



NIRB No.:07EN004
INAC No.: N2006C0036
QIA No.:Q05L2C14

January 29, 2007

Rod Cooper
Vice President Operations
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON M5H 1T1
Via email: rod.cooper@baffinland.com

Re: Notice of Part 4 Screening for Baffinland's Mary River Geotechnical Drilling Program Project Proposal

Dear Mr. Cooper:

On January 24, 2007, the Nunavut Impact Review Board (NIRB or Board) received Baffinland Iron Mine Corporation's (Baffinland) Mary River Geotechnical Drilling Program (Drilling Program) project proposal from Indian and Northern Affairs Canada (INAC) and the Qikiqtani Inuit Association. This project proposal received a positive conformity determination from the Nunavut Planning Commission on January 22, 2007.

The project proposal includes a renewal and amendment of activities previously permitted by INAC, the QIA, and the NWB, which are:

- Continued mineral exploration at Deposits #1, 2, 3 and 3A (renewal of activities permitted previously)
- Initiation of mineral exploration on Deposit No. 4
- Continued operation of the existing 80-person tent camp and expansion to 100-persons
- Temporary installation of three (3) 8-12 person fly camps at Milne Inlet, Steensby Inlet and Deposit No. 4 to support drilling activities
- Land-based geotechnical investigations of
 - mine-related infrastructure at Mary River
 - potential transportation routes
 - potential hydro and wind power sites
 - port-related facilities at Milne Inlet and Steensby Inlet
- On-ice geotechnical drilling investigations of port-related facilities at Milne Inlet and Steensby Inlet
- Winter road use
- Airstrip use
- Fuel transportation and storage

- Chemical transportation and storage
- Mobilization of three additional rock coring drills (for an on-site total of 7 rigs)
- Water use and deposition of waste

NIRB has assigned this project number 07EN004. All documents received and pertaining to this project proposal can be obtained from NIRB's ftp site at:

http://ftp.nunavut.ca/nirb/NIRB_SCREENINGS/ACTIVE_SCREENINGS/ including,

- *Correspondence dated January 8, 2007 from Rod Cooper to Carolanne Inglis-McQuay*
- *NIRB Part 1 Form – English*
- *NIRB Part 2 Form – Inuktitut*
- *Screening Part 2 Form – Project Specific Information Requirements (PSIR): Advanced Exploration / Bulk Sampling*
- *Mary River Exploration Camp Abandonment and Restoration Plan*
- *Spill Response Plan Mary River Project September 2006*
- *Indian and Northern Affairs Land Use Permit Renewal Application Package (dated October 12, 2006)*
- *Qikiqtani Inuit Association Inuit Land Use License Renewal Application Package (dated October 12, 2006)*
- *Nunavut Water Board Renewal Water License Renewal Application Package (dated October 6, 2006)*

In addition, on January 25, 2007 NIRB received Baffinland's Mary River Bulk Sampling Program (Bulk Sampling Program) project proposal from INAC and the QIA.

NIRB has considered your request to conduct separate Part 4 Screenings on the Drilling Program and the Bulk Sampling Program for the reasons outlined on pages 3 & 4 of your correspondence sent to NIRB on January 8, 2007, specifically:

'The drilling program and bulk sampling program are two distinct programs relating to the Mary River Project. Both programs will function to advance the Mary River Project, but the programs have separate objectives and one program is not reliant on the other.'

In order to make a decision regarding whether or not these Programs should be screened separately or together, NIRB has conducted a preliminary evaluation of all information before the Board regarding both project proposals. Although the objective of each project proposal is to advance the Mary River Project, NIRB is of the opinion that the project proposals have been developed in such a manner that the activities of one project proposal are separate from the other. It appears that no project-splitting is occurring. Therefore, each project proposal will be subject to separate and discrete Part 4 Screenings and a Notice of Part 4 Screening will be forthcoming for the Bulk Sampling Program project proposal.

If any Party objects to NIRB's decision regarding this matter, it must do so in writing and include justification for the objection within seven (7) days. Furthermore, if, during the Part 4 Screening of either project proposal, the Board receives information that suggests the project

proposals are not separate, and project-splitting **has** occurred, NIRB reserves the right to make any necessary decision as per 12.4.4 of the Nunavut Land Claims Agreement (NLCA).

Consequently, pursuant to Part 4, Article 12 of the NLCA, NIRB shall proceed to screen the **Geotechnical Drilling Program** project proposal. You should note that NIRB reserves the right to request additional information at any time during the process. NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for Public access.

NIRB is also copying interested Parties and municipalities most affected by **Baffinland's Geotechnical Drilling Program** project proposal. NIRB is inviting interested Parties to comment directly to the NIRB by February 16, 2007. NIRB would like Parties to provide comments regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

All comments should be directed to NIRB's Manager of Administration, Leslie Payette at lpayette@nirb.nunavut.ca.

Should you have any questions, feel free to contact me at 867-983-4607 or cinglis@nirb.nunavut.ca.

Sincerely,



Carolanne Inglis-McQuay
Technical Advisor

Cc: Richard Cook: Knight Piesold (rcook@knightpiesold.com)
Jeff Holwell: Lands Administrator – INAC (holwellj@inac.gc.ca)
Terry Audla: Executive Director – QIA (execdir@qia.ca)
Phyllis Beaulieu: Manager of Licensing – (licensing@nunavutwaterboard.org)