

**Non-Technical Project Summary**  
**Mary River Project**

The Mary River Project is a mineral exploration project located in the North Baffin region, approximately 160 km southwest of Pond Inlet. Baffinland Iron Mines Corporation (Baffinland) has been carrying out drilling of a large iron ore deposit since 2004 and will continue this work for several years more. The iron ore being explored would be used by steel mills to produce steel. Baffinland is also studying if it is feasible to build a mine in the future that would remove the ore and ship it to steel mills. The feasibility study looks at how much ore is available to mine as well as different ways to mine and transport the ore.

The Project is wholly-owned by Baffinland, whose contact details are as follows:

Baffinland Iron Mines Corporation  
Suite 1016, 120 Adelaide Street West  
Toronto, Ontario M5H 1T1  
Tel: (416) 364-8820  
Fax: (416) 364-0193  
Contact: Rodney (Rod) Cooper, P.Eng.  
Vice President, Operations

Exploration is focused on Federal Mineral Leases that were established in the 1960s before the Nunavut Land Claims Agreement. The mineral leases with the iron ore deposits are surrounded by Inuit Owned Land that is administered by the Qikiqtani Inuit Association (QIA). Baffinland has been issued land use licenses and water licenses by the government agencies to allow them to conduct their work. These permits expire over the next year, and Baffinland is seeking to renew the licenses to continue their work:

Authorizing Agency	Approval	Permit/License #	Expiry Date
Nunavut Water Board	Type B Water License	NWB2MRY0406	December 31, 2006
Qikiqtani Inuit Association	Inuit Land Use License	N2004C0017	June 28, 2007
Indian and Northern Affairs	Land Use Permit	Q05L2C14	December 31, 2006

A project description has been prepared to provide agencies and communities with the information necessary to consider renewing the permits. This non-technical summary provides a brief description of Baffinland's proposed activities. The main activities at Mary River and the surrounding area include the following:

1. Operation of a 80-person tent camp on a seasonal basis
2. Drilling at the iron ore deposits to determine how much ore would be available for mining
3. Drilling to study ground conditions at various locations, including potential port sites and transportation routes
4. Installation of a small test wind tower to study the potential to use wind power for a mine

The above work is required to advance the Mary River Project and determine the feasibility of building a mine at Mary River.

The Mary River camp will operate as follows over the next year:

- November to March - seasonal shutdown
- March and April - partial camp operation to support remote geotechnical drilling and environmental studies
- May to October - full camp operation to include exploration activities (drilling)

The feasibility study is expected to be completed in the last half of 2007, although mineral exploration activities will continue beyond this time. Baffinland will initiate an environmental assessment to study the effects of building and operating a mine in mid-2007.

A bulk sampling program is also being proposed in parallel with these activities, for 2007-2008, although separate applications are being submitted for this activity.