaneous** (includes exploration/drilling)
(describe): **Geological mapping/exploration drilling**

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

X To obtain water	___ To divert a watercourse
___ To modify the bed or bank of a watercourse	___ Flood control
___ To alter the flow of , or store, water	___ Other (describe): _____
___ To cross a watercourse	

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quality to be returned to source)

Camp requirements will be approximately 2 cubic metres per day, assuming 80 litres per day per man and an average 25 persons in the camp. Each drill has a maximum use capacity of 35 cubic metres per day assuming that it was drilling for 24 hours continuously. Consumption will be less as drills will be involved pulling rods, moves and other non-productive activity. Most of the water will lost to rock at the drill bit and returned to source and approximately 1 cubic metre per day will be lost to sludge.

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

X Sewage	X Waste oil
X Solid Waste	X Greywater
___ Hazardous	X Sludges
X Bulky Items/Scrap Metal	___ Other (describe): _____

Solid combustible waste will be incinerated. Waste oil and non-combustible waste will be removed from the site for proper disposal. Greywater, sewage and sludge/sumps will be backfilled.

9. PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Land Use Permit

DIAND	___ Yes ___ No	If no, date expected	N/A
Regional Inuit Association	___ Yes ___ No	If no, date expected	05 May 2005
Commissioner	___ Yes ___ No	If no, date expected	N/A

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

NIRB Screening ___ Yes ___ No If no, date expected *Screening as conducted as part of this licence application*

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

No

11. (Continued)

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

Boart Longyear Ltd (Drilling)
310 Niven St.
Haileybury ON P0J 1K0
Tel: +1 705 672 3800
Fax: +1 705 672 3729

Toonoonik Sahoonik Co-Op (Logistics, technical and support staff and expediting)
Pond Inlet-Mittimatalik
Chris Mitchell-Manager
Tel: +1 867 899 8912
Fax: +1 867 899 8770

Fixed wing and helicopter contractors are pending to completion of tender.

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

Specific to the project areas, numerous studies were undertaken in the 1960's. A list of various reports and studies that are available are attached. Many of these were filed with the government as reside in the assessment database.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) _X_ Yes ___ No If no, date expected _____

Inuktitut/English Summary of Project _X_ Yes ___ No If no, date expected _____

Application fee $30.00 (Payee Receiver General for Canada) _X_ Yes ___ No If no, date expected _____

Water Use fee (see Section 9 of the *NWT Waters Regulations;* Payee Receiver General for Canada)
_X_ Yes ___ No If no, date expected _____

15. PROPOSED TIME SCHEDULE

___ Annual (or) _X_ Multi Year

Start Date: 07 May 2004 Completion Date: 31 December 2005

Michael Zurowski	President		10 March 2004
Name (Print)	**Title (Print)**	**Signature**	**Date**

For Nunavut Water Board use only

APPLICATION FEE **Amount: $**_____ **Pay ID No.:** _____

WATER USE DEPOSIT **Amount: $**_____ **Pay ID No.:**

P.O. BOX 119
GJOA HAVEN, NT X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT WATER BOARD
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EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: Baffinland Iron Mines Corporation Licence No: ______________
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: **Michael T Zurowski** Tel: 416-364-8820 Fax: 416-364-0193
E-mail: mtz@bellnet.ca

2. Project Manager: **Michael T Zurowski** Tel: 416-364-8820 Fax: 416-364-0193
E-mail: mtz@bellnet.ca

3. Does the applicant hold the necessary property rights?
The camp site is planned on Inuit Owned Land to the south of mining leases owned by Baffinland iron Mines Corporation. The camp will be located adjacent to an airstrip that had been previously used some 40 years ago by a predecessor company and utilised by other companies over the years.

4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? If so, please provide letter of authorization.
No

5. Duration of the Project
   [ ] Annual
   [**X**] Multi Year: Seasonal
   If Multi-Year indicate proposed schedule of on site activities
   Start: May 10-15, 2004 Completion: September 10-15 2004
   Re-Start: May 10-15, 2005 Completion: September 10-15 2005

CAMP CLASSIFICATION

6. Type of Camp
   [ ] Mobile (self-propelled)
   [X] Temporary
   [ ] Seasonally Occupied: ______________
   [ ] Permanent
   [ ] Other: ______________

It is intended to demobilise the camp in Pond Inlet and remobilise the camp in May 2005. This will lessen the impact on the environment.

7. What are the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?
The camp will contain a maximum of 30 people at any one time, but will not have that number of people continuously. It will fluctuate between 23 and 30 people once the project is in operation and will likely have only 6-7 people while it is being set up and torn down. Personnel will include 4 Geologists including a project manager, 5 drillers including a foreman, 1 cook and helper, 1 pilot, 12 geo-technicians and field labourers plus variable subcontractors starting environmental baseline and floral/fauna studies.

8. Provide history of the site if it has been used in the past.
The site has not been used for a camp, but the airstrip has been used by various groups in the past thirty years. It is intended to grade and rehabilitate the airstrip for use in 2004 .

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.
The camp will be set up about 200m east of an unknown named lake and west of the Mary River draining into the lake. The lake is adjoined to the north end of Mary Lake.

10. How was the location of the camp selected?
It is a location that is close to the known airstrip to the north and is proximal to the mining leases that will be explored. The company will clean up the old camp site located to the east of the airstrip. The airstrip is approximately 2,000 km in length and is accessible to a Hercules aircraft for mobilization in mid-May

Was the site previously used?
It has not been previously used as a camp site.

Was assistance from the Regional Inuit Association Land Manager sought?
No.

Include maps and/or aerial photographs.
Attached.

11. Is the camp or any aspect of the project located on:
[no] Crown Lands Permit Number (s)/Expiry Date:
[no] Commissioners Lands Permit Number (s)/Expiry Date: _____
[X] Inuit Owned Lands Permit Number (s)/Expiry Date: Pending

12. Closest Communities (distance in km):
Pond Inlet ~160 km to the north
Arctic Bay ~240 km to the northwest

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?
Informal discussions have been held informing stakeholders in Pond Inlet about the proposed programme. A presentation to the community is scheduled for 31 March and the company plans regular approximately monthly meetings with community representatives to ensure dialogue and community consultation occurs so that the community knows about opportunities available to it and details about the immediate and long-term plans of the company.

14. Will the project have impacts on traditional water use areas used by the nearby communities? ***No***
Will the project have impacts on local fish and wildlife habitats?
No

PURPOSE OF THE CAMP

15. ⊘ **Mining (Exploration)**
○ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.)
(Omit questions # 16 to 21)
○Other _____ (Omit questions # 16 to 22)

16.
- ○ Preliminary site visit
- ○ Prospecting
- ⊘ **Geological mapping**
- ○ Geophysical survey
- ⊘ **Diamond drilling**
- ○ Reverse circulation drilling
- ○ Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
- ○ Other: _____

17. Type of deposit:
- ○ Lead Zinc
- ○ Diamond
- ○ Gold
- ○ Uranium
- ⊘ Other: **Iron Ore**

DRILLING INFORMATION

18. Drilling Activities
- ⊘ Land Based drilling *Approximately 5,000 metres will be drilled in 25-30 holes*
- ○ Drilling on ice

19. Describe what will be done with drill cuttings?
Drill cuttings will be collected in a sump and all drill sumps will be backfilled and buried

20. Describe what will be done with drill water?
Drill water will be re-circulated and collected in a sump or lost through fractures in the rock.

21. List the brand names and constituents of the drill additives to be used? Includes MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.
Polydrill, 550, 133, calcium chloride is required for deeper drillholes (>100 metres) MSDS sheets for all possible drill products are attached. Calcium Chloride drill salt will be used for drilling on permafrost.

22. Will any core testing be done on site? *No, core will be split and sent for analytical testing*
Describe.

SPILL CONTINGENCY PLANNING

23. Does the proponent have a spill contingency plan in place? Please include for review.

See attached detailed plan

24. How many spill kits will be on site and where will they be located?
Six spill kits will be on-site. Two spill kits will be located at each of the drill sites and two at the fuel cache and two at the campsite.

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

We estimate that we will require about
125 – 200 L drums of diesel fuel
125 – 200 L drums of Jet B fuel
10 – 200 L drums of regular gasoline
10 – 200 L drums of aviation fuel
30 – 100 lb propane cylinders
10 - 25 lb propane cylinders

Fuel will be stored in sealed 200 L drums. Drums will be stored in a graded depression, lying on their sides with bungs at 3 o'clock and 9 o'clock positions. All bungs will face in the same direction for easy inspection. Drums will be stored in single rows with walking distance between rows. The will be inspected every day for any seepage. Fuel caches will be underlain where possible by an impermeable (hypolon) liner and berms will be constructed to ensure maximum containment of any potential spill.

Please see spill contingency plan as attached.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.
There is a small lake ~ 100-200 m to the west of the proposed camp site. If water quality is acceptable, it will likely be used for water.

27. Estimated demand (in L/day * person):

- ⊘ Domestic Use: *2,000 L/day* Water Source: *see above*
- ⊘ Drilling Units: *35,000 L/day per drill* Water Source: *dependent upon drill location but expected to be tributary of Mary River*
- ○ Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:
Pump with a mesh screen over the intake to prevent dirt or fish from being entrapped.

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?
Yes, one (1) sample will be taken when mobilizing the camp. Further samples will be taken if deemed necessary. Tests will be conducted with a field test kit and will be standard water examinations for various types of coliform bacteria.

30. Will drinking water be treated? How?
Depending on test results, drinking water will be boiled or chlorinated, if required as necessary.

31. Will water be stored on site?
Yes, a small amount of water will be stored on site for drinking and domestic purposes.

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:
- ⊘ Camp Sewage (blackwater)

A latrine pit will be constructed in the sandy esker >100 m from any water and treated with chloride of lime; estimated 20 to 30 litres per day of waste will be generated, depending on the number of people in camp at any given time.

⊘ Camp Greywater
A sump pit will be dug in sandy esker material >100m from any water source and grey water(estimated 150 L per day) will be dumped into this pit and buried at the end of the programme.

⊘ Solid Waste *Waste will be incinerated in a barrel and non-combustibles will be removed from site and disposed off in a licensed community waste area.*

⊘ Bulky Items/Scrap Metal *Most will be stored on site and removed at the end of the programme, regular service flights will allow much of this material to be removed from the site during the programme.*

⊘ Waste Oil/Hazardous Waste *Waste oil will be used to burn combustibles. No hazardous waste will be generated.*

⊘ Empty Barrels/Fuel Drums *All empty barrels, fuel drums etc. will be removed (shipped off site). Number of drums will be variable – they will be shipped out as soon after use as is possible (i.e. on return food flights, etc.)*

○ Other: *N/A*

33. Please describe incineration system if used on site. What types of wastes will be incinerated?
A burning barrel will be used for paper, wood and waste food.

34. Where and how will non-combustible waste be disposed of ? If in a municipality in Nunavut, has authorization been granted?
Non-combustible waste will be flown from the site on a regular basis and disposed of. The Toonoonik Sahoonik Co-Op in Pond Inlet will provide logistic and expediting services and current application has been made to dispose of the waste material in the Pond Inlet disposal area.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).
All sumps, garbage pits, latrine pits etc will be kept as far from water bodies as possible and will be more than 100 m from any water. We will also keep them as far from camp as possible. Sumps and other pits will be as large as, but no larger than, necessary – the greywater sump is likely to be 2m x 2m x 1.2m or similar dimension.

36. Will leachate monitoring be done? What parameters will be sampled and analyzed, and at what frequency?
No Leachate monitoring will be done.

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? *Yes. water supply and waste treatment has been used numerous times in similar projects in the NWT and Nunavut..*

What known O&M problems may occur? What contingency plans are in place?
Please refer to "Containment fuel spill contingency plans" as attached

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.

As attached, Photographs of the campsite will be taken before, during and after.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.

- ○ Physical Environment (Landscape and Terrain, Air, Water, etc.)
- ○ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic
- ○ Organisms, etc.)
- ○ Socio-Economic Environment (Archaeology, Land and Resources Use,
- ○ Demographics, Social and Culture Patterns, etc.)
- ○ Other:

No baseline data has yet been collected. Plans will be made to do so, as necessary.

REGULATORY INFORMATION

40. Do you have a copy of

Yes Article 13 - Nunavut Land Claims Agreement
Yes NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
Yes NWB - Interim Rules of Practice and Procedure for Public Hearings
Yes NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
Yes NWTWB - Guidelines for Contingency Planning
Yes DFO - Freshwater Intake End of Pipe Fish Screen Guideline
Yes Fisheries Act - s.35
Yes RWED - Environment Protection- Spill Contingency Regulations
Yes Canadian Drinking Water Quality Guidelines
Yes Public Health Act Camp Sanitation Regulations
Yes Public Health Act Water Supply Regulations
Yes Territorial Land Use Act and Regulations

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.

PROJECT DESCRIPTION - MARY RIVER IRON ORE, NUNAVUT

(Note the reference numbers (e.g. 10) below refer to the items in the Guide to Completing an Application for Access to Inuit Owned Land)

History - The Mary River Project is comprised of three mining leases covering an area approximately 1,600 hectares located approximately 160 kilometres south of Pond Inlet. The leases host the Mary River high grade iron ore deposits. Discovered in 1964, there are 5 known deposits, of which only Deposit No 1 has been drilled outlining an indicated resource totalling 117 million tonnes of high grade iron ore. No field work has been completed on the property since 1965. The leases are surrounded by Inuit Owned Lands, but are grandfathered under the Nunavut Land Claims Agreement.

Purpose - The 2004 field programme plans to drill 5,000 metres (25 to 30 holes) of large diameter core in 2004 to expand and improve the confidence level of known mineral resources and provide improved knowledge of the physical and chemical characteristics. This knowledge and testing of the deposits to International Standards (ISO 9001) is essential required to enable marketing of potential iron ore products to European and North American steel mills. Environmental baseline, floral and fauna studies will also begin. The drill holes will be located entirely on existing mining leases (ML 2483, 2484, 2485) owned by Baffinland Iron Mines Corporation. A camp will be set-up on IOL land as located on the attached maps. A preliminary drill plan for the deposits are attached

Camp - The drill programme will require the construction of a temporary 25-man Weatherhaven camp sufficient to support the drill programme, surface sampling and preliminary environmental work. The camp will be located a minimum 100 metres to the east of a small lake to the north end of Mary Lake (see attached topographical map. The camp location was chosen due to its proximity to an existing airstrip. The airstrip will be rehabilitated to allow demobilisation at the end of the field season to Pond Inlet. All equipment and the camp will be demobilised.

Land impact will be mitigated and minimised and limited to sumps, greywater and blackwater disposal. Combustible waste will be burnt and all waste material will be removed from the site and disposed of in the Hamlet of Pond Inlet's disposal dump. The Toonoonik Sahoonik Co-Op has been contracted to provide field staff, logistical and expediting services. It will also negotiate waste disposal rights for Baffinland Iron Mines in Pond Inlet's waste disposal area. Attached are Spill Plans and an Abandonment and Restoration Plan for the Project.

Duration - The programme will start on or about 10 May and continue until the end of 2005. Work on site will be confined to field seasons (~10 May to 15 September). Mobilisation and camp construction will occur on or about 10 May and drilling is expected to begin on or about 15 June 2004. The programme will be completed on or about 15 September and the camp and all equipment will be demobilised at the end of the 2004 programme and stored in Pond Inlet until renewal of the programme in 2005. The second phase of exploration work will remobilise in early May 2005 and continue until on or about 15 September 2005.

Fuel - Fuel and drill consumables will be mobilised at the same time as camp construction and planning will mitigate all potential environmental damage. It is planned to consume all fuel and consumables to minimise longer-term storage at the project site. The Toonoonik Sahoonik Co-Op has been contracted to provide expediting and support activity in Pond Inlet, including storage of fuel, drill consumables and drill core.

At the start of the programme, a large fuel cache will be located north of the camp on the south end of the airstrip. Once a better understanding of fuel consumption is established and a confidence level is built relating to regular service flights, the cache will be minimised.

At the start of the programme, this cache will amount to:

125 - 200 litre drums of CP-43 diesel (*11*)
125 - 200 litre drums of Jet B fuel
10 - 200 litre drums Aviation fuel
10 - 200 litre drums gasoline
30 cylinders propane (100 lb)
10 cylinders propane (20 lb)

In addition, drill muds and additives may be utilised to aid in drilling. A necessity to drilling in permafrost will be use of calcium chloride drill salt. Drilling to a depth of 100 metres will require minimal or no drill salt, however deeper holes will consume considerable amounts of salt. Approximately 100 tonnes will be stored at project site and moved to drill sites as needed, it is classified as a hazardous material due to being mildly caustic when in contact with skin. All safety precautions will be taken to ensure safe handling of the material including use of goggles and protective clothing. The material is in impermeable burst-proof bags and significant caution is required, primarily when transporting opened bags.

Transportation - Fuel and supplies will be flown from Pond Inlet via fixed wing and an Astar helicopter will be utilised to move the drill and support exploration activities. In addition to the attached equipment drill list, the following equipment will be utilised:

Cat 950 front end loader (weight 10,000 lbs) contracted from Co-Op. (*10*)
Polaris ATV (3) - used for local access and for maintaining drill water lines.
Astar (or similar) helicopter for drill support and safety.

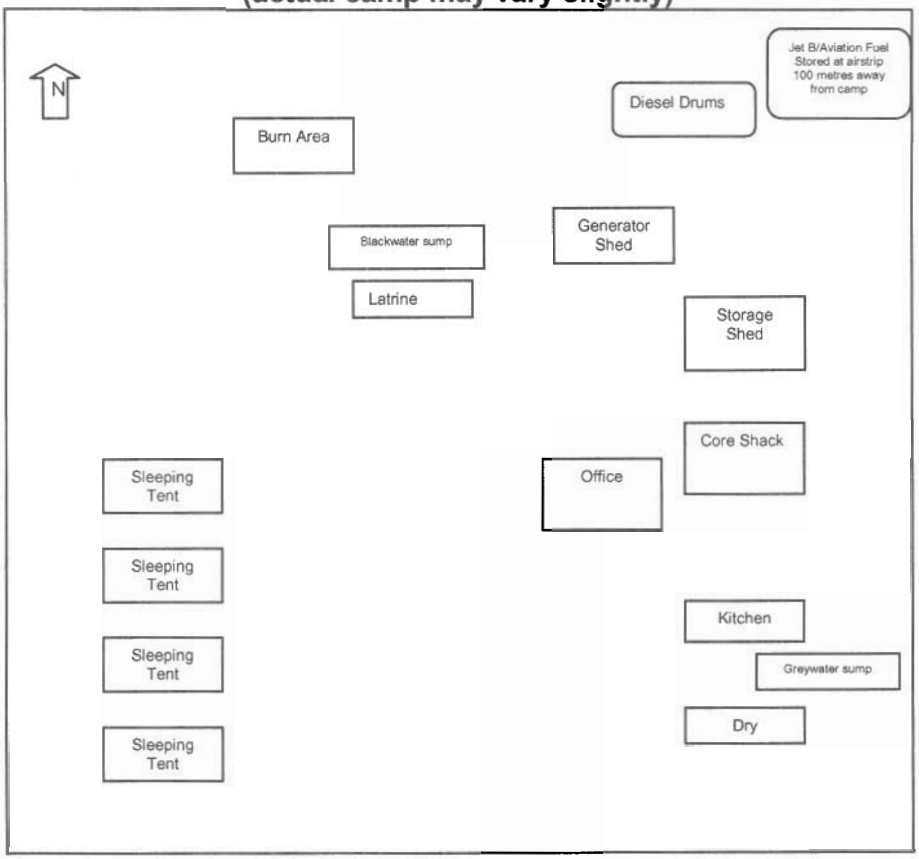
Contractors

Boart Longyear Ltd (Drilling)
310 Niven St.
Haileybury ON P0J 1K0
Tel: +1 705 672 3800
Fax: +1 705 672 3729

Toonoonik Sahoonik Co-Op (Logistics, technical and support staff and expediting)
Pond Inlet-Mittimatalik
Chris Mitchell-Manager
Tel: +1 867 899 8912
Fax: +1 867 899 8770

Fixed wing and helicopter contractors are pending to completion of tender.

Camp (Schematic)
(actual camp may vary slightly)



Impacts to the camp and airstrip will be minimised. Fuel caches will conform to the attached Spill Contingency Plan and Abandon and Restoration Plan (*6/7*). Drill moves will be completed by helicopter and restoration of drill sites will be completed as each site is complete. A front end loader will be used for logistical purposes, rehabilitation and maintenance of the airstrip, loading and unloading and loading of service flights and clean up of any potential spill.

Environmental baseline work will commence as will detailing flora and fauna studying. Baffinland plan to discuss with Hamlet Elders regarding migration patterns and attempt to document traditional knowledge as part of the baseline studies.

Drilling will be confined to existing mining leases 2483, 2484, 2485. (*8*)
A water licence application is pending.

Waste disposal will be as per the attached abandonment and restoration plan (*9*). Blackwater and greywater sumps will be buried and all non-combustible wastes will be removed from the site and disposed of in the Hamlet of Pond Inlet's dump. An agreement is being entered into through Toonoonik Sahoonik Co-Operative.

Cat 950 front end loader (weight 10,000 lbs) contracted from Co-Op. (*10*)
Polaris ATV - used for local access and for maintaining drill water lines.
Astar (or similar) helicopter for drill support and safety.

Fuel transfer will be wobble or similar pump. Fuel transfer point will be underlain by hypolon or similar liner to mitigate spills (*12*).

Plan is to mobilise on or about 07 May to the site to enable use of the existing airstrip which is frozen (*14*)

Local Benefits

Baffinland has contracted with the Toonoonik Sahoonik Co-Op Limited to provide logistical and expediting. Approximately 10 to 12 Pond Inlet residents will be hired for camp support, logistical support, geo-technicians and surveying. It is expected that this staff will be dired for the period 15 May through to 15 September. Additional staff hires will be required for the programme in 2005 and dependent upon success, considerable future benefits will flow to the Hamlet with the project moving towards feasibility.

Long Term Developments - It is currently planned to drill an additional 10,000 metres in 2005 to develop sufficient confidence in resources and the project to support the completion of a feasibility study by 2007. Negotiations and community consultation will begin in 2004 towards completing an Inuit Impact and Benefits Agreement and develop local support for development of the project.

Mary River Project Proposal Summary 2004

History - The Mary River Project is comprised of three mining leases covering an area approximately 1,600 hectares located approximately 160 kilometres south of Pond Inlet. The leases host the Mary River high grade iron ore deposits. Discovered in 1964, there are 5 known deposits, of which only Deposit No 1 has been drilled outlining an indicated resource totalling 117 million tonnes of high grade iron ore. No field work has been completed on the property since 1965. The leases are surrounded by Inuit Owned Lands, but are grandfathered under the Nunavut Land Claims Agreement.

Purpose - The 2004 field programme plans to drill 5,000 metres of large diameter core in 2004 to expand and improve the confidence level of known mineral resources and provide improved knowledge of the physical and chemical characteristics. This knowledge and testing of the deposits to International Standards (ISO 9001) is essential required to enable marketing of potential iron ore products to European and North American steel mills. Environmental baseline, floral and fauna studies will also begin.

Camp - The drill programme will require the construction of a temporary 25-man Weatherhaven camp sufficient to support the drill programme, surface sampling and preliminary environmental work.

Duration - Mobilisation and camp construction will occur on or about 15 May and drilling is expected to begin on or about 15 June. The programme will be completed on or about 15 September and the camp will be demobilised at the end of the 2004 programme and stored in Pond Inlet until renewal of the programme in 2005.

Fuel - Fuel and drill consumables will be mobilised at the same time as camp construction and planning will mitigate all potential environmental damage. It is planned to consume all fuel and consumables to minimise longer-term storage at the project site. The Toonoonik Sahoonik Co-Op has been contracted to provide expediting and support activity in Pond Inlet, including storage of fuel, drill consumables and drill core.

Transportation - Fuel and supplies will be flown from Pond Inlet via fixed wing and an Astar helicopter will be utilised to move the drill and support exploration activities.

Long Term Developments - It is currently planned to drill an additional 10,000 metres in 2005 to develop sufficient confidence in resources and the project to support the completion of a feasibility study by 2007. Negotiations and community consultation will begin in 2004 towards completing an Inuit Impact and Benefits Agreement and develop local support for development of the project.

ᓄᓗᔮᓐᓂ ᐱᓕᕆᐊᖑᔪᒪᔪᑦ ᓇᐃᓪᓕᒋᐊᖅᓯᒪᔪᖅ 2004

ᖃᓄᐃᓕᐅᖅᓯᒪᓂᖓ — ᓄᓗᔮᓂ ᐱᓕᕆᐊᖑᓂᐊᖅᑐᖅ ᐱᖓᓱᓂᒃ ᐅᔭᕋᖕᓂᐊᖅᑎᓂᑦ ᐱᔪᓐᓇᐅᑎᖃᕐᕕᐅᖕᒪᑦ 6ᒪᐃᓕᓂᒃ ᑭᑉᐹᕆᒃᑐᓂᒃ ᒥᑦᑎᒪᑕᓕᖕᒥᑦ 160ᑭᓗᒦᑕᓂᒃ ᐅᖓᓯᒃᑎᒋᔪᒥ ᐅᖅᑯᐊᓂ. ᑕᐃᒃᑯᐊ ᐱᔪᓐᓇᐅᑕᐅᔪᑦ (ᐊᑐᖅᑐᐊᕈᑕᐅᔪᑦ) ᓄᓗᔮᓂ ᓴᕕᕋᔭᒃᓴᓂᒃ ᑎᒍᒥᐊᕈᑕᐅᖕᒪᑦ. 1964ᒥ ᓇᓂᔭᐅᓚᐅᖅᓯᒪᓪᓗᑎᒃ ᑕᓪᓕᒪᓂᒃ ᐊᑐᓃᖕᒐᔪᓂᒃ ᖃᐅᔨᒪᔭᐅᔪᖃᕐᒪᑦ, ᑕᐃᒃᑯᓇᓐᖓᓪᓗ ᐊᑕᐅᓯᑐᐊᒥᒃ ᓂᐅᖅᑐᖅᑕᐅᔪᖃᖅᓯᒪᓪᓗᓂ 1ᒥ ᓇᐃᓴᐅᑎᓕᖕᒥ ᓇᓗᓇᐃᖅᑕᐅᓯᒪᓪᓗᓂᓗ ᓴᕕᕋᔭᒃᓴᖅᑕᖃᕆᐊᖓ 117ᒥᓕᐊᓐ ᑕᓐᓴ (234ᒥᓕᐊᓐ ᐸᐅᓐ) ᓴᕕᕋᔭᙳᕆᐊᑭᑦᑐᒥᒃ. 1965ᒥᓂᑦ ᐱᓕᕆᐊᕝᕕᐅᒃᑲᓐᓂᓚᐅᖅᓯᒪᖕᒋᑦᑐᖅ ᑕᐃᓐᓇ ᓄᓇ. ᑕᐃᒃᑯᐊ ᐊᑐᖅᑐᐊᕈᑎᖃᕐᕕᐅᔪᑦ ᐊᕙᓗᔭᐅᓯᒪᕗᑦ ᐃᓄᐃᑦ ᓄᓇᖁᑎᖏᓐᓂᑦ, ᑭᓯᐊᓂ ᐊᑐᖅᑎᓯᒪᓪᓗᑎᒃ ᑕᐃᑲᓐᖓᓂᑦ ᓄᓇᕗᑦᒥ ᓄᓇᑖᕈᑎᓄᑦ ᐊᖏᖅᑲᑎᒌᒍᑎᑦ ᐃᓗᐊᓂ.

ᐱᔾᔪᑎᖓ — 2004ᒧᑦ ᓄᓇᖓᓂ ᐱᓕᕆᐊᒃᓴᖅ ᐸᕐᓇᒍᑕᐅᖕᒪᑦ ᓂᐅᖅᑐᕐᓂᐊᖅᓗᑎᒃ 5000ᒦᑕᓂᒃ ᓯᓚᒃᑑᑕᐅᓗᒋᑦ ᐅᔭᖅᑲᐃᑦ ᐊᖕᒪᓗᖅᑐᑦ ᖃᐅᔨᒪᓂᐅᔪᖅ ᐅᒃᐱᕆᔭᐅᓂᕐᓗ ᖁᕝᕙᕆᐊᒃᑲᓐᓂᖁᓪᓗᒍ ᐱᑕᖃᕐᓂᖏᓐᓂᒃ ᓴᕕᒃᓴᐃᑦ ᐊᒻᒪᓗ ᖃᐅᔨᒋᐊᕈᑕᐅᒃᑲᓐᓂᕐᓗᓂ ᓴᓐᓇᖓᓂᒃ ᑲᑎᖅᓱᖅᓯᒪᓂᖏᓐᓂᓪᓗ ᓴᕕᒃᓴᐅᑉ. ᑕᒪᓐᓇ ᖃᐅᔨᒪᓂᖅ ᐱᑕᖃᕆᐊᖃᒻᒪᕆᖕᒪᑦ ᓴᓚᕐᔪᐊᒥ ᓇᓕᒨᑎᔭᕆᐊᓕᖕᓄᑦ ᓴᕕᒃᓴᐅᑦ ᖃᐅᔨᓴᖅᑕᐅᓂᖓ ᐊᖑᒻᒪᑎᓗᒍ (ISO 9001) ᑕᕆᐅᑦ ᐊᑭᐊᓂ ᐊᒥᐊᕆᒃᑲᓂᓗ ᓴᕕᓕᐅᕐᕕᖕᓄᑦ ᒪᓂᒪᑎᑕᐅᔪᓐᓇᕐᓂᖏᓐᓄᑦ ᓴᕕᒃᓴᐅᑐᐃᓐᓇᕆᐊᓖᑦ. ᐱᒋᐊᕐᓂᐊᕆᓪᓗᑎᓪᓗ ᐊᕙᑎᒧᑦ, ᐱᕈᖅᑐᓄᑦ ᓂᕐᔪᑎᓄᓪᓗ ᖃᐅᔨᓴᕐᓃᑦ.

ᓄᓇᒋᔭᐅᓚᐅᑲᒃᑐᖅ — ᓂᐅᖅᑐᕐᓂᐅᓂᐊᖅᑐᒧᑦ ᓄᓇᓕᓕᐅᕆᐊᖃᕐᓂᐊᕐᒪᑦ ᐃᓄᖃᕈᓐᓇᖅᑐᒥᒃ 25ᓂᒃ ᓯᓚᑕᐅᓐᓇᖕᒋᑦᑐᓂᒃ ᓂᐅᖅᑐᖅᑐᓄᑦ ᐊᑐᕈᓐᓇᖅᑐᒥᒃ, ᒪᓂᖅᑲᒥᒃ ᖃᐅᔨᓴᖅᑐᓄᑦ ᐊᒻᒪᓗ ᐊᕙᑎᒥᒃ ᖃᐅᔨᓴᕐᓂᐅᑉ ᐱᒋᐊᕈᑎᖏᓐᓂᒃ ᐃᓂᒋᔭᐅᔪᓐᓇᕐᓗᓂ.

ᐊᑯᓂᐅᓂᖓ — ᐊᐅᓚᔾᔭᒋᐊᕐᓂᖓ ᓯᓂᒃᑕᖅᕕᓕᐅᕐᓂᕐᓗ ᐱᒋᐊᕐᓂᐊᖅᐳᖅ ᒪᐃ 15 ᖃᓂᒋᔮᓂ, ᓂᐅᖅᑐᕆᐊᕐᓂᐊᖅᑐᕆᓪᓗᑎᓪᓗ ᔫᓂ 15ᕈᔪᖕᒥ. ᐱᓕᕆᓴᕇᕐᓂᐊᖅᐳᖅ ᓯᑎᐱᕆ 15ᒥ ᖃᓂᒋᔮᓚᓘᓐᓃᑦ ᐊᒻᒪᓗ ᓯᓂᒃᑕᕐᕕᐱᕈᔪᐃᒃ/ᐱᓕᕆᕝᕖᑦ ᓱᕋᒃᑎᖅᓯᒪᓕᕐᓂᐊᖅᓗᓂ 2004ᒥ ᐱᓕᕆᐊᖑᔪᖅ ᐃᓱᓕᑉᐸᑦ ᒥᑦᑎᒪᑕᓕᖕᒥᓗ ᑐᖅᑯᖅᑕᐅᓗᑎᒃ 2005ᒥ ᐱᒋᐊᒃᑲᓐᓂᓚᐅᖕᒋᓐᓂᖕᒋᓐᓂ.

ᐅᖅᓱᐊᓗᒃ — ᐅᖅᓱᒃᓴᐃᑦ ᓂᐅᖅᑐᕐᓂᒃᑯᓪᓗ ᓄᖑᑉᐸᓪᓕᐊᓂᐊᖅᑐᑦ ᐊᐅᓚᔾᔭᒃᑕᐅᒋᐊᕐᓂᐊᕆᕗᑦ ᓯᓂᒃᑕᕐᕖᑦ ᓴᓇᔭᐅᓕᖅᐸᑕ ᐊᕙᑎᒧᓪᓗ ᓱᕈᕈᑎᑐᐃᓐᓇᓂᐊᓖᑦ ᐸᕐᓇᖕᓂᒃᑯᑦ ᐊᑐᙱᑎᑕᒃᓴᐅᕗᑦ. ᐸᕐᓇᒃᑕᐅᓯᒪᕗᑦ ᐅᕐᓱᒃᓴᐃᑦ ᐊᓯᖏᓪᓗ ᓄᖑᑕᐅᓂᐊᕐᒥᑕ ᑕᐅᑦᑐᖅᓯᔭᕐᓯᔭᖅᑲᓗ. ᑐᓄᓂᖅ ᓴᐅᓂᖅ ᑯᐊᐸᒃᑯᑦ ᑳᓐᑐᕌᒃᑕᐅᓯᒪᕗᑦ ᐅᓯᔭᒃᓴᓂᒃ ᐊᐅᓚᑦᑎᐅᓂᐊᖅᑐᓄᑦ ᐃᑲᔪᖅᑐᐃᓗᑎᓪᓗ ᒥᑦᑎᒪᑕᓕᖕᒥ ᐱᓕᕆᐊᖑᔪᓄᑦ, ᐱᖃᓯᐅᓗᒋᑦ ᐅᖅᓱᐊᓗᐃᑦ ᐸᐸᑕᐅᓂᖏᑦ, ᓂᐅᖅᑐᖅᑐᓄᑦ ᐊᑐᖅᑕᐅᔪᒃᓴᐃᑦ ᐊᒻᒪᓗ ᓂᐅᖅᑐᑦ.

ᐅᓯᑲᖅᑕᖅᓂᖅ — ᐅᖅᓱᒃᓴᐃᑦ ᓱᓇᒃᑯᑖᓗ ᖁᖓᑕᓱᒃᑯᑦ ᐅᓯᑲᖅᑕᖅᑕᐅᓂᐊᖅᐳᑦ ᒥᑦᑎᒪᑕᓕᖕᒥᑦ ᑕᐃᑲᓂᓗ ᖁᓕᒥᒨᒥᒃ ᐊᑐᕐᓂᐊᕐᓗᒋᑦ ᓂᐅᖅᑑᑎᓄᑦ ᕿᓂᕐᓂᐊᕐᒥᒡᓗ.

ᐊᑯᓂᐊᔪᒥᒃ ᓴᖅᑭᑉᐸᓪᓕᐊᓂᐊᖅᑐᑦ — ᒫᓐᓇᓕ ᐸᕐᓇᒃᑕᐅᓯᒪᕗᖅ ᓂᐅᖅᑐᕐᓂᐊᖅᓗᑎᒃ 10000ᒦᑕᒃᑲᓐᓂᕐᓂᒃ 2005ᖑᓕᖅᐸᑦ ᐱᑕᖃᕐᓂᖓᓂᒃ ᖃᐅᔨᒪᓕᕆᐊᒃᑲᓐᓂᕐᓗᑎᒃ ᐊᒻᒪᓗ ᑲᔪᓯᔪᓐᓇᕐᓂᐊᕐᓂᖓᑦ ᖃᐅᔨᓴᕐᓂᕐᒥᒃ ᐱᔪᓐᓇᖅᓯᒪᓂᐊᕐᒪᖔᑦ 2007ᒧᑦ ᑎᑭᓪᓗᒍ. ᐃᓄᐃᑦ ᐊᑦᑐᖅᑕᐅᓂᖏᓐᓄᑦ ᐊᖏᖅᑲᑎᒌᒍᑎᒥᒃ ᐋᖅᑭᑎᕆᓂᖅ ᓄᓇᓕᖕᓂᓪᓗ ᐅᖅᑲᐅᑎᖃᕐᓂᖅ 2004ᒥ ᐱᒋᐊᕐᓂᐊᕐᓗᓂ ᑕᒪᑐᒧᖓ ᓴᖅᑭᑕᐅᓇᔭᖅᑐᖅ ᒥᒃᓵᓄᑦ.