



June 22, 2021

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

Re: 2021 Exploration Drilling Program – Mary River Project
Type B Water Licence 2BE-MRY2131
Commercial Lease No. Q13C301

Baffinland Iron Mines Corporation (Baffinland) will be commencing an exploration diamond drilling program to extend and upgrade the resources at Deposit Nos. 1, 2 and 3 of the Mary River Project. The program is being managed by Baffinland's Exploration Department, and performed by Cyr Drilling International Ltd. The program is scheduled to run from June to September 2021, and possibly extended as late as mid-November 2021. A total of fifty-three (53) drill holes are planned, with depths ranging from approximately 180 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 are provided in Attachments 2 and 3, respectively.

The equipment to be utilized for the program includes five (5) Zinex A5 rock coring drill rigs. The diameter of the holes to be advanced is approximately 61.1 mm. Supporting equipment will include two (2) A-star B3 and one (1) A-star B2 helicopters for moving drills, other supporting equipment/supplies and personnel between drill hole locations.

Under Part J, Item 2 of the Type B Water Licence 2BE-MRY2131 (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 m³ per linear metre drilled. Assuming a total combined depth of 8,259 m, 2,181 m, and 7,560 m drilled at Deposits 1, 2 and 3, respectively, the total water volume requirements for drilling operations at Deposits 1, 2 and 3 are estimated to be 10,737 m³, 2,835 m³ and 9,829 m³, respectively. Water use will be tracked using inline flowmeters to ensure compliance with the daily water withdraw limits for drilling activities (250 m³/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, 2 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.

A handwritten signature in black ink, appearing to read "Christopher Murray", with a large, stylized loop at the end.

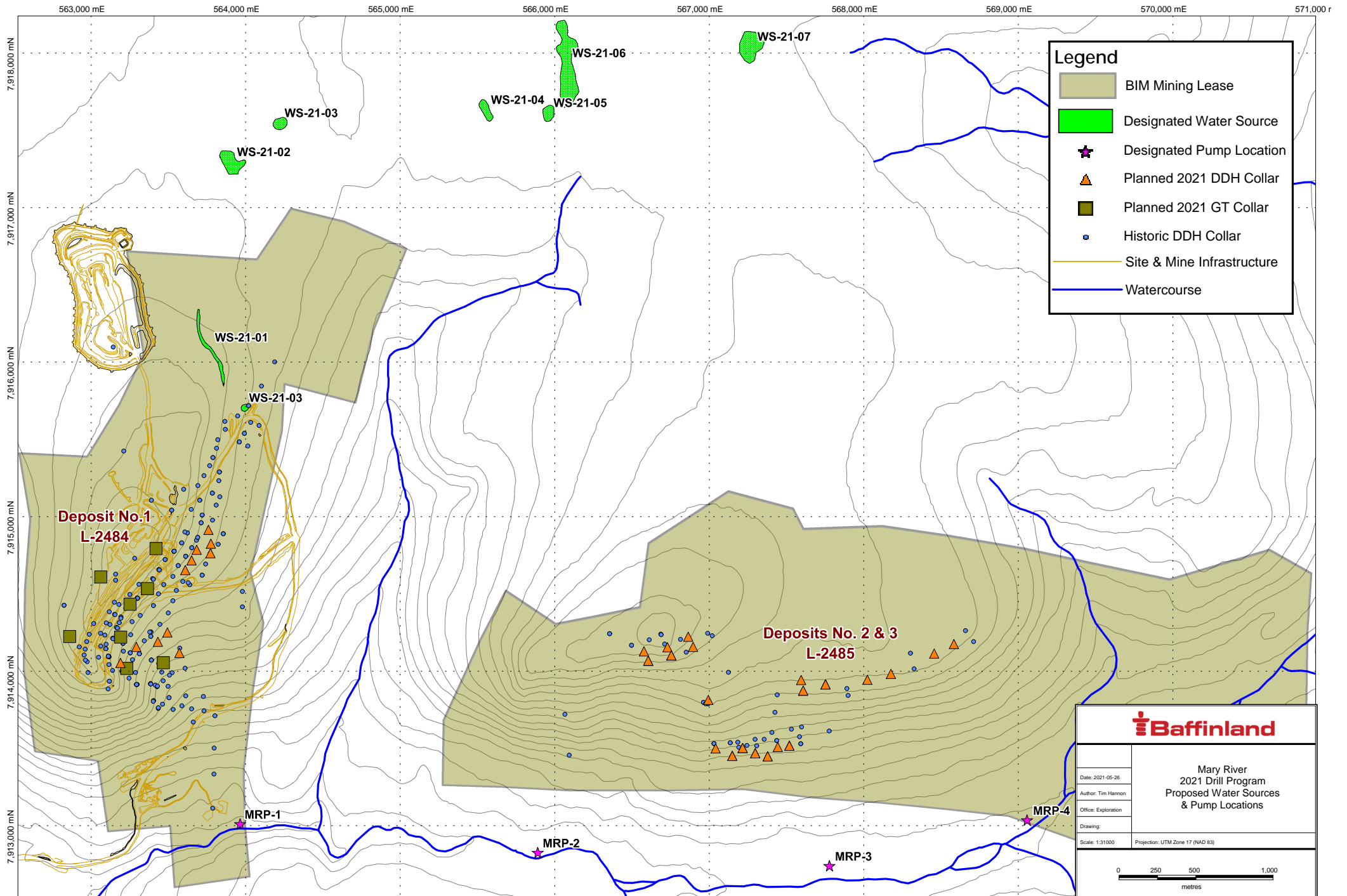
Christopher Murray
Environmental & Regulatory Compliance Manager

Attachments:

- Attachment 1 – 2021 Mary River Diamond Drilling Program
- Attachment 2 – UTM Coordinates of Proposed Drill Hole Locations
- Attachment 3 – UTM Coordinates of Proposed New Water Sources

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

Attachment 1 - 2021 Mary River Diamond Drilling Program



Legend

- BIM Mining Lease
- Designated Water Source
- Designated Pump Location
- Planned 2021 DDH Collar
- Planned 2021 GT Collar
- Historic DDH Collar
- Site & Mine Infrastructure
- Watercourse

Baffinland

Mary River 2021 Drill Program Proposed Water Sources & Pump Locations	
Date: 2021-05-26	
Author: Tim Hannon	
Office: Exploration	
Drawing:	
Scale: 1:31000	Projection: UTM Zone 17 (NAD 83)

0 250 500 1,000
metres

Attachment 2 - UTM Coordinates of Proposed Drill Hole Locations

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

Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Length (m)
MR1-20-307	563772	7914763	565	295	-64	378
MR1-21-P01	563649	7914718	585	295	-55	334
MR1-21-P02	563682	7914785	583	295	-55	332
MR1-21-P03	563609	7914654	584	295	-55	332
MR1-21-P04	563774	7914825	569	295	-45	352
MR1-21-P05	563758	7914915	581	295	-50	367
MR1-21-P06	563190	7914054	557	225	-45	205
MR1-21-P07	563293	7914157	538	225	-45	399
MR1-21-P08	563432	7914190	514	225	-45	496
MR1-21-P09	563493	7914251	520	225	-45	596
MR1-21-P10	563572	7914118	483	225	-45	467
MR2-21-P01	566578	7914128	632	335	-45	180
MR2-21-P02	566606	7914067	613	335	-45	283
MR2-21-P03	566605	7914068	613	335	-58	334
MR2-21-P04	566730	7914155	655	335	-45	257
MR2-21-P05	566755	7914103	628	335	-45	325
MR2-21-P06	566755	7914103	628	335	-57	379
MR2-21-P07	566864	7914223	623	335	-45	166
MR2-21-P08	566895	7914157	612	335	-45	257
MR3-20-P03	567444	7913509	430	350	-58	378
MR3-21-P01	567378	7913448	416	350	-45	326
MR3-21-P02	567378	7913449	416	350	-54	379
MR3-21-P03	567518	7913518	431	350	-50	325
MR3-21-P04	567518	7913517	431	350	-58	389
MR3-21-P05	566626	7914023	595	170	-58	401
MR3-21-P06	567216	7913503	439	350	-54	343
MR3-21-P07	567216	7913503	439	350	-62	433
MR3-21-P08	567149	7913452	420	350	-45	378
MR3-21-P09	567149	7913451	419	350	-54	436
MR3-21-P10	566774	7914061	608	170	-57	445
MR3-21-P11	567216	7913503	439	350	-54	343
MR3-21-P12	567298	7913469	428	350	-45	341
MR3-21-P13	566896	7914155	611	170	-57	310
MR3-21-P14	567298	7913468	428	350	-54	398
MR3-21-P15	566918	7914108	600	170	-57	386
MR3-21-P16	566994	7913815	552	196	-45	272
MR3-21-P17	567041	7913501	443	350	-60	442
MR3-21-P18	567608	7913873	531	170	-45	258
MR3-21-P19	567607	7913875	531	170	-58	311
MR3-21-P20	567752	7913915	537	170	-45	267
GT21-01	563680	7915023	606	70	-70	230
GT21-02	563360	7914879	663	325	-70	300
GT21-03	563457	7915042	634	335	-65	240
GT21-04	563487	7914575	600	100	-70	345
GT21-05	563523	7914393	542	120	-70	190
GT21-06	563467	7914056	471	40	-70	220
GT21-07	563147	7913816	557	220	-65	270
GT21-08	562932	7913909	584	10	-65	400
GT21-09	562862	7914226	627	270	-70	260
GT21-10	563062	7914611	661	315	-70	310
GT21-11	563346	7913939	479	200	-70	315
GT21-12	562934	7914579	634	120	-65	500
GT21-13	563240	7914196	560	80	-75	420
TOTAL						18,000



Attachment 3 – UTM Coordinates of Proposed Water Sources and Pumping Stations

Table A-3-1 – Designated Water Sources and Mary River Pumping Stations (MRPs)			
Proposed Water Sources			
ID	Easting	Northing	Elevation (m)
WS-21-01 (km108.5 Sump)	563998	7915617	572
WS-21-02	563750	7916100	592
WS-21-03	563900	7917290	567
WS-21-04	564220	7917540	565
WS-21-05	565560	7917630	560
WS-21-06	565970	7917610	560
WS-21-07	566080	7917910	560
WS-21-08	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