

December 15, 2011

Aboriginal Affairs and Northern Development Canada
Manager, Land Administration
Nunavut Regional Office
Building 918
P.O. Box 100
Iqaluit, NU
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Attention: Mr. Jeff Mercer
Manager, Land Administration
John Craig
A/Land Specialist
Land Administration - Nunavut

Re: Mary River Project
Application for Class A Land Use Permit – Steensby Inlet
File Number N2011T0027

On September 15th, 2011, Baffinland Iron Mines Corporation (Baffinland) submitted an Application to NIRB for Review and Approval of Pre-Development Work (PDW) for its Mary River Project. As a result of feedback received from Project stakeholders and review agencies, Baffinland has officially withdrawn its Application for PDW.

However, Baffinland intends to continue exploration and geotechnical investigations at the Steensby site in order to advance the development of its Mary River Project.

As per our previous communications, for the construction of facilities required for the ongoing exploration and geotechnical investigations, Baffinland requires a Class A Land Use Permit for a 20 ha parcel of crown land at the Steensby site.

Attached is the application form for this Class A LUP application. This application replaces the previously submitted Class A LUP application submitted on September 15th, 2011. Figure 3.0, included in Attachment 3, presents the layout of the proposed facilities at the Steensby site for the 2012 work plan. The estimated surface area for the required Class A LUP is 20 ha.

Description of the 2012-2013 Work Plan

The objective of the 2012 work plan is primarily the construction of a 46 person hardwall camp required to support ongoing geotechnical investigation, and, the mobilization and staging of equipment and material in preparation for the construction phase of the Project. A decision on the Project Certificate is expected by Q3 2012. The scope of the 2012 work plan is as follows:

1. Ongoing operation of the existing 40 person camp;
2. Installation an additional 46 person camp with associated water supply and sewage treatment plant;
3. Staging and storage explosive magazines and ammonium nitrate at Steensby;

4. Installation and use of 7 x 100,000 isocontainers for fuel storage; and,
5. Staging of construction equipment at Steensby (refer to Attachment 1).

In addition to these activities, geotechnical drilling investigations will continue within the limits of the requested future Crown Land lease (presented in Figure 4.0) throughout 2012 and 2013 in order to validate ground conditions for the construction of the various Steensby port facilities. A detailed description of the 2012 work plan is presented in Attachment 1.

Application Fees

The processing fees (\$169.50) for this application were submitted on September 15 with the application for the Crown Land Lease at Steensby Inlet (general receipt # E006410 and E006413 received by your office on November 14th, 2011).

Yours truly,



Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

Cc: Ryan Barry, Executive Director, NIRB
Dionne Filiatrault, Executive Director, Nunavut Water Board
Navarana Bevridge, Qikiqtani Inuit Association
Doug Soloway, Transport Canada

Attachment:

1. Attachment 1: 2012 Work Plan
2. Attachment 2: Application for Class A LUP
3. Attachment 3 : Maps
 - a. Figure 1.1: Mary River project Location
 - b. Figure 2.0: Land Use Map for North Baffin Island
 - c. Figure 3.0: Class A LUP Boundaries for Steensby Inlet and Layout of 2012 Work Plan facilities
 - d. Figure 4.0 – Limits of future Crown Land Lease at Steensby for the Mary River Project
4. Attachment 4: Certificate of Incorporation