



March 14, 2008

Mr. Greg Black
Navigable Waters Protection Program Officer
Transport Canada
Navigable Waters Protection Program
1100 9700 Jasper Avenue
Edmonton, Alberta T5J 4E6

**Re: Mary River Project – Navigable Waters Information Package
Transport Canada File No. 8200-07-10103**

Mr. Black:

Baffinland Iron Mines Corporation (Baffinland) is pleased to provide the Navigable Waters Protection Program with a copy of its Development Proposal (March 2008), describing plans for mine development at Mary River. Further to our discussions in November 2007, Baffinland is submitting information on potential Project interactions with waters that may be deemed by Transport Canada to be navigable, with the intent that over the coming months and through the environmental review process, Baffinland will work with the department on an iterative process of determining navigability.

As described in the Development Proposal, the mine will consist of the following:

- An 18 million tonne per year iron ore mine developing Deposit No. 1 as an open pit
- Construction of mine support facilities at Mary River
- Construction of a 143-km long rail line from Mary River to Steensby Inlet
- Establishment of quarries and borrow areas along the rail line, as well as construction access roads, to facilitate rail construction
- Establishment of temporary camps during the construction phase
- Construction of a port consisting of rail off-loading facilities, ore stockpiles, ship loading facilities and docks, rail servicing facilities, accommodations, and an airstrip, all of which is located on Crown Land
- Use of the existing Milne Inlet tote road as a winter road, a portion of which traverses Crown Land

Types of activities associated with this Project for which Baffinland will be seeking approval or exemption pursuant to the *Navigable Waters Protection Act* following an environmental review include the following:

- Water intake structures for potable water sources for camps, the mine site, and Steensby Inlet, as well as up to four railway construction camps
- Brine outfall structure from reverse osmosis desalination plants at the Steensby Inlet port site
- Sewage outfall structures at the mine site, Steensby Inlet and up to four rail construction camps
- Temporary spud barge arrangement at Milne Inlet
- Three permanent dock structures (ore loading dock, freight dock, and tug dock) at Steensby Inlet
- Numerous water crossings (bridges and culvert) for the proposed railway and access roads

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Available supporting technical materials are included in Appendix F of the Development Proposal as follows:

- Rail alignment drawings (8 Drawings in Appendix F1)
- Crossing assessments, showing photos and measurements at, upstream and downstream of proposed crossing sites, at the following locations
 - 217 railway crossing locations (Appendix F2)
 - 28 locations where the rail alignment will encroach on lakes and waterbodies (Appendix F3)
 - 13 locations where quarries are proposed in proximity to watercourses (Appendix F4)
 - 30 locations where the construction access road deviates from the rail alignment and crosses watercourses (Appendix F5)
- Conceptual design drawings of 6 large bridge crossings and typical drawings of standard single-span bridges and culverts (Appendix F6)
- Conceptual design drawings of the ore loading, freight and tug docks and causeway at Steensby port (Appendix F7)

As discussed, Baffinland would be pleased to have a representative from the Navigable Waters Protection Program visit the Mary River site this year for the purpose of determining navigability at proposed development locations, as part of this iterative process. We look forward to an ongoing dialogue through 2008 to ensure process certainty and reduce administrative burden during the approvals stage.

Should you have any questions, concerns or specific advice as it relates to these proposed activities, please contact the undersigned at 416-814-3171 or derek.chubb@baffinland.com.

Best Regards,

Baffinland Iron Mines Corporation

A handwritten signature in blue ink, consisting of a stylized 'D' and 'C'.

Derek Chubb
VP, Sustainable Development