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Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Baffinland Iron Mines Corporation at Suite 1016, 120 Adelaide Street West, Toronto, Ontario, Canada, M5H 1T1 (telephone (416) 814-3155) and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

January 24, 2007



BAFFINLAND IRON MINES CORPORATION

\$30,000,025

10,909,100 Units

This short form prospectus qualifies the distribution (the "Offering") of 10,909,100 units (the "Units") of Baffinland Iron Mines Corporation ("Baffinland" or the "Company") at a price of \$2.75 per Unit, with each Unit being comprised of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one additional Common Share (a "Warrant Share") at a price of \$5.50 for a period of 5 years commencing from the date of closing of the Offering, subject to adjustment in certain events. The offering price of the Units was determined by negotiation between the Company and Raymond James Ltd., BMO Nesbitt Burns Inc., GMP Securities L.P. and National Bank Financial Inc. (collectively, the "Agents"). The Units will separate into Common Shares and Warrants immediately upon issue.

The outstanding Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "BIM". The closing price of the Common Shares on the TSX on January 23, 2007, the last day of trading immediately prior to the filing of this short form prospectus, was \$2.60. The TSX has conditionally approved the listing of the Common Shares and Warrants to be distributed under this short form prospectus, as well as the Warrant Shares. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before April 13, 2007, including distribution of the Warrants to a minimum number of public holders. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors".**

In connection with this Offering, the Agents may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might prevail on the open market. See "Plan of Distribution".

The Company's principal place of business and registered and head office is Suite 1016, 120 Adelaide Street West, Toronto, Ontario, Canada, M5H 1T1.

An investment in the Units involves risk. Prospective investors should consider the forward-looking information under "Forward-Looking Information" and risk factors under "Risk Factors" before purchasing the Units.

PRICE \$2.75 PER UNIT

	Price to the Public	Agents' Fee ⁽¹⁾	Proceeds to the Company ⁽²⁾
Per Unit	\$2.75	\$0.165	\$2.585
Total Offering	\$30,000,025	\$1,800,002	\$28,200,023

Notes:

- (1) Pursuant to the terms and conditions of the Agency Agreement (as defined herein) between the Company and the Agents, the Company has agreed to pay to the Agents a fee (the "Agents' Fee") equal to 6.0% of the gross proceeds of the Offering.
- (2) Before deducting expenses of the Offering, estimated to be \$400,000, which will be paid by the Company.

The Agents, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP, and on behalf of the Agents by Cassels Brock & Blackwell LLP. Subscriptions will be received subject to rejection or allotment in whole or in part and the Agents reserve the right to close the subscription books at any time without notice. It is expected that certificates evidencing the Common Shares and the Warrants comprising the Units will be available for delivery at the closing of the Offering, which is expected to take place on or about January 31, 2007, or such other date as may be agreed upon by the Company and the Agents, but in any event not later than February 16, 2007 (the "Closing").

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CURRENCY

All monetary amounts used herein are stated in Canadian dollars unless otherwise indicated. As at January 23, 2007, the noon spot rate as reported by the Bank of Canada was U.S.\$1.00 = \$1.1816 or \$1.00 = U.S.\$0.8463.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel for the Company, based on the current provisions of the Income Tax Act (Canada) (the "Tax Act"), the regulations thereunder and the proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are listed on a prescribed stock exchange as defined by the Tax Act (which includes the TSX) as of the date of this short form prospectus, the Common Shares and Warrants comprising the Units, if issued on the date hereof, will be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, provided that in the case of the Warrants, either the Company deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under such plan or the Warrants are listed on a prescribed stock exchange.

FORWARD-LOOKING INFORMATION

Certain information included in this short form prospectus and the documents incorporated herein may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “believe”, “plan”, “scheduled”, “intend”, “estimate”, “forecast”, “predict”, “potential”, “continue”, “anticipate” or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management’s future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, statements about the Company’s plans to complete a definitive feasibility study, a bulk sample program and related statements, statements about the completion of a project description and draft environmental impact statement, statements about the Company’s planned drilling program, statements about the Company’s goal to add one or more strategic investors, statements about the use of the net proceeds of the Offering and statements derived from the Company’s scoping study on Deposit No. 1, are forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, the estimation of mineral resources, the realization of mineral resource estimates, iron ore prices, the timing and amount of future exploration expenditures, the estimation of additional capital requirements, the availability of necessary financing and materials, the receipt of necessary regulatory approvals and permits, and assumptions with respect to environmental risks, title disputes or claims, weather conditions and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Without limitation, in stating that the Company plans on completing a definitive feasibility study in the fourth quarter of 2007, a bulk sample program in 2007 and 2008, and related statements, the Company has assumed, among other things, that iron ore prices will not change materially from current levels and that it will obtain the financing and regulatory approvals, permits and other authorizations required to enable the exploration, development and mining activities required in order to provide the basis for a definitive feasibility study and to complete a bulk sample program. In stating that the Company anticipates completion of its project description and draft environmental impact statement in the second half of 2007, the Company has assumed, among other things, that it will successfully negotiate and complete an environmental assessment process through the Nunavut Impact Review Board. In stating that the Company is planning a drilling program totalling 9,000 to 11,000 metres using five to six drills for 2007, and in making statements about the expected focus of the drilling program, the Company has assumed, among other things, that it will obtain the financing necessary to fund this drilling program, that it will be able to procure the materials, equipment and personnel necessary to conduct the drilling and that weather conditions will be amenable to such activities.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what management currently expects. These factors include risks inherent in the exploration for and development of mineral deposits, risks relating to changes in iron ore prices and changes in the worldwide demand for, and supply of, iron ore, uncertainties inherent in the calculation of mineral reserves and resources, risks relating to the remoteness of the Mary River Property including access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing and capitalization risks, environmental risks and insurance risks. See “Risk Factors”.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Baffinland Iron Mines Corporation at Suite 1016, 120 Adelaide Street West, Toronto, Ontario, Canada, M5H 1T1 (telephone (416) 814-3155) and are also available electronically at www.sedar.com.

The following documents of the Company, filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) The Company's Annual Information Form for the year ended December 31, 2005 dated November 2, 2006.
- (b) The Company's audited financial statements for the year ended December 31, 2006, together with the auditors' report thereon and the notes thereto.
- (c) The Company's amended audited financial statements for the year ended December 31, 2005 filed on August 2, 2006, together with the auditors' report thereon and the notes thereto.
- (d) The Company's amended Management's Discussion and Analysis of financial condition and results of operations for the year ended December 31, 2006, filed on January 23, 2007.
- (e) The Company's amended Management's Discussion and Analysis of financial condition and results of operations for the year ended December 31, 2005, filed on August 2, 2006.
- (f) The Company's Management Information Circular dated May 19, 2006 prepared in connection with the Company's special meeting of shareholders held on June 22, 2006.
- (g) The Company's material change report dated May 9, 2006 describing the Company's new resource estimates for Deposit No.1 of the Company's 100% owned Mary River Property (as herein defined) located on northern Baffin Island in Nunavut Territory, Canada.
- (h) The Company's material change report dated May 16, 2006 describing the results of a scoping study on Deposit No.1 of the Company's 100% owned Mary River Property located on northern Baffin Island in Nunavut Territory, Canada.
- (i) The Company's material change report dated August 31, 2006 describing the Company's agreement to issue an aggregate of 2,000,000 common shares (flow-through) at \$2.50 per Common Share for gross proceeds of \$5,000,000.
- (j) The Company's material change report dated October 20, 2006 describing the Company's agreement to issue an aggregate of 5,818,180 common shares (flow-through) at \$2.75 per Common Share for gross proceeds of \$15,999,995.

Any documents of the type referred to above (excluding confidential material change reports) and any interim financial statements filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and prior to the termination of the distribution of the Units are deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that is necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

Information on any of the websites maintained by the Company does not constitute a part of this short form prospectus.

BUSINESS OF THE COMPANY

General

The Company is a mining exploration and development company focused on exploring and developing, if warranted, the iron ore deposits located on the Mary River Iron Ore Project in Northern Baffin Island, Nunavut (the “Mary River Property”). Over the short term the Company intends to achieve this objective by:

- Conducting an exploration program at the Mary River Property to develop and expand the existing resource base.
- Defining the metallurgical characteristics of potential production from the Mary River Property and determining the level of customer acceptance of such product through metallurgical test-work.
- Reviewing the transportation corridors on Baffin Island and determining the shipping alternatives available to the Company to permit it to transport product from the Mary River Property to the potential customers of the Company.
- Continuing the consultation process with the local communities on Baffin Island and in Nunavut that will lead to the development of an “Inuit Impact and Benefits Agreement” (the “IIBA”). Under the Nunavut Land Claims Agreement signed by the Canadian government and the Tunngavik Federation of Nunavut (now the Nunavut Tunngavik Inc.), any major development project requires the negotiation of an IIBA. The IIBA primarily deals with employment initiatives and opportunities, protection and development of health, safety and the environment, development of community communication channels, and defining responsibilities of the Company to maximize the benefit and minimize impact to the land and Inuit.
- Completing a definitive feasibility study.
- Completing the basic engineering and the definitive capital cost estimate for construction at the Mary River Property.
- Completing an environmental impact assessment of the proposed mining operation.
- Exploring the potential for integrated local participation in any development of the Mary River Property by developing communication channels with local communities to both explore and maximize current and future employment and business opportunities.
- Adding one or more strategic investors in addition to Mitsubishi Corporation.

The Company completed a 7,000 metre drilling program in 2006 focused on in-fill, geotechnical and condemnation drilling on Deposit No. 1 and the exploration of the satellite Deposits No.2 and No.3. The results of this drilling are expected to be incorporated in future technical and economic studies. The Company is currently planning a drilling program totaling 9,000 to 11,000 metres using five to six drills for 2007. It is expected that the drilling program will focus on in-fill drilling on Deposit No. 1 and geotechnical drilling to support the definitive feasibility study. The Company is also currently planning on completing a definitive feasibility study in the fourth quarter of 2007. Planning is underway for mobilization of contractors and equipment during the 2007 sealift to prepare a 250,000 tonne bulk sample for shipment in the 2008 ice-free period from Milne Inlet. Results of the geological evaluation of the bulk sample, if positive, should form the basis for negotiation of long-term marketing contracts, which if concluded would then support the financing of the Mary River project.

If, as a result of these steps, the Company determines that the iron ore deposits on the Mary River Property have sufficient quality and quantity to take advantage of the present favourable market conditions for potential new iron ore producers, then the Company hopes to advance the Mary River Property to a development stage.

Recent Developments

On May 4, 2006, the Company released a new resource estimate for Deposit No. 1 located on the Mary River Property, announcing an indicated resource of 309 million tonnes at an average grade of 66.1% iron plus an additional inferred resource of 28 million tonnes at an average grade of 65.9% iron, defined with a practical open pit geometry. On May 16, 2006, the Company filed the “Mary River Iron Ore Project Northern Baffin Island, Nunavut” technical report dated May 2006 and subsequently amended October 2006 (the “Technical Report”), which includes a discussion of the results of the scoping study on Deposit No. 1 performed by Aker Kvaerner E&C, a Division of Aker Kvaerner Canada Inc. (“Aker Kvaerner E&C”). These results included a conclusion that the indicated and inferred resources of the Mary River Property, based on the shipment of 10 million dry metric tonnes (dmt) of high-grade iron ore (66% Fe) per year to the European market, supported a mine life of 34 years, that the pre-tax internal rate of return was 15%, with a payback period of just under 6 years, and that the project cash flow was projected to be in excess of \$6 billion over the mine life. These conclusions were based upon information and certain assumptions (such as, but not limited to, long-term iron ore prices, oil prices and exchange rates) supplied by the Company. The freight on board Baffin Island sales prices assumed in the base case of the study were approximately 25% lower than 2005 market prices, and approximately 36% below 2006 iron ore prices. The study is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results described in the study will be realized. Reference is made to the Technical Report for a complete description of the assumptions, qualifications and procedures relating to the foregoing. See “Experts”.

On September 8, 2006 the Company closed a non-brokered private placement of an aggregate of 2,000,000 common shares (flow-through) at \$2.50 per share for gross proceeds of \$5,000,000.

On October 26, 2006 the Company closed a private placement of an aggregate of 5,818,180 common shares (flow-through) at \$2.75 per share for gross proceeds of \$15,999,995.

On December 12, 2006, the Company announced assay results for five holes from the Company’s 2006 exploration programs on the Mary River Property, including one hole from Deposit No. 3 that had a single continuous intercept of massive specular hematite of 169.8 metres grading 65.8% iron from 90.2 metres down the hole to 260.0 metres, where the hole ended prematurely in high grade mineralization due to technical drilling difficulties.

CAPITALIZATION

The following table sets forth the capitalization of the Company as at December 31, 2006 and as at December 31, 2006 after giving effect to the Offering. See “Use of Proceeds”. This table should be read in conjunction with the Company’s audited financial statements, related notes thereto and related management’s discussion and analysis incorporated by reference in this short form prospectus.

	As at December 31, 2006	As at December 31, 2006 after giving effect to the Offering ⁽¹⁾
Common Shares	\$ 47,093,202	\$ 72,167,768
(authorized — unlimited)	(51,930,045 Common Shares outstanding)	(62,839,145 Common Shares outstanding)
Warrants	—	\$ 2,725,457
		(5,454,550 Warrants outstanding)
Contributed Surplus	\$ 4,649,523	\$ 4,649,523
Deficit	(\$43,240,730)	(\$43,240,730)
Total Shareholders’ Equity	\$ 8,501,995	\$ 36,302,018

(1) After deducting the Agents’ Fee and estimated expenses of the Offering.

DESCRIPTION OF SECURITIES BEING ISSUED

The Offering consists of 10,909,100 Units, with each Unit being comprised of one Common Share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Warrant Share for a period of 5 years commencing from the date of closing of the Offering, subject to adjustment in certain events. The Units will separate into Common Shares and Warrants immediately upon issue.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2006, the Company had 51,930,045 Common Shares issued and outstanding.

The holders of the Common Shares are entitled to receive notice of any meeting of the Company's shareholders and to attend and vote thereat. Each Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive on a *pro rata* basis such dividends as the board of directors of the Company may declare. In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the Common Shares will be entitled to receive on a *pro rata* basis all of the assets of the Company remaining after payment of all of the Company's liabilities.

Warrants

The Warrants will be created and issued pursuant to an indenture (the "Warrant Indenture") to be dated as of the Closing of the Offering between the Company and Computershare Trust Company of Canada, as warrant agent (the "Warrant Agent"). The following is only a summary of the terms and conditions of the Warrant Indenture, and does not purport to be complete. This summary is qualified in its entirety by the actual text of the Warrant Indenture, which will be filed by the Company on SEDAR following the closing of the Offering.

Each whole Warrant will entitle the holder thereof to purchase one Warrant Share at a price of \$5.50 at any time from the date of closing of the Offering until the date that is 5 years following the date of closing of the Offering (the "Expiry Date"), subject to adjustment in certain events. The Warrants will become null and void on the Expiry Date. The Company will appoint the principal transfer office of the Warrant Agent in the City of Toronto, Ontario, as the location at which the Warrants may be surrendered for exercise, transfer or exchange.

The Warrant Indenture will provide for adjustment to the exercise price of the Warrants and/or to the number or kind of securities or property issuable upon the exercise of the Warrants upon the occurrence of certain events, including:

- (a) a subdivision of the Common Shares into a greater number of Common Shares or a consolidation of the Common Shares into a lesser number of Common Shares;
- (b) a reclassification of the Common Shares, a change of the Common Shares into other shares, securities or property or any other capital reorganization, an amalgamation, arrangement, merger, consolidation or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares or in any holders of the outstanding Common Shares receiving other shares, securities or property, or a sale, lease, exchange or transfer of all or substantially all of the assets of the Company to another corporation or entity; and
- (c) subject to certain exceptions, a distribution by the Company to all or substantially all of the holders of the Common Shares (other than as a dividend paid in the ordinary course) of:
 - (i) Common Shares or shares of any class (whether of the Company or any other corporation) other than Common Shares;
 - (ii) rights, options or warrants;
 - (iii) evidences of indebtedness; or
 - (iv) cash, securities, or other property or assets.

No adjustment in the exercise price or in the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would require an increase or decrease of at least one percent in the exercise price then in effect or change the number

of Warrant Shares issuable upon exercise of the Warrants at the time of exercise by at least one one-hundredth of a Warrant Share. The Company will covenant in the Warrant Indenture that, during the period in which any Warrants remain outstanding, it will give notice to holders of Warrants of events that would result in an adjustment to the exercise price of the Warrants and/or to the number or kind of securities or property issuable upon the exercise of the Warrants.

Pursuant to the terms of the Warrant Indenture, the Company will be entitled to purchase Warrants in the open market, by private agreement or otherwise, and any Warrants so purchased will be surrendered to the Warrant Agent for cancellation.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Any subscription for fractional Warrant Shares will be deemed to be a subscription for the next smallest whole number of Warrant Shares. Holders of Warrants will not as such have any voting rights or any other rights which a holder of Common Shares would have.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including rectifying defects or inconsistencies or making other changes that do not materially and adversely affect the rights of any holder of Warrants. The Warrant Indenture may also be amended by “extraordinary resolution”, which is defined in the Warrant Indenture as a motion either (1) passed at a meeting of the holders of Warrants at which there are present in person or represented by proxy holders of Warrants representing in the aggregate not less than 10% of the total number of Warrants then outstanding (subject to the quorum reset provisions of the Warrant Indenture) and passed by the affirmative vote of holders of Warrants who hold in the aggregate not less than 66⅔% of the total number of all the then outstanding Warrants represented at the meeting and voted on such motion or (2) adopted by an instrument in writing signed by the holders of Warrants who hold in the aggregate not less than 66⅔% of the total number of the Warrants then outstanding.

USE OF PROCEEDS

In 2006, advanced exploration continued on the Mary River Property towards improving confidence levels in the technical, environmental and economic information set out in the Technical Report. For the year ended December 31, 2006, the Company spent approximately \$26.5 million on exploration activities, which were funded out of the proceeds of flow-through equity offerings by the Company, and which included approximately 7,000 metres of drilling, completion of a scoping study of Deposit No. 1 and continuation of the collection of data for the environmental impact assessment of the proposed mining operation, which is currently expected to be completed in the second half of 2007. The Company has also started the process of preparing a definitive feasibility study, which is currently expected to be completed in the fourth quarter of 2007.

The following table sets forth the exploration expenditures of the Company on the Mary River Property for the periods ended December 31, 2006 and December 31, 2005:

EXPLORATION EXPENDITURES

	For the period ended December 31,	
	2006	2005
Employment costs	\$ 2,048,584	\$ 992,829
Mobility costs	814,030	181,801
Rights, consents, and sustainable development	413,047	72,602
Geological, geochemical, geophysical — prospecting	1,001,491	966,423
Drilling and evaluations	11,500,415	8,758,898
Engineering	5,429,510	350,651
Field camp and equipment	2,817,755	2,947,642
Health, safety and environment	2,449,709	715,249
Information technology	—	47,383
Training	—	1,715
Total	<u>\$26,474,541</u>	<u>\$15,035,193</u>

The Technical Report sets forth a number of recommendations to assist the Company in completing a definitive feasibility study, including:

- (a) specific targeted drilling activities on Deposit No. 1;
- (b) a detailed surface mapping and sampling program on Deposit No. 1;
- (c) evaluation of potential transport corridors and transport options;
- (d) activities related to infrastructure, including obtaining geotechnical information to allow foundation design for facilities at port and mine site; and
- (e) obtaining geotechnical information relating to pit slopes.

The Company has completed the activities included in its work plan for 2006, and is now awaiting the results of this work plan, which are currently expected by May, 2007, and work on the foregoing recommendations has either been completed or is expected to be completed in 2007.

The estimated net proceeds of the Offering, after deducting the Agents' Fee and the expenses of the Offering, will be \$27.8 million. The Company intends to use the net proceeds of the Offering to finance exploration and potential development activities on the Mary River Property and for general corporate purposes. As stated in the Technical Report, the results of the Company's scoping study indicate that the Mary River Property is sufficiently robust to be advanced to higher orders of evaluation and feasibility. Consistent with this goal, the Company currently expects that it will allocate approximately \$6.5 million from the net proceeds of the Offering towards completing the definitive feasibility study, approximately \$8 million towards completing the environmental impact assessment of the proposed mining operations, and the balance towards the 2007 drilling program. Mr. Rodney Cooper, who is the Vice-President Operations and Chief Operating Officer of the Company and a qualified person within the meaning of National Instrument 43-101, has been involved in the preparation of this work plan. The actual use of the net proceeds of the Offering may vary depending on changing business circumstances.

PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Agency Agreement") dated January 24, 2007 among the Company and the Agents, the Company has agreed to sell and the Agents have agreed to arrange for purchasers on a best efforts agency basis, on January 31, 2007, or on such other date as may be agreed upon by the Company and the Agents, but in any event no later than February 16, 2007, of the Units at a price of \$2.75 per Unit for an aggregate consideration of \$30,000,025 payable to the Company by the Agents against delivery of certificates representing the Common Shares and Warrants comprising the Units. The obligations of the Agents under the Agency Agreement are conditional and may be terminated at their discretion upon the occurrence of certain stated events, including on the basis of their assessment of the state of the financial markets. The Agents have agreed to use their best efforts to sell the Units offered hereby but they are not obligated to purchase any Units.

The Agency Agreement also provides that the Company will indemnify the Agents and their directors, officers and employees against certain liabilities and expenses or will contribute to payments that the Agents may be required to make in respect thereof.

The offering price of the Units was determined by negotiation between the Company and the Agents. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Agents reserve the right to close the subscription books at any time without notice.

The TSX has conditionally approved the listing of the Common Shares and Warrants to be offered hereby, as well as the Warrant Shares issuable upon exercise of the Warrants. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before April 13, 2007, including distribution of the Warrants to a minimum number of public holders.

Pursuant to policy statements of the Ontario Securities Commission, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. Such exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market

stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws in connection with the Offering, the Agents may over-allot Common Shares or effect transactions intended to stabilize or maintain the market price of the Common Shares of the Company at a higher level than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time during the Offering.

The Company has agreed not to sell or issue (as applicable), nor agree to sell or issue (as applicable), without the prior consent of Raymond James Ltd., not to be unreasonably withheld or delayed, any of the Company's equity securities or securities convertible, exchangeable or that can in any manner be substituted for, the Company's equity securities, in the 90 days following the Closing, except in conjunction with: (i) the grant or exercise of options and similar issuances pursuant to any Common Share compensation plan or arrangement or any outstanding option to acquire Common Shares, (ii) the issuance of securities in connection with the currently outstanding convertible securities of the Company; (iii) the sale or issuance of securities pursuant to pre-emptive rights granted by the Company prior to the date hereof; or (iv) the sale or issuance of securities on a private placement basis to one or more strategic investors.

The Common Shares and Warrants comprising the Units and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and, subject to certain exceptions, may not be offered for purchase or sale, sold, transferred or otherwise disposed of, directly or indirectly, within the United States or its territories or possessions or to or for the account or benefit of any U.S. person (as defined in Regulation S under the U.S. Securities Act). The Agents have agreed that they will not offer or sell the Units within the United States except in accordance with the Agency Agreement. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units within the United States or to U.S. persons. In addition, until 40 days after the commencement of the Offering, any offer or sale of any of the Units within the United States, its territories or possessions by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with an available exemption under the U.S. Securities Act.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units consisting of Common Shares and Warrants pursuant to this Offering and who, at all relevant times, for purposes of the application of the Tax Act, (i) is, or is deemed to be, resident in Canada; (ii) deals at arm's length with the Company; (iii) is not affiliated with the Company; and (iv) holds the Common Shares and Warrants as capital property (a "Holder"). Generally, the Common Shares and Warrants will be capital property to a Holder provided the Holder does not acquire or hold those Common Shares or Warrants in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Holders whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Warrants.

This summary is not applicable to a purchaser that is a "financial institution" for purposes of certain rules applicable to securities held by financial institutions, "specified financial institutions", or a holder an interest in which would be a "tax shelter investment", all as defined in the Tax Act. Such purchasers should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "Regulations"), and counsel's understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency (the "CRA") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not take into account or anticipate any changes in law or administrative or assessing practice whether by legislative,

regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations applicable to an investment in Units. Accordingly, prospective purchasers of any Units should consult their own tax advisors having regard to their own particular circumstances.

Allocation of Purchase Price

Holder of Units will be required to allocate the purchase price of each Unit between the Common Share and the one-half of a Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. The Company will also be required to allocate the amount received for each Unit between the Common Share and the one-half of a Warrant on a reasonable basis for the purposes of the Tax Act. Counsel has been advised by management of the Company that it will allocate, of the full purchase price of \$2.75 for each Unit, \$2.48 to the Common Share and \$0.27 to the one-half of one Warrant. Management of the Company believes that this allocation is reasonable; however, such allocation will not be binding on a Holder or the CRA.

Exercise or Expiry of Warrants

A Holder will not realize a gain or loss on the exercise of a Warrant. The Holder's cost of Warrant Shares acquired on the exercise of any Warrants will be equal to the aggregate of the Holder's adjusted cost base of the Warrants exercised plus the exercise price paid for the Warrant Shares. In the event of the expiry of an unexercised Warrant, a Holder will generally realize a capital loss in an amount equal to the adjusted cost base to the Holder of the Warrant. The taxation of capital losses is described below under "Disposition of Common Shares and Warrants."

Disposition of Common Shares and Warrants

A Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than a disposition arising on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition to the extent that the proceeds of disposition, net of any reasonable disposition costs, exceed (or are exceeded by) the adjusted cost base of such Common Shares or Warrants, as the case may be, to the Holder. The adjusted cost base to a Holder of a Common Share acquired either as part of a Unit or pursuant to the exercise of a Warrant will be determined at any time by averaging the cost of that Common Share with the adjusted cost base of all Common Shares held at that time by the Holder. Similarly, the adjusted cost base to a Holder of a Warrant acquired as part of a Unit will be determined at any time by averaging the cost of that Warrant with the adjusted cost base of all identical Warrants held at that time by the Holder.

Generally, a Holder will be required to include one-half of the amount of any capital gain (a "taxable capital gain") in income and will deduct one-half of the amount of any resulting capital loss (an "allowable capital loss") against net taxable capital gains. Excess allowable capital losses not deducted in the taxation year in which they are realized may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act. A capital loss realized from the disposition of a Common Share by a Holder that is a corporation may in certain circumstances be reduced by the amount of dividends which have been previously received or deemed to have been received by the Holder on such shares. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust of which a corporation is a member or a beneficiary is a partnership or a beneficiary of a trust that owns Common Shares.

Capital gains realized by an individual and certain trusts may result in the individual or trust being liable for alternative minimum tax under the Tax Act.

Taxation of Dividends Received by Holders of Common Shares

A Holder of Common Shares will be required to include in computing its income for a taxation year any dividends received on such Common Shares. In the case of a Holder that is an individual (other than certain

trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Certain Proposed Amendments, if enacted in their current form, would provide for an enhanced dividend tax credit in respect of “eligible dividends” designated by the Company to the Holder.

Taxable dividends received by a Holder who is an individual (other than certain trusts) will be relevant in computing possible liability for alternative minimum tax.

Dividends (including deemed dividends) received on Common Shares by a Holder that is a corporation will be included in income and normally will be deductible in computing such Holder’s taxable income. However, the Tax Act will generally impose a 33 $\frac{1}{3}$ % refundable tax on such dividends received by a corporation which is a “private corporation” or “subject corporation” for purpose of Part IV of the Tax Act to the extent that such dividends are deductible in computing the corporation’s taxable income.

Additional Refundable Tax

A Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for a refundable tax of 6 $\frac{2}{3}$ % on investment income, including taxable capital gains realized and dividends received or deemed to be received in respect of the Common Shares (but not dividends that are deductible in computing taxable income.)

RISK FACTORS

An investment in Units is subject to a number of risks, including, but not limited to: risks inherent in the exploration for and development of mineral deposits, risks relating to changes in iron ore prices and changes in the worldwide demand for, and supply of, iron ore, uncertainties inherent in the calculation of mineral reserves and resources, risks relating to the remoteness of the Mary River Property, including access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing and capitalization risks, environmental risks and insurance risks.

In addition to the other information contained in this short form prospectus and the Company’s other publicly filed disclosure documents, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this short form prospectus. Any of the matters highlighted in these risk factors could have a material adverse effect on the Company’s business prospects or financial condition.

Nature of the Company’s Exploration Activities

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. The Mary River Property is still in the exploration stage. Significant expenses will be required to establish ore reserves, to develop ore blending strategies and to construct mining and material handling facilities at the Mary River Property. It is impossible to provide any assurance that the exploration programs planned by the Company will result in a profitable commercial mining operation.

The Mary River Property is the Company’s only property. Accordingly, if the Company is unable to develop the Mary River Property into a profitable commercial mining operation and/or acquire additional properties, then the Company will have no source of revenue or income.

Iron Ore Prices

The development and success of the Mary River Property will be dependent, in part, on the future price of iron ore. Iron ore prices are subject to fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, global and regional supply and demand, and the political and economic conditions of major iron-ore producing countries throughout the world. The price of iron ore has increased substantially in recent years, and future significant price declines could cause continued exploration and development of the Mary River Property to be impracticable.

Licenses and Permits

The exploration of the Mary River Property requires licenses and permits from the Canadian government and the government of Nunavut and consents from third-parties. If the exploration of the Mary River Property warrants the development of the Mary River Property into a commercial mine, then the Company will require additional permits to mine the Mary River Property. Additionally, the Company must successfully complete an environmental assessment process through the Nunavut Impact Review Board and successfully negotiate the IIBA. There can be no guarantee that the Company will be able to complete the environmental assessment process, successfully negotiate the IIBA and obtain or maintain all necessary licenses, permits and third-party consents that may be required to explore and, if warranted, develop and mine the Mary River Property.

The Company's rights to the Mary River Property are held in the form of leases held by the Canadian government. If the Company fails to meet the specific requirements of a lease, the lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each lease will be met. The termination or expiration of the Company's leases would have a material adverse effect on the Company's business prospects and financial condition.

The Company's water use permit expired on December 31, 2006. Since the Company's field operations at the Mary River Property were shut down in October 2006, the expiration of this water use permit has not had an immediate impact on the Company's operations. The Company has applied for a renewal of its water use permit, and has no reason to believe that this permit will not be renewed in a timely manner, or that the terms, conditions or restrictions of a renewed permit will be more onerous than its prior permit. However, if the renewal is not granted, or is not granted in a timely manner or on favourable terms, then the Company will not be able to proceed with its currently planned drilling and bulk sampling programs, or such programs may be delayed or altered. Any delay or inability to complete the Company's currently planned drilling and bulk sampling programs would delay or prevent the advancement of the Company's Mary River Property, which would have a material adverse affect on the Company.

Mineral Reserves and Resources

The activities of the Company are directed towards the search, evaluation and development of iron ore deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of economic ore bodies. Whether the Mary River Property will be commercially viable depends on a number of factors, some of which include: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which can be cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Many of these factors are outside of the control of the Company and the exact effect of these factors cannot accurately be predicted. The combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to indicated mineral resources, there is no assurance that mineral resources at the Mary River Property will be upgraded to proven and probable ore reserves. The scoping study on Deposit No. 1 conducted for the Company is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results described in the scoping study will be realized.

Capitalization and Commercial Viability

The Company's operating and capital expenditures are expected to increase in subsequent years with the advancing of exploration and development activities. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development.

The Company's historical capital needs have been met by the issuance of Common Shares. The Company will require substantial additional funds to further explore and, if warranted, develop the Mary River Property. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned

exploration activities, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Mary River Property. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company. Various factors including the Company's exploration results could cause significant fluctuations in the price and volume of trading in the Common Shares of the Company.

It is a goal of the Company to add one or more strategic investors in addition to Mitsubishi Corporation. However, there can be no assurance that an additional strategic investor will invest in the Company, or that any such investment will be on favourable terms. Any future equity investment by a strategic investor would likely result in dilution to the existing shareholders of the Company.

Regulatory and Environmental Risks

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws and regulations governing the operations and activities of the Company or the more stringent implementation thereof could have a substantial adverse impact on the Company.

Remote Northern Location

The Mary River Property, because of its remote northern location and limited accessibility, is subject to special climate and transportation risks. These risks include the inability to operate or to operate efficiently during periods of extreme cold, the unavailability of materials and equipment, and unanticipated transportation costs. Adverse weather conditions may also prevent the operation of equipment on land, in the air or on the ocean. Such factors can add to the cost of mine exploration, development, production and operation, thereby affecting the Company's financial condition.

Insurance

In the course of the exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operational conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could materially adversely affect the financial condition of the Company.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the mining industry. The Company periodically evaluates the cost and coverage of the insurance against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, the payment of any such environmental liabilities for which the Company becomes responsible could materially adversely affect the financial condition of the Company.

Reliance on Key Personnel

The Company's success depends in large measure on the continued contributions of certain of the Company's executive officers and other key management and personnel, certain of whom would be difficult to replace. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not maintain key person insurance.

Mining Operations

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of iron ore, including variations in grade and other geological differences, surface or underground conditions, processing problems, mechanical equipment performance, accidents, labour disputes, force majeure risks and natural disasters. Such risks could result in: personal injury or fatality, damage to or destruction of mining properties, processing facilities or equipment; environmental damage; delays or reductions in mining production; monetary losses; and possible legal liability. Hazards, such as unusual or unexpected rock formations, rock bursts, pressures or other conditions may be encountered in the drilling and removal of ore.

No Market for the Warrants

There is currently no market through which the Warrants may be sold, and there can be no assurance that such a market will develop. As a result, purchasers may not be able to resell Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

EXPERTS

Certain information of an economic (including economic analysis), scientific or technical nature regarding the Mary River Property included in this short form prospectus (the “Information”) is summarized or extracted from the Technical Report prepared by Mr. Fred A. Edwards, P. Eng, Mr. Rene Gharapetian, P. Eng, Mr. Robert Lynn Moxham, P. Eng, P. Geo, and Mr. George H. Wahl, P. Geo, each of whom is a “Qualified Person” as defined in National Instrument 43-101. The authors were engaged by Aker Kvaerner E&C to prepare the Technical Report. The Information is based on assumptions, qualifications and procedures that are set out only in the full Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the provision of the Information, reference should be made to the full text of the Technical Report. All of the authors of the Technical Report are independent of the Company within the meaning of National Instrument 43-101 and do not have an interest in the property of the Company. As of the date hereof, the authors and Aker Kvaerner E&C beneficially own, directly and indirectly, less than 1 per cent of the outstanding Common Shares of the Company.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Units will be passed upon on behalf of the Company by Stikeman Elliott LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP. As of the date hereof, the partners and associates of each of Stikeman Elliott LLP and Cassels Brock & Blackwell LLP beneficially own, directly and indirectly, less than 1 per cent of the outstanding Common Shares of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, P.O. Box 82, Royal Trust Tower, Suite 3000, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8, who report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus dated January 24, 2007 relating to the distribution of 10,909,100 Units of Baffinland Iron Mines Corporation (the "Company"). We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above mentioned short form prospectus of our report to the shareholders of the Company on the balance sheet of the Company as at December 31, 2006 and the statements of operations and deficit and cash flows for the year ended December 31, 2006. Our report is dated January 15, 2007.

Toronto, Canada
January 24, 2007

(signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus dated January 24, 2007 relating to the distribution of 10,909,100 Units of the Company. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above mentioned short form prospectus of our report to the shareholders of the Company on the balance sheet of the Company as at December 31, 2005 and December 31, 2004 and the statements of operations and deficit and cash flows for the years then ended. Our report is dated March 8, 2006 except for Note 2 which is dated August 1, 2006.

Richmond Hill, Canada
January 24, 2007

(signed) BRODEUR DENNIS
Chartered Accountants

CERTIFICATE OF THE COMPANY

Dated: January 24, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of Canada, other than Québec.

By: (Signed) GORDON A. MCCREARY
President and Chief Executive Officer

By: (Signed) ROBERT J. CHAUSSE
Vice President and Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) RICHARD D. MCCLOSKEY
Director

By: (Signed) JOHN LYDALL
Director

CERTIFICATE OF THE AGENTS

Dated: January 24, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of Canada, other than Québec.

RAYMOND JAMES LTD.

By: (Signed) DAVID GREIFENBERGER

BMO NESBITT BURNS INC.

GMP SECURITIES L.P.

NATIONAL BANK FINANCIAL INC.

By: (Signed) JASON NEAL

By: (Signed) MARK WELLINGS

By: (Signed) STEVEN FARBER

Baffinland