



OVERVIEW DOCUMENT

MARY RIVER PROJECT

The Company

Baffinland Iron Mines Corporation (“Baffinland”) is a Canadian company dedicated to the responsible development of its high-grade Mary River iron ore deposits located approximately 160 kilometres south of Pond Inlet on north Baffin Island in Nunavut Territory, Canada. Baffinland plans to initiate the regulatory approval process for its proposed development of the Mary River project with the submission of applications and a detailed project description in December 2007.

Four iron ore deposits have been identified in the Mary River area, all located on mineral leases held 100% by Baffinland. The proposed Mary River project will involve the development of Deposit No. 1 on Nuluujaak Mountain. Subject to receiving regulatory and board of director approvals, Baffinland expects to initiate mine construction in 2010, begin mining in 2013 and make its first commercial delivery of iron ore from Deposit No. 1 in 2014.

The Mary River iron ore deposits were discovered by prospector Murray Watts and his pilot, Ron Sheardown, in 1962. For many years the deposits remained dormant, until 2004 when Baffinland reactivated exploration on them. Since 2004, efforts have concentrated on ongoing resource delineation, environmental and socio-economic baseline data collection and the completion of engineering and related studies.

Baffinland is a company dedicated to the principles and practice of sustainable development. It believes in taking a long-term perspective and integrating economic, social and environmental considerations into its planning and decision-making. Baffinland will accept very seriously and respectfully, the trust that it would be granted by the local Inuit and their communities as it develops the Mary River project.

The Project

The proposed Mary River project expects to produce 12.6 million tonnes of direct-shipping iron ore per year and operate for at least 25 years. European steel mills will be the primary destination for the ore. The project and its infrastructure will also provide a foundation for potential future production increases after 2014.

Preliminary project plans may be modified in response to ongoing baseline and technical studies, stakeholder input, regulatory decisions, market analysis and project financing.

The following descriptions assume for ease of reading that the project will be approved and constructed according to the current preliminary plans.

By the end of 2007, Baffinland anticipates releasing its definitive project feasibility study and will have submitted regulatory applications and a formal project description of the proposed works to regulators. Regulatory review of the proposed project will be subject to the requirements of the Nunavut Land Claims Agreement (“NLCA”) and the Canadian Environmental Assessment Act (“CEAA”).

Concurrently with the initiation of the regulatory review process, Baffinland plans to continue exploration and geotechnical drilling and environmental, socio-economic and other studies. Amendments will be required to existing licenses and permits in order to execute these currently planned programs. In addition, a 250,000 tonne bulk sample program is underway at Mary River and scheduled for completion in 2008. Combined, the results of these programs will provide additional information for detailed project engineering and regulatory permitting activities.

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In 2006 Baffinland began negotiations for an Inuit Impact and Benefit Agreement (“IIBA”) with the Qikiqtani Inuit Association (“QIA”) under the terms of the NLCA. An IIBA deals primarily with training and employment initiatives, the identification of business opportunities, environmental and socio-economic mitigation, the development of community communication channels, and defines a company’s responsibilities in maximizing benefits to the beneficiaries of the NLCA. The finalization of an IIBA is required prior to the development of the Mary River Project.

The Mary River iron ore is a direct-shipping ore, and full-scale operations on-site will consist of open pit mining using conventional truck and shovel technology followed only by crushing and screening of the iron ore into two size fractions. No additional processing will be required, and no tailings generated. The screened iron ore will be transported southwest over a rail link to a port operation at Steensby Inlet, where it will be loaded year-round onto project-dedicated ice-strengthened ore carriers for shipment primarily to European steel makers. Market vessels may also be chartered during the open-water season to supplement the dedicated shipping fleet.

All technologies proposed for the Mary River project are proven and used safely and efficiently in similar applications.

Construction

Construction of the Mary River project is currently expected to commence during the summer of 2010, given timely receipt of the necessary permits and approvals. It will be staged from the future port site at Steensby Inlet, the existing Mary River campsite, and several work camps situated along the corridor of the future rail line. A construction access road will be required between Steensby Inlet and the Mary River site to facilitate rail line construction.

Baffinland intends to seek permission to pre-position equipment and materials to facilitate timely construction. During the summer of 2009, dry cargo and heavy equipment would be positioned near the beach at Steensby Inlet, and fuel barges and barge mounted construction personnel camps would be positioned offshore. Fuel, equipment and materials will also be staged at Milne Inlet. As part of the pre-construction staging, Baffinland would transfer materials and supplies from Milne Inlet to the Mary River campsite using the existing winter road corridor. Should the Mary River project not receive necessary regulatory approvals to proceed to construction, pre-positioned equipment and materials would be demobilized.

Operations

Mining

Mining of Deposit No. 1 at Mary River will use conventional open pit drilling and blasting techniques, electric shovels and 160 tonne haulage trucks. A cut-off grade of 58% will be used for initial open pit design, and life-of-mine scheduling, with the remainder of the material classified as waste. Waste material will be stored in rock piles located adjacent to the open pit. The ratio of waste rock to ore through the life of the open pit is expected to average 1.7:1. Since no further processing of the ore will be needed before shipment to market, the construction and operation of tailings management facilities will not be required.

Ore from the pit will be hauled to a primary crusher, crushed to less than 200 mm in size and conveyed to two secondary crushers for further size reduction. Lump ore (less than 31.5 mm and greater than 6.3 mm) is expected to constitute 75 to 80 % of the crusher product with the balance (less than 6.3 mm) being sinter feed or fines. Linear stockpiles covering a total area of approximately 12 hectares will be established near the rail loading facility for the crusher product. The stockpiles will be equipped with rail-mounted stacker/reclaimer systems for loading rail cars.

Rail Transport

From the Mary River rail loading facility, trains will travel approximately 145 kilometres to port facilities at Steensby Inlet. Delivery of 12.6 million tonnes per year of ore will require, on average, four trains per day, 293 days per year, to travel between the open pit and the port facilities. In addition, the railway system will be used to transfer operating supplies and equipment from Steensby Inlet to the Mary River operations. Steensby Inlet was selected as the preferred location for the port, over Milne Inlet, after a review of socio-economic, environmental and operational considerations. It is anticipated that the existing winter road access from Milne Inlet will be used periodically to mobilize large heavy equipment that is not transportable by rail to the Mary River mining operations.

From the rail off-loading area at the Steensby Inlet port, rail cars will be emptied and the ore transferred by a conventional conveyor system to designated linear stockpiles covering a total area of approximately 20 hectares. As with the system at the open pit, stockpiled ore will be managed by rail mounted stacker/reclaimer systems. Ships will be loaded at an anticipated rate of approximately 12,000 tonnes per hour.

Port Facilities and Ocean Transport

The port facility at Steensby Inlet is designed to accommodate cape-sized ore carriers for 12 months each year. Shipment of ore from Steensby Inlet primarily to the European market, together with all port assistance vessels, is assumed to be a service provided by major international shipping company(s), coordinated by Baffinland's valued shipping partner, Fednav Limited ("Fednav"). The port facility will consist of one ore carrier berth and one service berth. The service berth will be used to harbour tugs and for the delivery of project supplies. Facilities will be provided for re-fueling of tugs.

A comprehensive review of ice conditions and the results of site specific bathymetry studies have been used to establish appropriate shipping lanes, and to recommend the required "ice class" for the dedicated ore carriers. Fednav has designed a cape-size ore carrier, Polar Class 4, of 135,000 dead weight tonnes (dwt) capacity, suitable for dedicated operations between Steensby Port and Europe over a 12-month operating period each year. A fleet of eight vessels will be required to fully service the project requirements, according to the results of detailed ice transit simulation studies.

Work Schedules and Supporting Infrastructure

The Mary River project will be operated with fly-in, fly-out camps. Employees, contractors, and other project personnel will be transported to the project site using regularly scheduled chartered aircraft. The regular work rotation will be based on 12-hour workdays and a 2-week on, 2-weeks off, schedule. Personnel will be transported to Mary River from Baffinland-sponsored hiring centres or pick-up locations of Pond Inlet, Clyde River, Arctic Bay, Hall Beach, Igloodik, Iqaluit or Ottawa.

Accommodation complexes will be established at both the Steensby port site and the Mary River mine site. Personnel based at the port site will be transferred from the Mary River airstrip to Steensby by passenger train. It is currently estimated that there may be in the order of 400-500 people on-site at the Mary River project during normal operations.

In addition to worker accommodation, supporting infrastructure will include such facilities as bulk fuel storage systems (approximately 120 million litres), diesel power warehousing facilities, explosives mixing plants, and administrative and technical offices. Most of the support infrastructure will be established at Mary River and Steensby Inlet.

Community Involvement

With an initial mine life of approximately 25 years, the Mary River project will have the ability to provide broad and sustained economic and social benefits to the people of north Baffin Island, to Nunavut, and to Canada. There will be direct local benefits through the creation of jobs, training, and community-based business opportunities. Revenues to government will contribute to the provision of essential services such as health care, education, and civic infrastructure.

Baffinland has demonstrated through its work to-date a strong commitment to the development and fostering of community relationships. As it prepares to initiate the regulatory approval process, Baffinland will continue to engage with stakeholders to discuss project plans and identify and resolve issues and concerns.

Baffinland has established a variety of mechanisms to facilitate community dialogue. It has initiated Inuit Qaujimagatuqangit (“IQ”) studies, opened locally staffed community liaison offices and held regular meetings with community leaders and organizations, and encourages direct feedback from its local employees and contractors.

Regulatory Timeline and Project Schedule

To initiate the regulatory approval process, Baffinland intends to submit applications and a formal project description prior to the end of 2007. The submission of applications is expected to lead to the submission of a comprehensive Environmental Impact Statement (“EIS”) in the latter half of 2008. While the project description will give the information required to scope detailed regulatory review, the EIS will assess potential impacts of the Mary River project and the proposed mitigating measures. The following schedule is currently anticipated for the purposes of project planning:

Ongoing	Stakeholder Engagement
December 2007 – January 2010:	Formal Applications and Regulatory Process
August 2009 – September 2009:	Pre-construction Staging
May 2010 – April 2014:	Construction
May 2013 – September 2014:	Staged Start-up and Commissioning
September 2014:	First Commercial Shipment

Contact Information

For further information, please contact:

Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, Ontario, Canada M5H 1T1

Attention: Derek Chubb
Vice President, Sustainable Development
Tel: 416-814-3171

or Rodney Cooper
Vice President Operations and Chief Operating Officer
Tel: 416-814-3158

or Gordon McCreary
President and Chief Executive Officer
Tel: 416-814-3163

Email inquiries: MaryRiverProject@baffinland.com
Company Website: www.baffinland.com

This Project Overview Document contains certain information that may constitute forward-looking information within the meaning of securities laws. 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 Baffinland. Without limitation, statements about Baffinland's plans to complete a definitive feasibility study, including the scheduled timing thereof and other related statements, statements about the planned bulk sample program and related statements, statements about the completion of a project description and draft environmental impact statements, statements about Baffinland's planned drilling program, statements about the timing of the commencement of construction, statements about the timing of the first commercial delivery, and statements about the timing of initiation or completion of other project requirements such as regulatory processes and approvals, are forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, expected mineral resources, 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, the feasibility of constructing and operating a direct-shipping iron ore mine at Baffinland's Mary River project and assumptions with respect to environmental risks, title disputes or claims, weather conditions and other similar matters. While Baffinland considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Without limitation, in stating that Baffinland has scheduled the completion of a definitive feasibility study in December of 2007, to initiate constructions in the summer of 2010, to undertake mining in 2013 and its first commercial delivery in 2014, a bulk sample program in 2008, initiate the regulatory process by the end of 2007, and related statements, Baffinland has assumed, among other things, that iron ore prices will not change materially from the prices used in its current financial forecasts and that it will obtain the financing and regulatory approval and other authorizations required to enable the exploration, development and mining activities required in order to complete such activities. In stating that Baffinland anticipates completion of its project description in 2007 and environmental impact statement in 2008 and in making other statements about the IIBA process, Baffinland has assumed, among other things, that it will successfully negotiate and complete an environmental assessment process through the Nunavut Impact Review Board and the Canadian Environmental Assessment Act and that it will successfully negotiate and execute an Inuit Impact Benefits Agreement.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. 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 estimation of mineral reserves and resources, risks relating to the remoteness of the Mary River Property including access and supply risks, reliance on key personnel, construction and operational risks inherent in the conduct of mining activities, regulatory risks, including risks relating to the acquisition of necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing required to fund all currently planned exploration and related activities may not be available on satisfactory terms, or at all, environmental risks and insurance risks. The information provided in this document is given as at September 13, 2007. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While Baffinland may elect to, it is under no obligation and does not undertake to update this information at any particular time, except as required by law.