From: Andrew Keim [keima@inac-ainc.gc.ca]

Sent: Friday, March 16, 2007 7:53 AM To: michael.zurowski@baffinland.com

Cc: Spencer Dewar; Peter Kusugak; Jim Rogers; Phyllis Beaulieu

Subject: Request for clarification regarding drill waste

watercontainment

Mr. Zurowski,

Environment Canada has provided comments to the Nunavut Impact Review Board and to myself, as the INAC Inspector appointed under the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA), on the operations of Baffinland at its Mary River Project.

Upon its initial review of the geotechnical drilling application, Environment Canada noted that Baffinland had exceeded CCME water quality objectives for various parameters directly downstream from their drilling activities, specifically major ions, aluminum and copper. Also the water chemistry provided to the NIRB for screening of the bulk sampling proposal, the drill process water from the exploration drilling activities has been draining into natural run-off channels (small first order tributaries of Mary River). This drainage of process water without characterization and treatment may be problematic, especially since the Mary River and its tributaries may be fish bearing streams.

Since the NWNSRTA states the no person shall deposit or permit the deposit of waste in waters in Nunavut without the approval of the Nunavut Water Board, would you clarify the present procedures of Baffinland at its Mary River project.

Thank you in advance for your prompt attention to this matter

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