May 25, 2020

Jonathan Mesher
Resource Management Officer
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)
P.O. Box 100
Iqaluit, NU XOA 0H0

Re: 2020 Exploration Drilling Program – Mary River Project Type B Water Licence 2BE-MRY1421
Commercial Lease No. Q13C301

Baffinland will be commencing an exploration diamond drilling program to extend and upgrade the resources at Deposit 1 and 3. The program is being managed by Baffinland's Exploration Department, and performed by Cyr Drilling International Ltd. The program is scheduled to commence on or about June 4, 2020, and be complete in late September 2020, with the possibly of extending as late as mid-November 2020 should conditions allow. A total of twenty-five (25) drill holes are planned, with depths ranging from approximately 250 to 500 metres (m) from surface. Drill holes will require water to support diamond drill coring techniques. Attachment 1 provides a map outlining the proposed drill hole collar locations and proposed water sources. UTM coordinates for the drill hole collar locations and new water sources, presented in Attachment 1, are provided in Attachments 2 and 3, respectively.

The equipment to be utilized for the program includes three (3) Zinex A5 rock coring drill rigs. The diameter of the holes to be advanced is approximately 61.1 mm. Supporting equipment will include two A-star B2 helicopters for moving drills, other supporting equipment/supplies and personnel between drill hole locations.

Under Part C, Item 1 of the Type B Water Licence 2BE-MRY1421 (Type B Water Licence), Baffinland is required to provide notification to the Nunavut Water Board (NWB) and the Inspector (CIRNAC) of water sources to be used for drilling activities that are not currently identified. As shown in Attachment 1, there are eight (8) potential water sources (seven ponds and Mary River) that may be used to support the proposed drilling program. A table with the UTM coordinates for the water sources is provided in Attachment 3.

The estimated water usage rate for the drilling program is approximately 1.3 m^3 per linear metre drilled. Assuming 5,832 m and 1,790 m drilled at Deposits 1 and 3, respectively, the total water volume requirements for drilling operations at Deposits 1 and 3 are estimated to be 7,581 m^3 and 2,327 m^3, respectively. Water use will be tracked using inline flowmeters to ensure compliance with the daily water withdraw limits for drilling activities (250 m^3/day), stipulated in Part C, Item 1 of the Type B Water Licence.

Based upon visual assessment and knowledge from previous drilling programs in the area, Baffinland believes that the new water sources identified in Attachments 1 and 3 can sustain the required withdrawal volumes. Water sources prefixed with a 'WS' and the Mary River tributary highlighted in Attachment 1 are not believed to be fish habitat and will be visually monitored for drawdown during periods of

withdrawal. The Mary River has been used as a water source in previous drilling programs at the Project and has sufficient flow volumes necessary to support the proposed water requirements for Deposits 1 and 3. Pumping stations along the Mary River, prefixed with a 'MRP' and shown in Attachment 1, will be utilized to support the program's drilling operations, as required. In accordance with the *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO, 1995), water intake lines will be equipped with fish screens to prevent the entrapment of fish during periods of withdrawal from identified water sources.

In accordance with Part F, Item 2, of the Type B Water Licence, drill waste will be disposed of in sumps consistent with Part F, Item 4 of Type B Water Licence. Daily environmental monitoring will be performed at drilling operations, including pre, during, and post-inspections. Drill water runoff and siltation mitigation measures consistent with Baffinland's Environmental Protection Plan (EPP; BAF-PH1-830-P16-0008, Rev. 1) will be employed, as required.

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

We trust that this information meets the notification requirements. Please do not hesitate to contact the undersigned, should you have any question or comments.

Regards,

Christopher Murray
Environmental & Regulatory Compliance Manager

Attachments:

Attachment 1 – 2020 Mary River Diamond Drilling Program
Attachment 2 – UTM Coordinates of Proposed Drill Hole Locations
Attachment 3 – UTM Coordinates of Proposed New Water Sources

Cc: Assol Kubeisinova, Karen Kharatyan (NWB)
Justin Hack, Bridget Campbell, Godwin Okonkwo (CIRNAC)
Jared Ottenhof, Chris Spencer (QIA)
Thomas Iannelli, Massoud Robatian, Megan Lord-Hoyle, Lou Kamermans, Amanda McKenzie, Timothy Ray Sewell, Shawn Stevens, Aaron MacDonell, Connor Devereaux (Baffinland)

Attachment 1
2020 Mary River Diamond Drilling Program

2275 Upper Middle Road East, Suite 300 | Oakville, ON, Canada L6H 0C3
Main: 416.364.8820 | Fax: 416.364.0193 | www.baffinland.com

563,000 mE
564,000 mE
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7,913,000 mN
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WS-18-08
WS-18-07
WS-18-05
WS-18-06
WS-18-04
WS-18-03
WS-18-02
WS-20-01
(km108.5 Sump)
Deposit No.1
L-2484
Deposits No. 2 & 3
L-2485
MRP-1
MRP-2
MRP-3
MRP-4
Legend
BIM Mining Leases
Proposed Water Source
Potential Pump Location
Planned 2020 DDH Collar
HIstoric DDH Collar
Site & Mine Infrastructure
Watercourse
Baffinland
Mary River
2020 Drill Program
Proposed Water Sources
& Pump Locations
Date: 2020-05-07
Author: Tim Hannon
Office: Exploration
Drawing:
Scale: 1:21500
Projection: UTM Zone 17 (NAD 83)
0
200
400
800
metres

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Attachment 2
UTM Coordinates of Proposed Drill Hole Locations

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Table A-2 – Proposed Drill Hole Locations and Depth from Surface

Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Length
MR1-20-P01	564036	7915609	568	295	-45	274
MR1-20-P02	564036	7915609	568	295	-58	330
MR1-20-P03	564087	7915589	561	295	-60	401
MR1-20-P04	563950	7915488	577	295	-45	259
MR1-20-P05	563950	7915488	577	295	-62	308
MR1-20-P06	564005	7915462	566	295	-62	380
MR1-20-P07	563875	7915357	587	295	-45	252
MR1-20-P08	563768	7915329	611	295	-45	264
MR1-20-P09	563824	7915216	594	295	-45	292
MR1-20-P10	563824	7915216	594	295	-56	410
MR1-20-P11	563843	7915041	579	295	-45	380
MR1-20-P12	563843	7915041	579	295	-60	431
MR1-20-P13	563822	7914884	566	295	-55	465
MR1-20-P14	563751	7914752	568	295	-55	470
MR1-20-P15	563699	7914611	561	295	-55	520
MR1-20-P16	563059	7913940	580	140	-90	70
MR1-20-P17	563098	7913938	580	140	-90	70
MR1-20-P18	562975	7914110	580	140	-90	70
MR1-20-P19	563120	7914300	580	210	-55	120
MR1-20-P20	563092	7914298	580	210	-90	70
MR3-20-P01	567439	7913532	436	350	-56	330
MR3-20-P02	567447	7913488	424	350	-56	410
MR3-20-P03	567584	7913576	446	350	-45	290
MR3-20-P04	567584	7913573	445	350	-55	340
MR3-20-P05	567592	7913529	431	350	-55	420

Notes:

All coordinates in UTM, NAD 83, Zone 17.

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Attachment 3
UTM Coordinates of Proposed Water Sources and Pumping Stations

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Table A-3-1 – Proposed Water Sources and Mary River Pumping Stations (MRPs)

Proposed Water Sources			
ID	**Easting**	**Northing**	**Elevation (m)**
WS-20-01 (km108.5 Sump)	563998	7915617	572
WS-20-02	563750	7916100	592
WS-20-03	563900	7917290	567
WS-20-04	564220	7917540	565
WS-20-05	565560	7917630	560
WS-20-06	565970	7917610	560
WS-20-07	566080	7917910	560
WS-20-08	567270	7918050	565
Mary River Pumping Stations			
ID	**Easting**	**Northing**	**Elevation (m)**
MRP-1	563964	7913013	231
MRP-2	565890	7912827	289
MRP-3*	567778	7912742	313
MRP-4	569057	7913037	323

Notes:

All coordinates in UTM, NAD 83, Zone 17.

*Pump shack currently in place