



May 25, 2018

Jonathan Mesher  
Resource Management Officer  
Indigenous and Northern Affairs Canada (INAC)  
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Iqaluit, NU X0A 0H0

**Re: 2018 Geotechnical Drilling Program – Additional Mine Site Infrastructure  
Type 'B' Water Licence 2BE-MRY1421  
Commercial Lease No. Q13C301**

Baffinland Iron Mines Corporation (Baffinland) plans to commence a geotechnical drilling program to evaluate the geotechnical conditions at the proposed locations (Attachment 1) for a proposed truck workshop and potential additional fuel storage facilities at the Mary River Mine Site (Mine Site). The drilling program is being managed by Hatch Ltd. and performed by Boart Longyear. The drilling program is scheduled to commence in early June 2018 and expected to be completed by late August 2018. The drilling program consists of two (2) boreholes in the vicinity of the proposed truck workshop, and ten (10) boreholes across two potential fuel storage locations. Five (5) of the boreholes, identified as BG18-TF-05, 07, 08, 09 & 10, will be within 30 metres of nearby water bodies. Proposed drill hole locations, including coordinates, are presented in Attachment 1.

This drilling program is expected to require minimal water usage and will be performed using a tracked drill rig (LS 250) capable of drilling using both sonic and rotary coring techniques. Other supporting vehicles include a flatbed for hauling water and other supplies and a skid steer for moving drill rods and other equipment/supplies.

To support drilling operations, water will be sourced from Camp Lake, a water source already identified under Baffinland's Type A Water Licence 2AM-MRY1325 Amend. 1 (Type A Water Licence). Baffinland plans to track water usage volumes by means of calibrated one cubic metre totes.

Environmental monitoring will be performed, including pre, during and post drilling inspections. Drill waste will be disposed of in natural depressions or sumps consistent with Part F, Item 4 of Baffinland's Type B Water Licence 2BE-MRY1421 (Type B Water Licence). Drill water runoff and siltation mitigation measures consistent with Baffinland's Environmental Protection Plan BAF-PH1-830-P16-0008 r1 will be employed as required.

Despite best planning, it should be noted that unforeseen circumstances may preclude some changes in plans as the program proceeds. Baffinland will endeavor to inform the Inspector and other relevant parties in such circumstances.

In accordance with the conditions of the Type B Water Licence, this letter and attachment provides Baffinland's notification for the drilling of a total twelve (12) boreholes, five (5) of which will be closer than 30 metres from the ordinary high water mark of nearby water bodies, and the identification of the water source to be used for the planned drilling activities.

We trust that this information meets the various notification requirements for geotechnical drilling at the Project. Please do not hesitate to contact the undersigned, should you have any questions or comments.

Regards,



Christopher Murray  
Environmental & Regulatory Compliance Manager

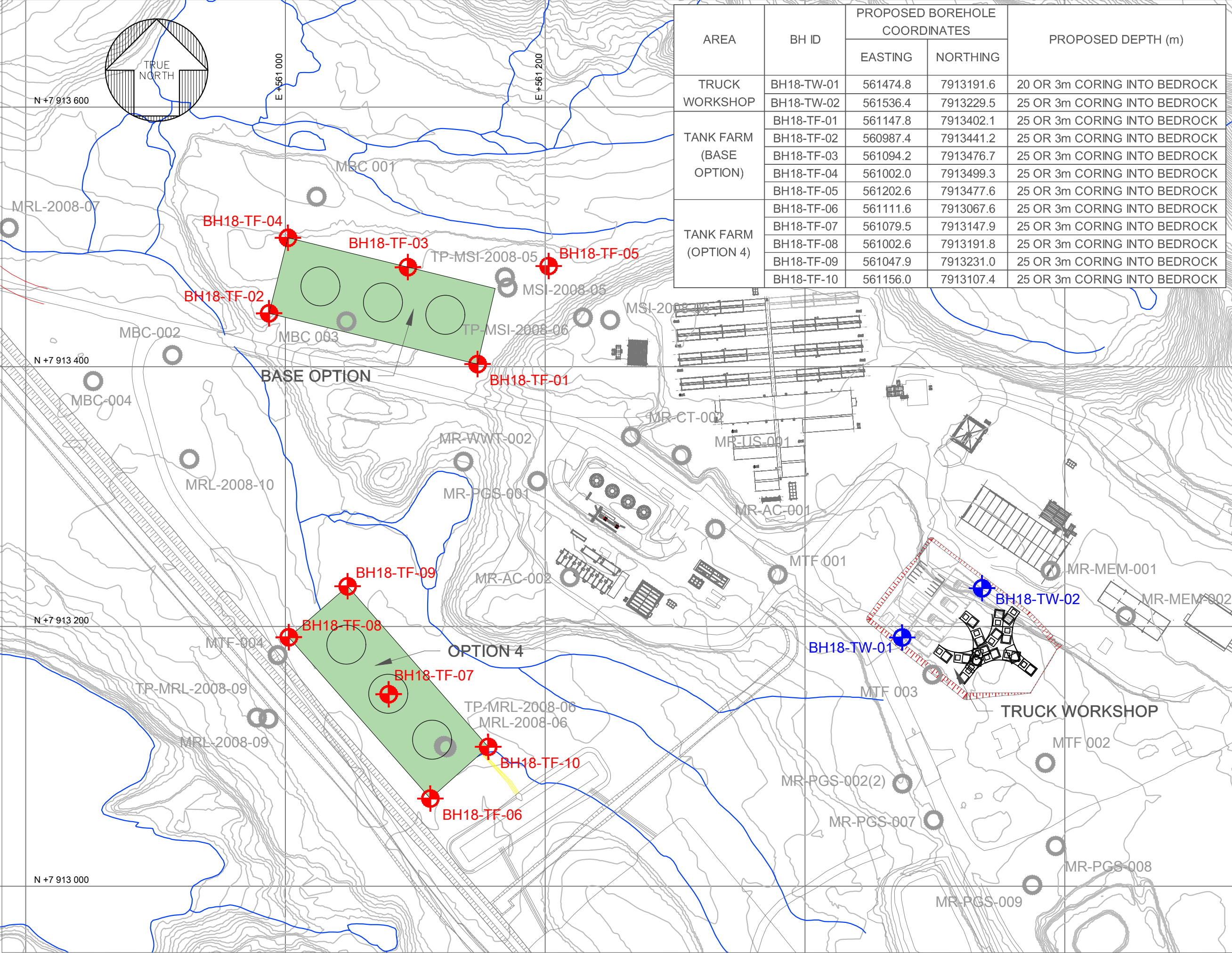
Attachments:

Attachment 1: Proposed Borehole Location Plan – Tank Farm and Truck Workshop

Cc: Timothy Ray Sewell, Megan Lord-Hoyle, William Bowden, Connor Devereaux, Steve Borcsok  
Andrew Vermeer (Baffinland)  
Assol Kubeisinova, Karén Kharatyan (NWB)  
Ian Parsons, Wajid Daouda (INAC)  
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## **Attachment 1**

### **Proposed Borehole Location Plan – Tank Farm and Truck Workshop**



- LEGEND
- EXISTING BOREHOLE
  - PROPOSED BOREHOLE FOR TANK FARM
  - PROPOSED BOREHOLE FOR TRUCK WORKSHOP



BAFFINLAND IRON MINES CORPORATION  
MARY RIVER EXPANSION PROJECT

PROPOSED BOREHOLE LOCATION PLAN - TANK FARM AND TRUCK WORKSHOP

FIGURE 1