



April 28, 2023

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

**Re: 2023 Exploration Drilling Program – Mary River Project**  
**Type B Water Licence 2BE-MRY2131**  
**Commercial Lease No. Q13C301**

Baffinland will be commencing an exploration diamond drilling program to extend and upgrade the resources at Deposit Nos. 1, 2 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 1, 2023, and end by mid- to late-September 2023, and possibly extended as late as mid-November 2023. A total of thirty-three (33) drill holes are planned, with depths ranging from approximately 150 to approximately 850 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 number of planned holes, their target depth and their location is subject to change at any time due to operational, business, safety and/or environmental factors either within or beyond the control of Baffinland.

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 helicopters for moving drills, other supporting equipment/supplies and personnel between drill hole locations. Pick-up trucks, a water hauling truck, and other ground support equipment will be used as well.

Under Part C, Item 1 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 various water sources that may be used to supply water for drilling purposes. A table with the UTM coordinates for the water sources is provided in Attachment 3. The number and location of potential water sources is subject to change and Baffinland will notify the Inspector accordingly.

The estimated water usage rate for the drilling program is approximately 1.3 m<sup>3</sup> per linear metre drilled. Assuming 7,205 m and 4,779 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 9,366.5 m<sup>3</sup> and 6212.7 m<sup>3</sup>, respectively. At Deposit 1, a large proportion of water used will come from Camp Lake, Km 105 surface water management pond, the KM 106 stockpile pond and the Mine Water Treatment Plant, and if available, meltwater runoff from the mountain. Water use will be tracked using inline flowmeters to

ensure compliance with the daily water withdraw limits for drilling activities (250 m<sup>3</sup>/day), stipulated in Part C, Item 1 of the Type B Water Licence. It should be noted that the Km 105 surface water management pond and Mine Water Treatment Plant are recycled water use.

Based upon visual assessment and knowledge from previous drilling programs in the area, Baffinland believes that the 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. 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. Water withdrawn from Camp Lake by the water truck will comply with quantities stipulated in both this Type B water licence as well as the Type A Water Licence for the Mary River Project.

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. 2) will be employed, as required.

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

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



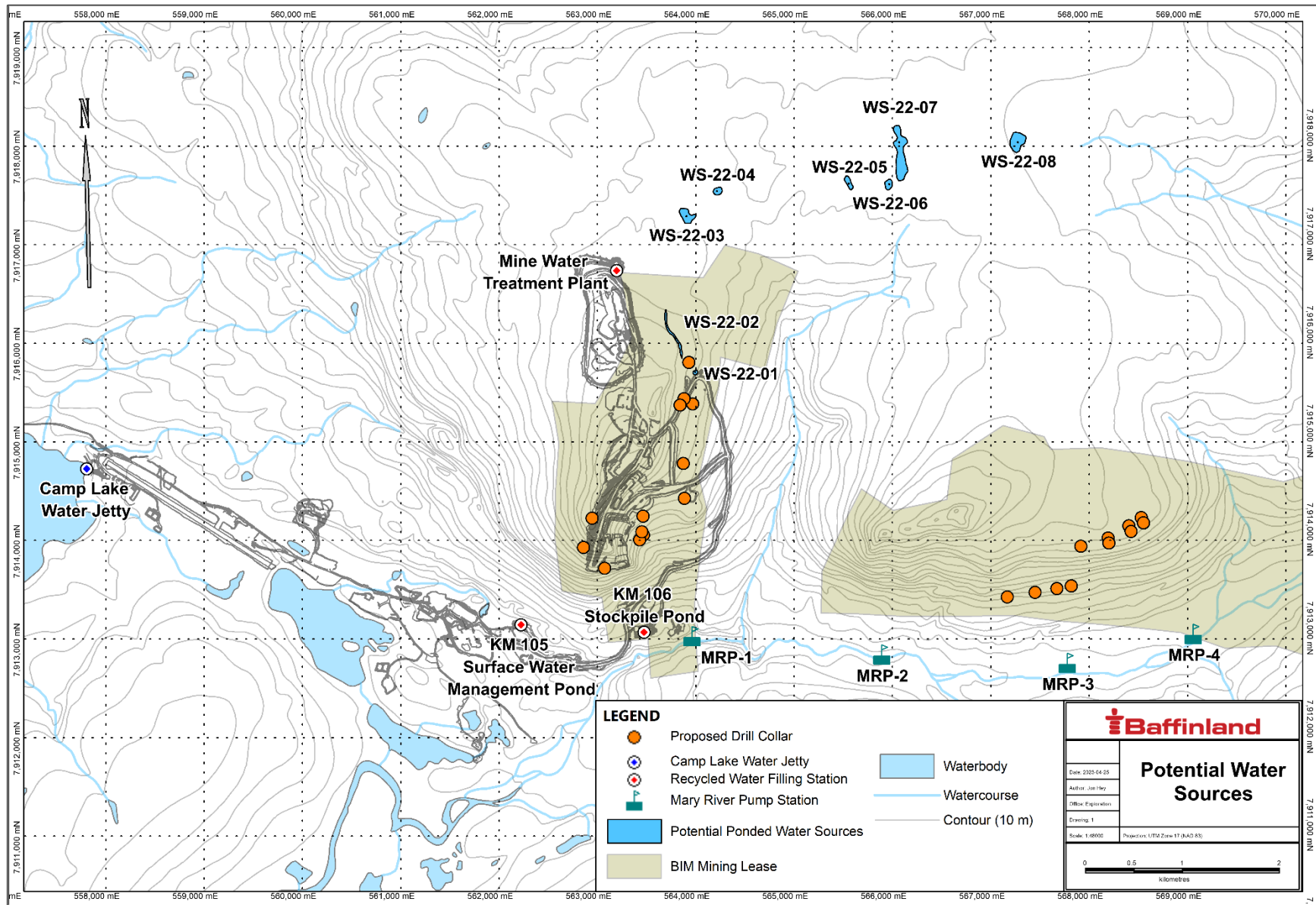
Connor Devereaux  
Environmental Manager

Cc: Timothy Ray Sewell, , Megan Lord-Hoyle, Lou Kamermans, Katie Babin, Todd Swenson, Steve Borcsok, Michael Anderson, Thomas Iannelli, Jon Hey, Massoud Robatian (Baffinland) Assol Kubeisinova, Karen Kharatyan (NWB) Jeremy Fraser (CIRNAC) Conor Goddard (QIA)

Attachments:

- Attachment 1 – 2023 Mary River Diamond Drilling Program
- Attachment 2 – UTM Coordinates of Proposed Drill Hole Locations
- Attachment 3 – UTM Coordinates of Proposed New Water Sources

## Attachment 1 - 2023 Mary River Diamond Drilling Program



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## 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	Target Depth
GT23-02	563467	7914056	471	40	70	305
GT23-03	563072	7913717	500	120	70	250
GT23-04	562857	7913930	571	20	65	450
GT23-05	562944	7914226	647	270	70	350
GT23-06	563429	7914006	467	222	65	400
GT23-07	563880	7915439	590	47	65	370
GT23-08	563967	7915385	568	129	60	275
GT23-09	563885	7914429	533	260	45	450
GT23-010	563930	7915806	587	45	70	150
GT23-011	563930	7915806	587	315	70	150
MR1-23-MR1a	563880	7915439	590	295	60	295
MR1-23-MR1b	563880	7915439	590	295	75	315
MR1-23-MR2a	563840	7915374	597	295	60	400
MR1-23-MR2b	563840	7915374	597	295	75	310
MR1-23-P05a	563872	7914781	552	295	60	475
MR1-23-P05b	563872	7914781	552	295	70	560
MR1-23-Z03	563451	7914088	483	260	65	850
MR1-23-Z04	563463	7914247	522	272	65	850
MR3-23-P01a	567914	7913942	542	170	55	325
MR3-23-P01b	567914	7913942	542	170	70	450
MR3-23-P02	568191	7914025	554	170	70	345
MR3-23-P03a	568200	7913975	548	170	45	185
MR3-23-P03b	568200	7913975	548	170	68	250
MR3-23-P05	568402	7914148	558	155	70	300
MR3-23-P06a	568425	7914093	555	155	45	163
MR3-23-P06b	568425	7914093	555	155	70	220
MR3-23-P07	568528	7914233	555	155	70	325
MR3-23-P08a	568552	7914178	553	155	45	161
MR3-23-P08b	568552	7914179	553	155	70	220
MR3-23-W04	567670	7913513	424	350	65	400
MR3-23-W05	567818	7913539	428	350	65	435
MR3-23-W08	567166	7913428	413	345	65	575
MR3-23-W09	567450	7913474	420	350	70	425

**Notes:**

All coordinates in UTM, NAD 83, Zone 17 W.

## 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 Truck Draw Points			
ID	Easting	Northing	Elevation (m)
Camp Lake Water Jetty	557806	7914725	181
Mine Water Treatment Plant <sup>1</sup>	563194	7916738	600
KM 106 Stockpile Pond <sup>1</sup>	563473	7913069	265
KM 105 Surface Water Management Pond <sup>1</sup>	562223	7913143	250
Proposed Standing Water Sources			
ID	Easting	Northing	Elevation (m)
WS-22-01 (km108.5 Sump)	563995	7915706	572
WS-22-02	563795	7916051	592
WS-22-03	563904	7917290	567
WS-22-04	564215	7917544	565
WS-22-05	565554	7917620	560
WS-22-06	565967	7917614	560
WS-22-07	566069	7918039	560
WS-22-08	567275	7918039	565
Mary River Pumping Stations			
ID	Easting	Northing	Elevation (m)
MRP-1	563964	7913013	231
MRP-2	565890	7912827	289
MRP-3 <sup>2</sup>	567778	7912742	313
MRP-4	569057	7913037	323

**Notes:**

All coordinates in UTM, NAD 83, Zone 17.

<sup>1</sup>Water will only be drawn when discharge specifications allow

<sup>2</sup>Pump shack currently in place