

Appendix A.1

September 15, 2011

Qikiqtani Inuit Association
P.O. Box 219
Iqaluit, NU
X0A 0H0

Attention: Bob St Eloi
Director of Lands

Re: SUMMARY OF PROJECT WORK PLANS FOR 2012

The following document presents Baffinland's Work Plan for 2012. All work items described, herein, will be subject to reclamation in the event the Project does not advance, as per relevant QIA policies and existing legal, regulatory, and permit obligations.

1.0 Activities related to Pre-Development Work (PDW)

Baffinland submitted its Draft Environmental Impact Statement (DEIS) for the Mary River Project to the Nunavut Impact Review Board (NIRB) on January 21, 2011, and the DEIS is currently in the technical review period.

At the request of NIRB, Baffinland has prepared an application for review and approval of Pre-Development Work (PDW) for 2012. The detailed scope of the PDW is described in the following sections of this application:

- Section 2.0: Milne Inlet PDW
- Section 3.0 Tote Road
- Section 5.0 Mine Site PDW
- Section 6.0 Steensby Inlet PDW
- Section 7.0 Railway Corridor PDW

In order to execute the PDW, it will be necessary to extract an estimated 200,000 m³ of aggregate from the Milne Inlet quarry, and, an estimated 500,000 m³ from the Mary River quarry site. The quarry in Milne Inlet is covered by the current Quarry Concession Agreement under the commercial lease, however, the quarry at the Mary River is not. Development programs for these two quarries are attached to this Work Plan.

In addition, Section 7.0 of the application and Appendix B provide updated management plans for the execution of PDW as well as all other 2012 activities on the Mary River Project.

2.0 On-going Exploration and Geotechnical Investigation Activities

In addition to PDW, Baffinland's 2012 Work Plan provides for ongoing exploration and infill drilling at Deposits Nos. 1, 3, 5 and vicinity, continued regional exploration and possible limited exploration drilling at one or more of the newly discovered Deposits Nos. 6 to 9, incl., and environmental compliance and necessary reclamation of the site. To maintain the development schedule presented in the DEIS, geotechnical drilling will resume at the port site(s), along the proposed railway alignment, and at other Project development areas.

Site maintenance and minor site upgrades will be undertaken to enhance safety and environment, improve and facilitate existing pre-construction operations, and to carry out project pre-construction staging activities.

The Project site will continue to achieve compliance with the various regulatory requirements, and maintain community relationships.

Currently, it is anticipated that the 2011 field work program would include the following items:

- Maintenance and continuous improvement of the current site safety program.
- Continued occupation of the Mary River and Milne Inlet camps throughout 2011 & 2012 and seasonal occupation of Steensby Inlet and Mid-Rail Camps.
- Fixed wing aircraft and helicopter to support general site activities including environmental monitoring and potentially ongoing exploration drilling and regional exploration.
- Exploration and infill drilling at Deposits Nos. 1, 3, and 5, as well as drilling the western extension of Deposit No. 3.
- Use of a track or tire mounted drill to complete exploration
- Ongoing surface exploration on Baffinland's exploration lands including on Deposits Nos. 6 to 9, incl.
- Geotechnical drilling and surveys at project development areas, most notably:
 - the rail 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 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 proposed rail alignment, along the Milne Inlet Tote Road and near the Steensby Port site.
- To facilitate geotechnical drilling along the rail alignment, a track or tire mounted drill would be used drill land accessible locations.
- Continue archaeological surveys at project component areas as required.

- Continued upgrade of the Milne Inlet Tote Road for the purpose of improving safety and reducing environmental risk.
- Follow up on the requirements pursuant to the Fisheries Authorization for the Tote Road Not Net Loss and Monitoring Program, QIA lease, and INAC land permit and quarry permit requirements.
- Implementation of a freshet management plan for the Milne Inlet Tote Road to minimize associated environmental risks.
- Continued progressive reclamation of areas of current and past use in association with drilling, bulk sample, and historical exploration programs.
- Sealift resupply at Milne Port and Steensby Port including supplies, equipment, and fuel, to support ongoing permitted activities.
- Transport of needed fuel and supplies stored at Milne Inlet to the Mary River Camp to support the existing permitted activities.
- 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 Inlet and Steensby Inlet.
- Continued deposition of non-hazardous wastes into the constructed landfill in accordance with the landfill operations and maintenance manual.
- Continued refinement and implementation of treatment methodologies utilized for the separation of oil and waste from stormwater that is resident in the engineered lined fuel storage containment areas at Milne Inlet and Mary River.
- 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.
- Ongoing upgrades to the Mary River Camp and Milne Inlet Camp Sewage Treatment Plant and discharge piping to improve performance.

The above activities have been screened by NIRB previously and are within the scope of the Baffinland's current authorizations. In addition, other scientific and engineering studies would be undertaken in support of ongoing baseline and engineering data collection as required from the Project DEIS. During 2011 and 2012, the necessary permits, amendments, and licences would be obtained to support the above activities.

Yours truly,

A handwritten signature in black ink, appearing to read 'Erik Madsen', written in a cursive style.

Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

References

1. Baffinland Iron Mines Corporation, Application for Review and Approval of Pre-Development Work, September 15, 2011
 - a. Appendix B.7 – Quarry Management Plan

Specific information on the Milne Inlet quarry is provided in Attachment 1 : Site Description and Quarry Operation – Milne Inlet.

Specific information on the Mary River quarry is provided in Attachment 2 : Site Description and Quarry Operation – Mary River Mine Site.