

December 10, 2007

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

**Re: Mary River Project
Type "B" Water License 2BB-MRY0710
Amendment Application**

Ms. Beaulieu

Baffinland is in receipt of your distribution letter dated November 29th to potentially interested stakeholders as it relates to the processing of the above noted application.

We bring to your attention a minor point of clarification. Question No. 6 of the Water License application form identifies potential sources for fresh water in support of camp operations at Steensby Inlet and the proposed "Rail Camp". Whereas the application explicitly identifies one potential potable water source for the Steensby Camp, a second and closer lake should have also been named. This alternate water source is shown on Figure 2 and its coordinates are 70°17'24"N, 78°24'56"W. As is the case with each of the potential water sources, the volumes are such that water withdrawals are inconsequential relative to lake volume and as such not anticipated to result in adverse effects.

Should you have any comments or concerns, please do not hesitate to contact the undersigned at 416-814-3171 or Derek.chubb@baffinland.com.

Best Regards,
Baffinland Iron Mines Corporation



Derek Chubb
VP, Sustainable Development