

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 more years. The iron ore being explored would be used by steel mills to produce steel. Baffinland is also carrying out studies to assess the feasibility for a mine in the future that would involve extraction of the iron ore and shipment 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:

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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 couple of years, and Baffinland is seeking changes to the licenses to increase the efficiency and effectiveness of the work:

Authorizing Agency	Approval	Permit/License #	Expiry Date
Nunavut Water Board	Type B Water License	2BB-MRY0710	February 28, 2009
Qikiqtani Inuit Association	Inuit Land Use License	Q05L2C14	December 31, 2008
Indian and Northern Affairs	Land Use Permit	N2006C0036	April 3, 2009

A package, consisting of a letter, figures and completed application form(s), has been prepared to provide agencies and communities with the necessary information to make required changes to the permits. This non-technical summary provides a brief description of Baffinland's proposed additions to the current scope of activity as follows:

- Establishment of a new temporary tent camp in 2008 for approximately 40 people part way along the potential future railway alignment (referred to as the Rail Camp).
- Expansion of the originally identified approximate 8-12 person temporary tent camp at the potential future port site at Steensby Inlet to an approximate 40 person temporary tent or trailer camp in 2008. It is further proposed that materials and supplies required for camp and drilling operations conducted along the railway alignment would be provided via an annual sea-lift to Steensby Inlet.

The above work is required to increase the efficiency and effectiveness of the Mary River exploration and geotechnical programs, thereby enabling the timely collection of the information required to support the exploration and mine planning processes.

The camps will operate as follows:

- Year Round - Mary River and Milne camps
- Seasonally (March through October) - Deposit No. 4, Rail and Steensby Inlet Camps

The feasibility study is expected to be completed by the end of 2007, although mineral exploration and geotechnical studies will continue beyond this time. Baffinland initiated environmental studies to assess the effects of building and operating a mine in 2006 and this work is ongoing. This work includes such programs as socioeconomic studies, terrestrial, aquatic and marine studies, surface water quality and flow monitoring, archaeological assessments, air and noise studies, collection of meteorological data, and waste characterization. A bulk sampling program is currently underway and is expected to be completed in 2008.

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