

CHARTER OF THE ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE

1.0 PURPOSE

The Environmental, Health and Safety Committee (the “Committee”) of the board of directors (the “Board”) of Baffinland Iron Mines Corporation (the “Company”) acknowledges and accepts responsibilities placed on directors of corporations with respect to complying with legislation and regulations aimed to protect the environment and the health and safety of its employees, which are contained in laws, regulations and policies of Ontario, Nunavut Territory and Canada.

The general mandate of the Committee is to oversee the development and implementation of policies and management systems of the Company relating to environmental and health and safety issues in order to ensure compliance with applicable laws and best management practices.

2.0 COMPOSITION

2.1 Members

The Committee will be comprised of at least two (2) directors of the Company. The Board shall appoint the members of the Committee annually.

2.2 Qualifications

At least one member of the Committee shall be an “independent director” in accordance with applicable legal requirements, including currently the requirements published by the Canadian Securities Administrators. Corporate officers may also serve on the Committee. All members should have skills and/or experience, which are relevant to the mandate of the EHS Committee.

2.3 Chair

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

2.4 Removal and Replacement

The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board. The Board may fill vacancies on the Committee by election from among the Board or as otherwise deemed appropriate and in accordance with this Charter. If, and whenever, a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

3.0 OPERATIONS

3.1 Meetings

The Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than two (2) times per year. Meetings may be held at any time deemed appropriate by the Committee. These meetings may be with representatives of appropriate members of management, all either individually or collectively as may be required by the Chair of the Committee.

3.2 Independent Meetings

The Committee members shall meet independently, with only members of the Committee, following every meeting of the Committee, or more frequently, if necessary.

3.3 Quorum

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee.

3.4 Notice

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members which shall not be less than twenty-four (24) hours. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the Chief Executive Officer or the Chief Operating Officer shall be entitled to request that any member of the Committee call a meeting.

3.5 Agenda

The Chair of the Committee, with the assistance of the Corporate Secretary, shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall be, to the extent practical, communicated to members of the Committee sufficiently in advance of each meeting to permit meaningful review.

3.6 Report to Board

The Committee shall report regularly to the Board. The Chair of the Committee shall prepare and deliver the report to the Board. The Committee's report by the Chair may be a verbal report delivered to the Board at a duly called Board meeting.

3.7 Assessment of Charter

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

4.0 RESPONSIBILITIES

In order to meet applicable legal requirements and operate at a best practices level, the Committee is committed to undertake the following responsibilities with respect to the environment and the health and safety of its employees.

- 4.1 Communicate to the Company the importance of developing: (i) a culture of environmental responsibility; and (ii) an awareness of the importance of health and safety.
- 4.2 Ensure adequate resources are available and systems are in place for management of the Company ("Management") to implement appropriate environmental, health and safety programs and request and obtain from the Chief Operating Officer periodic reports on such programs.
- 4.3 Establish policies, and provide oversight on the development and implementation of management systems relating to environmental, and health and safety matters.
- 4.4 Ensure Management has implemented an Environmental, Health and Safety Policy and Framework, which includes defined standards and objectives, monitor its effectiveness and, from time to time, discuss with Management any necessary improvements to such policy and its framework of implementation.
- 4.5 Ensure that Management has implemented an environmental, health and safety performance measurement system that can be used to provide a continual measure of the environmental and health and safety performance and continuous improvement of the Company.

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- 4.6 Utilize the environmental, health and safety performance measurement system to monitor compliance with legal requirements and internal targets, as well as communicate a demonstrated commitment to the environment and employee health and safety to shareholders and stakeholders, including all members of the Company.
- 4.7 Ensure that Management has implemented an environmental and health and safety compliance audit program, request from the Chief Operating Officer, periodic status reports on such program and provide feedback on necessary improvement to the program.
- 4.8 Receive an annual report from Management which includes any environmental, health and safety issues of a material nature.
- 4.9 Report on its activities to the shareholders annually in the Company's annual report or management information circular prepared by the Company for the annual shareholders' meeting or other disclosure documents or on the Company's website.

The foregoing list of duties is not intended to be exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.

5.0 AUTHORITY

5.1 Delegation

The Committee has the power to delegate its authority and duties to a subcommittee or individual members of the Committee, as it deems appropriate, provided that the subcommittee is comprised entirely of unrelated directors.

5.2 Advisors

The Committee has the authority to retain, and determine the fees of, independent legal counsel, environmental, occupational health and safety consultants and other advisors in its sole discretion that it determines to be necessary to permit it to carry out its duties.