Phyllis Beaulieu

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

Sent: Tuesday, May 20, 2008 7:43 PM

To: Liua@dfo-mpo.gc.ca; keima@inac.gc.ca; 'Salamonie Shoo '; craig.broome@ec.gc.ca; Phyllis

Beaulieu

Cc: derek.chubb@Baffinland.com; david.mccann@Baffinland.com; 'Cheryl Wray'

Subject: Update on the May 16 Road Washout Event and Freshet Conditions Milne Tote Road, Mary River

Project

This is an interim update regarding the above event which was reported to you last week as well as general update on current freshet conditions at the Site.

An inspection of the drainage that extends from the BG01 culvert to the discharge at Camp Lake was conducted. The following is a summary of my observations and status regarding current conditions:

- Erosion of the tundra was not observed as a result of the event.
- The water is flowing clear.
- The silt fences were repositioned to allow for passage of fish upstream.
- No fish were observed.
- The event resulted in a thin (up to several cm) layer of sand on the tundra adjacent to the main stream bed(s).
- There are presently two culverts installed at BG01: the original culvert which was installed in September (embedded in the stream substrate), and a second auxiliary culvert installed last week on top of the original culvert. The original culvert is still positioned in place, however, it appears not be passing water and may be blocked with ice or other debris. A plan is in place to attempt to remove blockage in this culvert.
- The upper culvert at BG01 is functioning well, however the culvert is perched at the outlet end.
- The water levels upstream of the culvert have normalized.

A final report will be provided to you by the end of the week on the road washout event and follow-up.

Also, to keep you abreast of conditions on Site, we are presently experiencing the onset of freshet, (3 to 4 weeks earlier this year). As with any construction project involving road building and culvert installations, minor amounts of silt can be expected to be mobilized, especially at the onset of freshet conditions after winter construction. Environmental protection measures have been and are being implemented to minimize silt migration, in accordance with our Site Water Management and Comprehensive Environmental Monitoring Plans. Such measures include (but are not limited to):

- Diversion of minor flows away from fine grained road materials by means of small diameter strategically placed culverts, geotextile, and rip rap where available.
- Strategic placement of silt fences, silt curtains, and sediment traps where required and where effective.
- Pumping of water from upstream side to downstream side of the road to prevent contact of clean water with fine grained road construction materials.
- On-going clean-up of dirty snow piles located adjacent to waterways.
- Implementation of an ice blockage monitoring and contingency plan.
- Re-allocation of available resources to deal with any issues that arise in a timely and effective manner.

During this period, sampling for turbidity and other parameters, where warranted, will be conducted in

accordance with the Comprehensive Environmental Monitoring Plan and other applicable management plans and documents.

Daily inspections of the road are being carried out to identify any areas that require sediment control measures. Efforts over the last several days have been focused on sediment control measures from km 88 to 91, and at km 85, a stretch of the road that contains abundant natural silty sands. We continue to monitor and take appropriate actions to minimize risks due to foreign materials entering water courses.

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