

Eqe Bay Exploration Drilling Program

Non-technical Summary

Baffinland Iron Mines Corporation (Baffinland) is planning to initiate a mineral exploration program at Eqe Bay in 2018. Eqe Bay is located on the west coast of Baffin Island, approximately 90 km south of Steensby Port, and 190 km east of both Igloolik and Hall Beach. The location is shown on Figure 1. The exploration area is located on Inuit Owned Land (IOL) Parcel IG-03, of which Inuit hold both surface rights and subsurface mineral rights. Baffinland holds a current exploration agreement with Nunavut Tunngavik Inc. (NTI) to explore the mineral potential in this area, and also holds federal mineral claims covering adjacent Crown Lands.

Baffinland plans to conduct archaeological surveys of the proposed exploration area in the summer of 2018, and will set up its camp in the fall of 2018, once the camp, drills and other supplies have been delivered to the nearby beach by sealift barges. No drilling is planned in 2018.

An initial drill program will begin in the late winter or spring of 2019. The 2019 drill program is expected to involve the operation of one drill that will drill approximately 7 to 10 holes to a depth of up to 100 m each. Other exploration activities to be undertaken in 2019 includes detailed geological mapping, till sampling, and a backpack drill program.

The initial drill program will be supported by an approximate 50-person trailer camp and other outbuildings. The camp will be equipped with an incinerator, a potable water treatment plant, and a sewage treatment plant. Helicopters will be used to move drills and to transport workers between the drill and camp. Diesel and Jet fuel will be stored in drums within lined secondary containment areas. Workers and supplies will be delivered to the camp from either Mary River, Hall Beach or Igloolik using Twin Otter or similar aircraft. The aircraft will land at the Eqe Bay exploration area either on floats on a small lake within the exploration area, or on the tundra if equipped with tundra tires.

Based on the results of the initial drill program in 2019, Baffinland may seek to expand the scale of its exploration program at Eqe Bay. Over the subsequent 5 years, the exploration program may expand as follows:

- Operate up to 8 drills
- Expand the initial camp to 100-persons
- Implement bulk fuel storage using double-walled tanks
- Source construction materials from one or two quarries
- Construct access trails to connect the camp to exploration areas to reduce helicopter use
- Construct a small airstrip to improve air access to the site

At the conclusion of the exploration program, a closure and reclamation plan will be followed to remove all equipment and materials from the site and restore the area to the extent practical.

The required permits will be sought in the first half of 2018. A Project Proposal will be submitted to the Nunavut Planning Commission for conformity determination (there is no approved land use plan covering this area) and the Nunavut Impact Review Board for screening. A Land Use Licence will be sought from the Qikiqtani Inuit Association, and a Type B Water Licence will be sought from the Nunavut Water Board.