Baffinland
Iron Mines Corporation

August 22, 2006

Ms. Phyllis Beaulieu,
Manager of Licensing,
Nunavut Water Board,
PO Box 119,
Gjoa Haven, Nunavut, X0B 1J0
licensing@nwb.nunavut.ca

Dear Ms. Beaulieu:

Re: Mary River Project – 2007/2008 Bulk Sampling Program

Baffinland Iron Mines Corporation is proposing to extract a bulk sample from deposit No. 1 at the Mary River Project during 2007 and 2008. The purpose for this program is to provide our potential customers with samples for their blast furnaces that are sufficiently large to demonstrate that our future products will be of very high quality and that they will meet the customers' requirements. This demonstration will facilitate long term sales contracts that are necessary to secure financing for the project.

A summary presentation describing the scope of the proposed work, the proposed schedule, workforce, project benefits, health & safety plans and environmental management plans is provided to give you an overview of the program. Baffinland would like to obtain your comments and ideas concerning this program over the next four weeks. We plan to hold a public meeting in Pond Inlet, Nunavut on September 6, in order to obtain further comments from the local community. The results of our baseline environmental studies conducted in the summer will also be available in September, allowing us to combine all of this information into a comprehensive program document that can form the basis for your detailed review. This document will be provided to you at the end of September/early October.

As the Baffinland executive responsible for this program, I look forward to discussing our plans with you at your convenience. I am pleased to meet with you to discuss the program in detail and to obtain your input and I encourage you to contact me by telephone or email.

Sincerely,

Baffinland Iron Mines Corporation

Rod Cooper, P.Eng.,
Vice President Operations
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cc.   G. McCreary - President

Attachment: Mary River Project Bulk Sample Program – Overview / Summary Presentation