

December 20, 2010

Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON M5H 1T1

Attn: David McCann, P. Eng.
Manager

Re: Supply of Electricians
Mary River Project

Please see below for our rates for the supply of electricians for your Mary River Project for 2011. If you have any questions please do not hesitate to ask. Thank you.

		ST	OT
A)	Leadhand Electrician	\$60.70/HR	\$87.75/HR
B)	Electrician	\$59.20/HR	\$85.50/HR
C)	Local Apprentice Electrician	Rates to be negotiated	

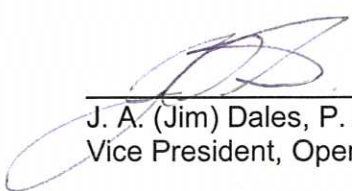
These rates are based on the following conditions:

- 1) Crews work 12 hour shifts, 7 days per week, on a 3 week on, 3 week off rotation
- 2) The overtime rate applies after 40 hours per week
- 3) Baffinland Iron Mines is responsible for all travel costs to and from employees home
- 4) Baffinland Iron Mines is responsible for all material and supply costs
- 5) Any material or travel costs provided by Procon will be invoiced at cost plus 15%

I trust this meets with your approval.

Yours truly,

Procon Mining & Tunnelling Ltd.



J. A. (Jim) Dales, P. Eng.
Vice President, Operations