

Towards the end of the open water season, a second fuel delivery will occur to fill all tankage available at Milne Port. It is expected that this second fuel delivery will consist of 25 ML of arctic diesel and 1.5 ML of jet A fuel.

In addition to bulk fuel delivery, an estimated twelve 100,000L double wall isocontainer fuel storage tanks will be delivered to Milne Port. These isocontainers will provide the fuel storage at various quarry sites and construction sites for the execution of the 2013 Work Plan and the work scheduled for the Tote Road upgrade and bridge construction during the winter of 2014.

3.2.4 Material and Supplies

To the extent practicable, all materials and supplies required to execute the 2013 Work Plan and the work scheduled for January to June 2014 will be received during the 2013 sealifts. This includes:

- Delivery of ammonium nitrate (1.5 million kg);
- Delivery of pre-package explosives;
- Delivery of cement (12,000 tonnes);
- Delivery of construction material (generators, cabling, control centres, etc.);
- Delivery of consumables (lubricants, grease, detergents, dry goods, food, household supplies, etc.);
- Delivery of twelve 100,000L double wall isocontainers for fuel.

3.3 Construction Activities from July 1 to December 31, 2013

As mentioned in Section 2.1, Baffinland expects to be granted its Type A Water Licence by mid June 2013. As equipment and material is delivered by sealifts, additional construction activities will begin. These include:

3.3.1 Milne Port

During the sealift, most of the activities at Milne Port will focus on unloading the barges and positioning received equipment and material in designated laydown areas. In addition, the following construction activities will continue:

- Install emergency response building;
- Construct and commission two 10 ML diesel fuel steel tanks at the tank farm (construction completion before the end of sealift season);
- Construct and commission two additional 10 ML diesel fuel steel tanks at the tank farm;
- Install and commission fuel dispensing system for bulk fuel facility;
- Install and commission camp extension (100 person camp) including sewage treatment plant and incinerator;
- Install concrete batch;
- Construct landfarm;

- Ongoing decommission of the bladder farm;
- Install maintenance shops;
- Install trade shops;
- Install warming shed and parking garage;
- Install warehouses;
- Install administration buildings and field offices.

3.3.2 Tote Road

During the second half of 2013, all equipment, material, fuel, and supplies required for construction activities at Mary River will be transported from Milne Port to the Mine Site via the Tote Road.

The upgrade of the road will commence late in 2013 and is expected to take 8 to 10 months. In order to improve construction efficiency, contractors have expressed the need for establishing a temporary 49 person camp mid-way along the Tote Road.

Should this camp be required, it will be erected in the later part of 2013. Water required for the camp operation would be trucked to this camp from the Mine Site or Milne Port water supply (approved under Type A and current Type B). All sewage generated from this camp would be trucked to either the Mine Site or Milne Port sewage treatment plants. Finally, all waste generated at the camp would also be transported to either the Mine Site or to Milne Port for ultimate disposal. There will be no local discharge from this camp.

3.3.2 Mine Site

Construction activities at the Mine Site will begin shortly after the first sealift. The activities will consist of:

- Development of the quarry QM2 at Mine Site (submitted with FEIS). The expected volume of aggregate required at the Mine Site for the 2013 work is 200,000 m³;
- Complete construction camp pad and installation of the 400 person construction camp facility including sewage treatment plant, incinerator and treated sewage storage pond(s) and discharge pipeline to Mary River;
- Upgrade (extend) of the Mary River airstrip;
- Development of equipment laydown areas for Owner/Contractor;
- Development of parking area for mobile equipment. Mobile equipment fleet will include:
 - Flat bed trucks;
 - Boom trucks;
 - Fuel Tanker trucks;
 - Water tanker trucks;
 - Cranes;
 - Excavators;
 - Graders;

- Pick-up trucks;
- Erect/install:
 - Emergency response building;
 - Concrete batch plant;
 - Emulsion plant;
 - Maintenance shop (including truck wash facility);
 - Trade shops;
 - Warming shed and parking garage;
 - Warehouses;
 - Administration buildings and field offices.
- Construct fuel tank farm secondary containment structure;
- Install 4 x 500,000L double wall diesel fuel tank (tank complete with fuel dispenser);
- Install one 50,000L double wall jet A fuel tank;
- Transfer fuel from Milne Port tankfarm to newly install fuel tanks at the Mine Site;

4.0 Ongoing Exploration and Geotechnical Activities

It is anticipated that the 2013 field work program would include the following items:

- Potentially seasonal occupation of Steensby Inlet and Mid-Rail Camps;
- Fixed wing aircraft and helicopter to support general site activities including environmental monitoring and potentially additional exploration drilling and regional exploration;
- Geotechnical drilling and surveys at project development areas, as required to support Project design requirements:
 - The Tote Road alignment and bridge crossings, a portion of the drilling for bridge design being on ice as well as near water bodies;
 - Port site(s), with land based drilling as well as possible barge based and ice based drilling on the sea ice in Steensby Inlet;
 - Waste rock and ore disposal areas;
 - Milne Inlet Tote Road and bridge crossings, a portion of the drilling for bridge design being on ice as well as near water bodies;
 - Prospective quarry sites and borrow areas along the Tote Road.
- Continue archaeological surveys at project component areas as required.

5.0 Progressive Reclamation of the Exploration and Bulk Sample Project

There will be continued progressive reclamation of areas of current and past use in association with drilling, bulk sample, and historical exploration programs. In addition, progressive reclamation plans will include:

- Development of an action plan to address concerns from stakeholders about long term salt storage;

- The completion of a program to test and dispose of incinerator bottom ash and the development of a plan to management and dispose of ongoing generation of ash;
- Continuing with the ongoing decommissioning of the existing bladder farm at Milne Inlet and the transport of hydrocarbon impacted soils to the planned landfarm facility;
- Development and implementation of a long term multi-year plan to address localized areas of permafrost melting associated with current borrow areas, and taking into consideration the longer term plans for Tote Road upgrades and new quarry development;
- Continued progressive reclamation of areas of current and past use in association with drilling, bulk sample, and historical exploration programs;
- Demobilization of equipment and supplies not required for near term activities, as well as the current inventory of hazardous waste and other materials by means of sealift from Milne Port;
- Continued development of the Mine Site landfill and deposition of non-hazardous wastes in accordance with the landfill operations and maintenance manual; and,
- Discharge of treated sewage stored in PWSPs at Mary River Camp and Milne Inlet after treatment as required. Two periods of discharge are planned, the first corresponding to freshet (May-June), and the second later in the summer if required.

6.0 Workforce and Employment Opportunities

The site work program is expected to begin in April 2013. Until material and equipment are received by sealifts, to a large extent, development activities are limited by availability of equipment currently on site. The work force is expected to peak during the sealifts period. Current estimates of the work force are as follows:

- Milne Port:
 - Pre-sealift period: 70 person
 - Sealift period; 60 to 120 persons
 - Post sealift period: ramp up to 150 person (full camp capacity)
- Mine Site Construction personnel:
 - Pre-sealift period: 8 to 12 persons
 - Sealift period; ramp up to 250 persons
 - Post sealift period: ramp up to 180 person

The 2013 work program will offer employment opportunities for many residents of northern Baffin Island. Baffinland will endeavor to maximize Inuit employment throughout 2013. Baffinland's "Work Ready Program" along with site specific training will prepare potential Inuit employees for these job opportunities. Job advertisements for a number of positions are currently posted in all the North Baffin communities. In addition, Baffinland will provide guidance to all its Contractors for training requirements and Inuit employment in the contract documents.