Phyllis Beaulieu

From: Jim Millard [Jim.Millard@Baffinland.com]

Sent: Friday, May 16, 2008 7:32 PM

To: keima@inac.gc.ca; 'Salamonie Shoo '; craig.broome@ec.gc.ca; Phyllis Beaulieu

Cc: derek.chubb@Baffinland.com; david.mccann@Baffinland.com; al.gorman@Baffinland.com;

'Rod Cooper'; 'Cheryl Wray'

Subject: May 16 Road Washout at km 99, Milne Tote Road, Mary River Project

Attachments: Photo 1 View upstream during washout (small).jpg; Photo 2 View downstream during washout

(small).jpg; Photo 3 - downstream silt fence close-up (small).jpg; Photo 4 - downstream silt fences (small).jpg; Photo 5 - new auxiliary culvert installation (small).jpg; Photo 6 - downsteam

view of stream and Camp Lake (small).jpg

This e-mail to is to inform you of an incident that occurred on Baffinland Iron Mines Corporation's Mary River Project. This e-mail follows my telephone/voice mail contact with most of you today.

On Thursday, May 16, at approximately 8:30 pm there was a wash out at culvert location BG01 located at kilometer 99 on the Milne Inlet Tote Road. The wash out occurred due to a sudden rise (e.g. within several hours) in water levels upstream of the culvert which was blocked with ice. Approximately 50-70 cubic metres of road materials, consisting of locally quarried sand and gravel, were washed downstream toward Camp Lake. The discharge subsided by around 10:30 pm to ambient drainage flow levels after the upstream pond had been drained. The original ice-filled 1.2 m diameter culvert was not washed out during the event. Visual inspection of the full length of the stream bed from the culvert to Camp Lake (a distance of approximately 350 m) indicated deposition of road material (sand, gravel & cobbles) intermittently along the stream bed. Preliminary indications are that there was little or no erosion of the tundra. During maximum flow some turbidity was observed at the outflow to Camp Lake. Water flow appeared to move along the shoreline flooding on to the lake ice and possibly within the water column.

Mitigation prior to the event included attempts to pump the ponded water over the road, and to install auxiliary culverts across the road bed to prevent the wash-out. After the wash-out occurred, silt fences were installed downstream at locations selected to optimize silt fence functionality. An environmental monitoring program, which is ongoing, was implemented to assess the quality of the discharge water in the stream as well as in the discharge outlet area in Camp Lake. An additional culvert was installed on top of the existing ice-filled culvert to accommodate current flows. The new culvert installation is stable and the stream flow remains clear at the time of this e-mail.

In the near future, attempts will be made to remove sediment that was deposited on the Camp Lake ice surface. Mobilizing equipment to remove road bed material in the stream bed has been considered but rejected at the present time due to potential land disturbance issues.

A detailed report will be provided next week at the conclusion of our internal investigation into this incident. In the meantime, corrective actions based on the preliminary analyses of this incident are being implemented.

For your additional information, I have provided the following attached photos as described below:

Photo 1: May 15 PM - View upstream showing washed out area of road and upstream pond.

Photo 2: May 15 PM – View downstream showing high flows resulting from road wash, flows subsided within 2 hrs. Note two temporary culverts that were washed downstream during attempt to mitigate.

Photo 3: May 16 AM – View downstream - close-up silt fence installation

Photo 4: May 16 AM – Aerial view upstream –silt fence installation.

Photo 5: May 16 AM – Aerial view upstream showing auxiliary 1.0 m diam culvert, existing 1.0 m diam culvert (not washed out) is located below new installation (not visible in this photo).

Photo 6: May 16 AM - Aerial view downstream of stream and Camp Lake, note three silt fence installations.

Photo 7: May 16 AM - Aerial view downstream from remnant of upstream pond, showing installation of auxiliary culvert.

Please do not hesitate to contact the undersigned or Dave McCann (Operations Manager) at 403-450-8845 should you require additional information or clarification of the above.

Sincerely,

Jim Millard, M.Sc., P.Geo. Environmental Superintendent Mary River Project Baffinland Iron Mines Corporation

Tel: 403-450-8845