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February 17, 2011

Dave McCann, P. Eng.
Operations Manager, Mary River Project
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON Canada M5H 1T1
Mary River Site (403)450-7317
david.mccann@baffinland.com

Dear Mr. McCann:

Further to our discussion, QC Canadian is pleased to offer you the following price quotation to charter an AS350B2 helicopter for Baffinland Iron Mines upcoming helicopter requirements in Mary River.

HOURLY RATE

The AS350B2 will be offered at an hourly rate of \$1590.00 plus fuel and applicable taxes.

Note: Canadian Helicopters Tariff rate for the 350B2 is currently \$2360.00

POSITIONING/DEPOSITIONING

- Goose Bay to Mary River, return.
- AS350B2 - \$1280.00 per hour
- The positioning/de-positioning hours flown will be included in the minimum hourly charge for averaging purposes.

MINIMUMS

Daily minimums of 3.0 hrs will apply, cumulative over the duration of the contract period. If the aircraft is double crewed, daily minimums of 6.0 hrs will apply. Daily minimums will commence April 15, 2011.

EXPENSES

Baffinland will be responsible for:

- The cost of all helicopter fuel
- Crew accommodations and meals
- Crew and freight rotations between Iqaluit and Mary River
- Any applicable taxes
- Any applicable landing fees

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Baffinland Iron Mines has been a valuable customer and due to the current economic times, we are pleased to advise that we have not increased the hourly rates for the past four years.

All other terms and conditions not herein contained shall apply as outlined in the Canadian Helicopters Charter Tariff. We at Canadian Helicopters are committed to providing you with continued safe, cost effective helicopter support for this project. If you have any questions or require further explanation regarding this proposal or our services, please do not hesitate to contact me at 709-686-2095 or 709-632-1300. Thanking you in advance for your valued business.

If all terms and conditions are in order, please confirm your acceptance by signing below.

Yours Truly,

Hugh Day
Director of Marketing
QC Canadian

Dave McCann
Assistant Manager
Baffinland Iron Mines