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BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD (REF. NO. NB102-00181/11-3)

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BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

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EXECUTIVE SUMMARY

This report to the Nunavut Water Board (NWB) has been prepared to summarize the project activities and monitoring undertaken by Baffinland Iron Mines Corporation (Baffinland) during 2007, in accordance with Part B, Item 2 of Baffinland's current water licence for the Mary River Project, #2BB-MRY0710. A previous licence was issued on February 20, 2007 (as #2BE-MRY0708), with a new licence issued on July 27, 2007 (as #2BB-MRY0710) and Amendment No. 2 issued on February 13, 2008. The current licence, as amended, will expire on December 31, 2010.

Baffinland's water licence includes a sampling program that involves recording the volume of water extracted for any purpose, testing of any effluents (i.e. treated sewage effluents) discharged to the environment, and monitoring water quality at specific project areas (i.e. runoff from bulk sample pits or water from a lined berm). This information is summarized on the completed NWB Annual Report Form and described in more detail in the report. This report also provides an overview of the planned activities in 2008.

Key activities associated with the Mary River Project in 2007 are summarized as follows:

- Permitting and licensing of the exploration and geotechnical drilling program
- Exploration drilling on Deposit Nos. 1 and 3
- Geotechnical drilling at the Mary River site, along the proposed rail alignment, and both land-based and ocean drilling at Milne and Steensby Inlets
- Permitting and licensing of the bulk sampling program
- Delivery of materials, fuel and equipment in support of the exploration, geotechnical, and bulk sampling programs
- Construction activities to initiate the bulk sampling program
- Installation of a wind test tower near the Mary River site

In 2007, fresh water was obtained to sustain two key activities: potable water supply for camp use and drilling operations. Drilling operations included exploration drilling on Deposit Nos. 1 and 3 and geotechnical drilling to support future mine planning. Potable water for camps was obtained using small gasoline pumps positioned adjacent to the shorelines. Water was either pumped directly from the lake source to water storage tanks located at the camp or small containers on the shore were filled which were then flown back to the camp. Once delivered to the camp, the water was transferred to larger holding tanks.

Water for exploration drilling on Deposit Nos. 1 and 3 was obtained from the Mary River. Prior to being supplied to the drills, calcium chloride was added to the water to lower its' freezing temperature and enable drilling in the permafrost.

When possible, the ocean served as a water source for geotechnical drilling operations at Steensby and Milne Inlets. During the summer, lakes and ponds were also used as water sources for the drilling program at Steensby Inlet. Water sources for the proposed rail alignment drilling included Cockburn Lake and various unnamed lakes and ponds along the alignment near the drillholes. Lakes and ponds were chosen in advance and monitored during water withdrawal to ensure that notable drawdown did not occur. Water sources for drilling at the mine site were Sheardown Lake and Mary River tributaries.

Waste management included the handling of latrine waste, greywater, treated sewage effluent, solid waste, hazardous waste and drill waste.

Construction of the Mary River Wastewater Treatment Facility and Milne Inlet Wastewater Treatment Facility was completed in 2007. A Tanks-A-Lot system was installed at Mary River while a rotating biological contactor was installed at Milne Inlet. A polishing/waste stabilization pond was also constructed at each camp.

Since re-activation of exploration activities at the Mary River iron ore deposits 110 exploration holes have been drilled. The majority of the 110 holes drilled have been sampled and sent for analysis to SGS Lakefield for analytical testing. Included in the suite of analysis are those parameters of potential concern for receiving waters and for which are sampled under the current water licence. These parameters include Aluminum as measured by (Al_2O_3), Arsenic (As), Copper (Cu), Lead (Pb), Nickel (Ni), and Zinc (Zn). Drill core was also being tested to determine the potential for metal leaching and/or acid rock drainage.

Prior to 2007, all of the fuel used at the Mary River project site was supplied in 200 litre drums. Fuel re-supply was provided by a combination of airlift directly to the Mary River camp and annual sea-lift re-supply to Milne Inlet. From Milne Inlet, drummed fuel was transported to Mary River by smaller aircraft or via the existing Milne Inlet tote road during winter, frozen conditions. Lined containment areas are in place at Mary River, Milne Inlet and the Steensby Inlet drill camp.

With an increase in site activity in 2007, spill contingency training was developed and delivered to Baffinland spill response team members. Land based spill training was provided by the Qikiqtani Corporation and included classroom work and field drills.

The Mary River Project received formal compliance inspections from the landowners and/or water inspectors: Qikiqtani Inuit Association (QIA) inspectors and an Indian and Northern Affairs Canada (INAC) water resource officer. In general, the QIA inspectors were satisfied with the operation and management of the Project. The water resource inspector provided a number of comments which Baffinland provided responses to.

Updates to a number of plans and reports have been made in response to comments received on the current plans and to reflect changes resulting from the water licence amendment. These plans include the Abandonment and Reclamation Plan, Spill Contingency Plan, Bulk Sampling Management Plan, Site Water Management Plan, QA\QC Plan and Landfill Design and Operations Report.

Progressive reclamation work completed in 2007 included: replacement of culverts, removal of historical barrels and debris, collection and consolidation of existing scrap steel and stockpiling of historic drums.

Consultation on the project first began with the resumption of exploration in 2004, mainly focused on the community of Pond Inlet, the landowners (i.e., the QIA and INAC), and the NWB. Public consultation activities in 2007 increased in scope and outreach to include a number of additional stakeholders. In previous years, consultation efforts were directed primarily at Pond Inlet and the focus was to provide information regarding the exploration work underway, or in September 2006 to obtain feedback on the proposed bulk sampling program.

With a Definitive Feasibility Study (DFS) for mine development at an advanced stage, Baffinland began formal consultation regarding potential full-scale mine development in 2007. Public Meetings were held in the North Baffin communities of Clyde River, Pond Inlet, Arctic Bay, Igloolik, Hall Beach, and Iqaluit in September 2007. The objective of these meetings was to provide the public with information regarding the mine development proposal, and obtain feedback prior to completion of the DFS. Baffinland held a number of meetings with Inuit Organizations, government agencies, and Institutes of Public Government (IPGs) through the second half of 2007, to provide the groups with an early overview of the project, and to initiate dialogue regarding the applicable regulatory processes and information needs.

2007 ᐊᖏᔪᖓᓂ ᐅᓂᒃᖁᓕᕆᓂ
ᓄᓇᕐᓂ ᐃᒥᓕᓚᐅᑦᔨᑯ ᑲᑎᒪᐅᖅᑭᒃᓄᑦ
(REF. NO. NB102-00181/11-3)

ᐅᖃᐅᓯᐅᑐᐃᓐᓇᑦᔨᑯᑦ ᓇᐃᒃᓕᑎᐊᖁᓯᓕᕆᓂᑦ ᐅᖃᐅᓯᒪᓕᖅᑐᑦ

ᑕᒪᓇ ᐅᓂᒃᖁᓕᕆᖓ ᓄᓇᕐᓂᒥ ᐃᒥᓕᓚᐅᑦᔨᑯᑦ ᑲᑎᒪᐅᖅᑭᒃᓄᑦ ᐊᖏᒃᑕᐅᓕᐅᖅᑎᓂ ᓇᐃᒃᓕᑎᐊᖁᓯᓕᕆᓪᓗᑎᒃ ᐅᓴᖅᑕᖅᓂᐅᕐᓂ ᐊᓪᓚᓗ ᖃᐅᔨᓴᖅᓂᐅᕐᓂ ᐱᔨᐅᓯᓚᕐᓂ ᐅᔾᔨᓚᖓ Baffinland Iron Mines Corporation (Baffinland) ᐊᖏᔪᖓᓂ 2007, ᓚᓕᒃᓗᔪ ᐃᓚᖓᓂ Part B, Item 2 Baffinland –ᑯᑦ ᐃᒥᖅᓗᑦ ᐱᐊᓐᓇᐅᑎᖓᓂ ᓄᓇᕗᑦ, #2BB-MRY0710. ᐱᐊᓐᓇᐅᑎᐅᓚᐅᑎᖃᖅ ᑐᓂᔨᐅᓚᐅᑎᖃᖅ ᕿᑐᕐᕆᓇ 20, 2007 (as #2BE-MRY0708), ᓄᑎᒃ ᑐᓂᔨᐅᓕᒃᓗᒃᓗ ᐊᓚᐃᐃ 27, 2007 (as #2BB-MRY0710) ᐊᖏᓚ ᐊᖏᑭᐊᓕᕆᖃᖅ 2 ᕿᑐᕐᕆᓇ 13, 2008. ᓚᓐᓇ ᐱᐊᓐᓇᐅᑎᖓ, ᐊᖏᑭᐊᓕᕆᓂᖓ ᓚᓕᒃᓗᔪ, ᐃᓕᓕᓐᓂᐊᑎᖃᖅ ᑎᓕᐱᐃᓇ 31, 2010.

Baffinland -ᓂᑦ ᐃᒥᖅᐸᑦ ᐱᐊᓐᓇᐅᑎᖓ ᐱᖃᓕᐅᔨᓕᕆᖃᖅ ᖃᐅᔨᓴᖅᓂᔪᓕᑦ ᐅᔾᔨᖅᑕᑎᓐᓗᓕᑦ ᐱᖃᓕᐅᔨᓕᕆᓚᓐᓗᓗ ᐃᒥᖅᑲᒃ ᖃᓄᐃᑎᓐᓂᖓᓂᒃ ᑎᑎᖅᑕᐅᓯᓚᓐᓗᓗ ᐊᑐᖅᑕᐅᐸᖅ ᑭᓱᑐᐃᓐᓇᖅᑐᓕᖅᑐᑦ, ᖃᐅᔨᓴᖅᑕᐅᐸᓐᓗ ᑯᐊᐅᐅᓯᓚᐅᑦᑐᖅᑐᓕᖅᑐᑦ (ᓂᐅᓗ ᑯᐊᓴᓗᒥᖓᔪᑎᑦ) ᐊᐸᑎᖅᑎᓐᓄᑦ ᑯᐊᑎᑕᐅᐸᓐᓇᖅᑐᓕᖅᑐᑦ, ᐊᖏᓚ ᖃᐅᔨᓴᖅᑕᐅᐸᓐᓇᖅᑐᓕᖅᑐᑦ ᐃᒥᐅᑦ ᐱᐅᓂᖓᓂᒃ ᐃᖃᓄᐃᓕᖅᑲᐅᐅᓕᕆᔨᒥᑦ (ᓂᐅᓗ ᑯᓘᑦᑐᓂᐊᓕᕆᑦ ᐅᓴᖅᑕᖅᓂᐅᕐᓕᕆᒥᑦ ᐅᐸᓗᓐᓂᑦ ᐃᒥᖓᓗ ᐊᐸᓗᓂᓕᕆᓚᕐᓂᑦ). ᑕᒪᓇ ᑎᑎᖅᑕᐅᕐᖃᖅ ᓇᐃᒃᓕᑎᐊᖁᓯᓕᕆᓪᓗᑎᒃ ᐱᐊᓐᓇᐅᑎᖓ ᐅᓂᒃᑕᐊᓂᓕᕆᓚᕐᓂ ᓄᓇᕗᑦ ᐃᒥᓕᓚᐅᑦᔨᑯᑯᓐᓂᑦ ᐊᖏᔪᒪᓕᖅᐳᑎᖓᓂ ᐊᓚᐃᐃ ᐅᖃᖅᓯᓕᒥᓂᒃᓗᒃᑐᓂᒃ ᐅᓂᒃᒥᒃ. ᑕᒪᓐᓇ ᐅᓂᒃᖁᔪᖃᖅ ᐅᖃᖅᓯᓕᒥᓂᒃᓗᒃᑐᓂᒃ ᖃᓄᐃ ᐱᓇᓂᓚᖓᑕ 2008-ᒥ.

ᐱᓗᐊᖅᓂᓚᖅᑭᑦ ᐊᑐᖅᑕᐅᓕᐅᖅᑎᓂ ᓄᓇᕗᒻᒥ 2007 ᐅᔨᐊᖁᔪᓂ ᓇᐃᒃᓕᑎᐊᖁᓯᓕᕆᓚᓐᓗᒃ:

- ᐊᖑᖅᑕᐅᓕᕆᓚᓐᓗᒃ ᐊᓚᐅᓗ ᐱᐊᓐᓇᐅᑎᑕᖅᓯᓚᓐᓗᒃ ᖃᓂᖅᓂᖑᓕᕆᓂ ᐊᓚᐅᓗ ᐅᓴᖅᓂᒃ ᖃᐅᔨᓴᖅᓯᐸᓕᐊᓂᖑᓕᕆᓂ ᓂᐅᐊᖅᑕᑦᑕᓯᓚᓐᓗᒃ
- ᖃᓂᖅᓯᓕᐊᓕᕆᓚᓐᓗᒃ ᓂᐅᐊᖅᑕᒃᑕᐅᖅᑐᑦ ᓇᓂᔾᔨᐅᓚᐅᒪᔪᓕᒥ 1 ᐊᓚᐅᓗ 3
- ᖃᐅᔨᓴᖅᓯᓚᓐᓗᒃ ᓂᐅᐊᖅᑕᐅᖅᑐᑦ, ᓚᓕᒃᓗᔪ ᓄᓇᕗᔾᔨᐅᑎᓄᑦᑕᒃ ᐊᖏᓄᑎᓂᐊᓕᕆᑕᖓᓂ, ᑕᒪᕐᒃ ᓄᓇᒥ ᐊᓚᐅᓗ ᑕᓗᐅᕐᒥᓗ, ᖃᐅᔪᐊᓂ ᖃᖑᕐᓗᒃᓴᐊᖏᕐᒥᓗ
- ᐊᖑᖅᑕᐅᓗᓂ ᐱᐊᓐᓇᐅᑎᑕᖅᓯᓚᓂᓗ ᖃᐅᔨᓴᖅᓚᒃᓴᕐᒃ ᐅᓴᖅᑕᕐᓂᐅᖅᑭᑦ
- ᐱᔨᓄᑎᑦ, ᐅᔨᓪᓴᐊᓗᐃᑦ, ᐊᐅᓪᓴᕐᑕᐅᓂᐊᖅᓯᓗᓐᓂᒃ, ᖃᐅᔨᓂᖑᓕᕆᓂ ᐊᓚᐅᓗ ᖃᐅᔨᓴᖅᓚᒃᓴᕐᓂᐅᖅᑐᖅᑕᖅᑎᑦᑕᓯᓚᓐᓗᑦ
- ᓴᓇᓕᐅᓗᓂ ᐊᑐᖅᑕᐅᓂᐊᖅᑎᓂ ᖃᐅᔨᓴᖅᓚᒃᓴᕐᒃ ᐅᓴᖅᑕᖅᑎᓐᓗᑦ
- ᐊᖑᖅᓯᓗᓂᒃ ᐊᓄᓚᒍᑦ ᖃᐅᔨᓴᖅᓯᐅᑕᐅᓂᐊᖅᑎᑐᒃ ᓇᐸᔪᒃ ᓄᓇᕗᑦ

2007, ᐃᒥᖃ ᐃᒥᓚᐅᐅᔪᖃᖅ ᐱᐅᐅᖃᑦᑕᓕᐅᖅᑎᖃᖅ ᒪᓕᒃ ᐊᐅᓕᓂᖑᓕᕆᓂ, ᐃᒥᓚᐅᐅᔪᖃᖅ ᐃᓄᒃᓄᑦ ᐊᓚᐅᓗ ᓂᐅᖅᑎᖅᑎᓂᒃ ᐃᒥᖅᑲᒃ ᐊᑐᖅᑎᓂᖓᓂ. ᓂᐅᖅᑎᖅᑎᖑᓕᕆᓂ ᐊᐅᓕᓂᖑᓕᕆᓗ ᖃᐅᔨᓴᖅᓂᒃ ᓂᐅᖅᑎᖅᑕᐅᖅᑐᑦ ᓇᓂᔾᔨᐅᓚᐅᒪᔪᓕᒥ 1 ᐊᓚ 3 ᐊᓚᐅᓗ ᖃᓄᐃᓕᐅᕐᒪᖓᒍᑦ ᐅᓴᖅᑕᖅᓂᑦ ᖃᐅᔨᓴᖅᑕᐅᓚᓐᓗᒃ ᓯᕐᓂᐅᓴᒍᑦ ᐊᑐᖅᑕᐅᑐᓂᖓᓚᐅᓕᓂ. ᐃᒥᓚᐅᐅᔪᖃᖅ ᐃᓄᒃᓄᑦ ᐱᐅᓂᐅᓚᐅᖅᑎᖓᓂ ᒥᓕᐊᓐᓂᑦᑐᓕᖅᑐᑦ ᓯᕐᓂᐅᓴᒍᑦ ᐃᒪᓐᓇᐅᑎᖓᓂᒃ ᐅᓪᓗᓂᒃᓴᖅᑐᑦ ᐃᒥᑯᐊᐅᔪᓕᒥ ᓯᓚᕐᓗᒥ ᐊᐅᓚᓗ ᐊᐅᓕᓂᖑᓕᕆᓂᒃᓗᒃᑐᓂᒃ ᓄᓇᕗᒻᒥᔨᓂᒃ. ᓄᓇᕗᒻᒥᔨᓂᓄᐊᖅᓂᒥ, ᐃᓕᖅᑕᐅᓂᓂᓄᐊᖅᑕᐅᓪᓚᓐᓗᓗᓂ.

ᐱᒥᖅ ᐊᑐᖅᑕᐅᕐᖅ ᓂᐅᔨᓴᖅᓂᒃᓗᒃᑐᓂᒃ ᓇᓂ.ᐅᓯᓕᕆᓚᒥ 1 ᐊᓚᐅᓗ 3 ᐱᔨᐅᓕᐅᖅᑎᖃᖅ ᑯᓘᓂ ᓄᓇᕗᑦ. ᓂᐅᖅᑎᖅᑎᓄᑦ ᐊᑐᖅᑕᓕᐅᖅᑭᓘᓂᓂᓂ, ᑕᓄᐅᖅᒥᑦ ᐃᓕᔨᐅᖃᑦᑕᓕᐅᖅᑎᖃᖅ ᓂᐅᖅᑎᑎᖅᑭᑦ ᕿᑐᕐᐃᓕᓕᒫᑎᑎᖅᑕᐅᓕᒃᓗᒃᑐᓂᒃ ᐊᓚᐅᓗ ᓂᐅᖅᑎᖅᓯᓇᓕᕆᓂᖅᓂᒥ, ᐃᓕᖅᑕᐅᓂᓂᓄᐊᖅᑕᐅᓪᓚᓐᓗᓗᓂ ᕿᑐᕐᐃᓕᓕᒫᑎᑎᖅᑕᐅᓕᒃᓗᒃᑐᓂᒃ ᐊᓚᐅᓗ ᓂᐅᖅᑎᖅᓯᓇᓕᕆᓂᖅᓂᒥ, ᐃᓕᖅᑕᐅᓂᓂᓄᐊᖅᑕᐅᓪᓚᓐᓗᓗᓂ.

ᐊᔪᕐᓇᖏᒃᑲᖓᑦ, ᑕᓇᐅᕐᒥᖓᕐᑐᖅ ᐃᒪᓂᑦ ᐊᑐᕐᑕᐅᖃᑦᑕᓇᓪᓗᓂ ᓂᐅᕐᑐᑕᐅᓪᓗᓂ ᕿᖑᐊᓂ ᐊᒻᒪᓗ ᑲᖏᕐᖢᒃᔪᐊᕐᒥ. ᐊᐅᔭᒃᑯᑦ, ᑕᓯᑦ ᐊᑐᕐᑕᐅᖃᑦᑕᓇᓪᓗᑎᒃ ᐃᒪᖃᐅᑕᐅᓪᓗᑎᒃ ᓂᐅᕐᑐᕐᓂᖏᓐᓄᑦ ᑲᖏᕐᖢᒃᔪᐊᕐᒥ. ᐃᒪᖃᕐᕕᐅᔪᑦ ᓄᓇᓯᐅᑎᑯᑕᒃ ᐊᕐᑯᑕᓂ ᓂᐅᕐᑐᕐᑎᓪᓗᒋᑦ ᐱᖃᓯᐅᑎᓯᒪᔪᖅ ᑕᓯᑯᑕᖑᔪᑦ ᐊᑎᖃᕐᑐᖅ Cockburn Lake ᐊᒻᒪᓗ ᐊᓯᖏᑦ ᑕᓯᑦ ᐊᑎᖃᖏᑦᑐᑦ ᐊᕿᒃᑕᐅᕙᒋᖃᑦᑕᕐᑐᑦ ᐃᒥᕐᒥᕐ ᐱᕕᐅᓂᐊᕐᖓᑕ ᖃᐅᔨᓴᕐᑕᐅᓯᒪᓪᓗᑎᒃᓗ ᐃᒪᐃᔭᕐᑕᐅᕙᓪᓕᐊᓂᖓᓂ ᐅᔾᔨᕐᓇᕐᑐᒃᑯᑦ ᐃᒪᐃᔭᓗᐊᕐᑕᐃᓕᒪᑎᑕᐅᓪᓗᓂ. ᐃᒪᖃᕐᕕᐅᔪᑦ ᓂᐅᕐᑐᕐᑐᓄᑦ ᐅᔭᖅᑕᓕᕐᐸᑕ ᐅᑯᐊ ᑕᓯᑦ ᐊᑎᖃᕐᑐᑦ Sheardown Lake ᐊᒻᒪᓗ ᓄᓘᔮᓂ ᑯᖓᓂ.

ᐊᑐᕐᑕᐅᕙᓪᓕᐊᔪᑦ ᑲᒪᒋᔭᐅᖃᑦᑕᕐᑐᑦ ᐅᑯᐊᖑᔪᑦ, ᖁᕐᕕᒃᒥᖓᕐᑐᖅ ᓴᓗᒻᒪᕐᓴᕐᑕᐅᕙᓪᓕᐊᓯᒪᔪᖅ, ᐅᐊᓴᕈᑕᐅᕙᓪᓕᐊᔪᖅ, ᖁᕐᕕᒃᒥᖓᕐᑐᑦ, ᓱᕈᕐᓇᕐᑐᖃᕐᑐᑦ ᐊᒻᒪᓗ ᓂᐅᕐᑐᕐᑎᓪᓗᒋᑦ ᐊᑐᓇᕐᑕᐅᕙᓪᓕᐊᔪᑦ.

ᓴᓇᔭᐅᓂᖓ ᑯᕕᕐᑕᕐᑕᐅᕙᓪᓕᐊᔪᑦ ᓴᓗᒻᒪᕐᓴᐃᕕᒃᓴᖓ ᓄᓘᔮᓂ ᐊᒻᒪᓗ ᕿᖑᐊᓂ ᐊᑐᕐᑕᐅᕙᓪᓕᐊᔪᑦ ᐃᒥᑦ ᓴᓗᒻᒪᕐᓴᕐᑕᐅᕙᓪᓕᐊᔪᑎ ᐱᔭᓇᕐᑕᐅᓚᐅᕐᑐᑦ ᐊᕋᒍᖓᓂ 2007. ᖃᑦᑕᓇᔭᐅᔪᖅ ᑯᕕᕐᑕᕐᕕᐅᓪᓗᓂ ᐊᕿᒃᑕᐅᓚᐅᕐᖢᓂ ᓄᓘᔮᓂ ᐊᒻᒪᓗ ᓴᓗᒻᒪᕐᓴᐃᔾᔪᑎ ᕿᖑᐊᓂ ᐊᕿᒃᑕᐅᓚᐅᕐᖢᓂ ᕿᖑᐊᓂ. ᐊᒻᒪᓗ ᐊᑐᕐᑕᐅᕙᓪᓕᐊᔪᓄᑦ ᓴᓗᒻᒪᕐᓴᕐᓯᒪᔪᓄᑦ ᐃᒥᕐᒧᑦ ᑕᓯᓕᐊᓇᓯᒪᔪᖅ ᓴᓇᔭᐅᓚᐅᕐᖢᑎᒃ ᐊᑐᓂ ᐃᓂᒋᔭᐅᔪᓂ ᓄᓇᖏᓐᓂ.

ᑕᐃᒪᖓᑦ ᐱᒋᐊᒃᑲᓐᓂᕐᓯᒪᓕᕐᑎᓪᓗᒋᑦ ᕿᓂᕐᓂᖏᑦ ᓄᓘᔮᓂ ᓇᓂᔭᐅᓯᒪᔪᑦ ᓴᕕᒃᓴᐃᑦ ᓂᐅᕐᑐᖃᑦᑕᕐᓯᒪᔪᑦ 110-ᓂᒃ ᖃᐅᔨᓴᕐᑕᐅᓪᓗᓂ. ᐊᖏᓂᕐᓴᐃᑦ 110 ᓂᐅᕐᑐᕐᑕᐅᔪᑦ ᖃᐅᔨᓴᕈᑕᐅᖃᑦᑕᕐᓯᒪᔪᑦ ᐊᐅᓪᓚᕐᑎᑕᐅᖃᑦᑕᕐᖢᑎᒃᓗ ᐅᕗᖓ SGS Lakefield ᖃᓄᐃᑦᑐᑎᒋᒃᒪᖓᑦ ᓴᕕᒃᓴᖓ ᖃᐅᔨᓴᕐᑕᐅᓪᓗᓂ. ᖃᐅᔨᓴᕐᓂᖏᓐᓂ ᐱᖃᓯᐅᔾᔨᓗᑎᒃ ᐊᑦᑕᕐᓇᕿᔭᕐᒪᖓᑕ ᐃᒥᕐᒧᑦ ᐱᔭᐅᒍᑎᒃ ᖃᐅᔨᓴᕐᑕᐅᓪᓗᓂ ᒪᓕᒃᓗᒍ ᐱᔪᓐᓇᐅᑎᖓ ᐃᒥᕐᒧᑦ. ᑕᒃᑯᐊ ᖃᐅᔨᓴᕐᑕᐅᔪᑦ ᐃᒪᐃᑦᑐᓂᒃ ᖃᐅᔨᓴᖃᑦᑕᓇᓪᓗᑎᒃ ᖃᓄᑎᒋᕐᒪᖓᑕ ᓴᕕᕿᔭᐅᓂᖏᑦ ᐊᕿᑦᑐᐃᑦ ᓴᕕᕿᔭᐃᑦ ᐊᓗᒥᓇ Aluminum ᐅᑯᐊᓗ ᐱᑕᖃᕐᒪᖓᑕ ᖃᐅᔨᓇᓱᒃᑕᐅᒋᓪᓗᑎᒃ (Al_2O_3), Arsenic (As), Copper (Cu), Lead (Pb), Nickel (Ni), and Zinc (Zn). ᓂᐅᕐᑐᕐᑕᐅᔪᑦ ᓂᐅᕐᑐᕐᑕᐅᓂᑯᐃᓪᓗ ᐱᔭᕐᑕᐅᓯᒪᔪᑦ ᖃᐅᔨᓴᕐᑕᐅᖃᑦᑕᕐᒥᔪᑦ ᓴᕕᒃᓴᖓ ᖃᓄᐃᑦᑐᒃᒪᖓᑦ ᓱᕈᕐᓇᕐᑐᖃᕐᒪᖓᓪᓗ

ᐱᒋᐊᓚᐅᖏᓐᓂᖓᓂ 2007, ᑕᒪᕐᒥᒃ ᐅᕐᓱᐊᓗᐃᑦ ᐊᑐᕐᑕᐅᔪᑦ ᓄᓗᔭᓂ ᐅᔭᕿᓂᐊᕐᕕᐅᔪᒥ ᐊᑐᕐᑕᓚᐅᕐᑐᑦ 200 ᓕᑕᒥᒃ ᖃᑦᑕᐅᔭᕐᔪᐊᓂᒃ. ᐅᕐᓱᐊᓗᒃ ᐅᓯᒃᑲᕐᑕᕐᑕᐅᓚᐅᕐᑐᖅ ᑕᒪᕐᒥᒃ ᐊᑐᕐᖢᑎᒃ ᖃᖓᑕᓱᒃᑯᓪᓗ ᓄᓗᔭᓄᑦ ᐊᒻᒪᓗ ᐅᒥᐊᕐᔪᐊᒃᑯᑦ ᐊᕋᒍᑕᒪᕐᖢᑎᒃ ᕿᖑᐊᓄᐊᖃᑦᑕᕐᖢᑎᒃ. ᕿᖑᐊᓂᑦ, ᖃᑦᑕᐅᔭᒥᑦᑐᑦ ᐅᓯᔭᐅᖃᑦᑕᓚᐅᕐᑐᑦ ᓄᓗᔭᓄᑦ ᖃᖓᑕᓱᒃᑯᑦ ᐅᕙᓗᓐᓂᑦ ᐊᕐᑯᑎᒃᑯᕐᖢᑎᒃ ᐅᑭᐅᖑᓕᕐᖓᑦ, ᖁᐊᖑᑎᓪᓗᒍ. ᐃᓴᔭᖏᑦᑐᒥᒃ ᐊᓕᕐᓴᓕᕐᓯᒪᓪᓗᑎᒃ ᐊᕙᓗᓯᒪᓪᓗᓂᓗ ᐅᕐᓱᖃᐅᑕᐅᔪᖅ ᐊᕿᒃᑕᐅᓯᒪᔪᑦ ᓄᓗᔭᓂ, ᕿᖑᐊᓂ ᐊᒻᒪᓗ ᑲᖏᕐᖢᒃᔪᐊᑦ ᓄᓇᖓᓂ ᓂᐅᕐᑐᕐᑎᓪᓗᒋᑦ.

ᐱᔭᒃᓴᖃᕐᓂᖏᑦ ᐊᖏᒃᓕᕙᓪᓕᐊᑎᓪᓗᒋᑦ 2007-ᒥ, ᑯᕕᔪᖅᑲᓪᓚᒃᓂᕈᓂ ᐃᓕᓐᓂᐊᕐᑎᑦᑎᖃᑦᑕᕐᖢᑎᒃ ᐊᕿᒃᓯᓪᓗᑎᒃᓗ ᐃᓕᓐᓂᐊᕈᑎᒃᓴᒥᒃ ᐃᓕᓐᓂᐊᕐᑎᑦᑎᓪᓗᑎᒃᓗ Baffinland ᑯᕕᔪᓄᑦ ᑲᒪᔨᐅᔪᓄᑦ. ᓄᓇᒥᑦᑐᑦ ᑯᕕᔪᖅᑲᓪᓚᒃᓂᕈᓂ ᐃᓕᓐᓂᐊᕐᑎᑕᐅᓪᓗᑎᒃ ᕿᕿᕐᑕᓂ ᑯᐊᐳᓇᓴᒃᑯᓐᓄᑦ ᐊᒻᒪᓗ ᐱᖃᓯᐅᔾᔨᓗᑎᒃ ᐃᓕᓐᓂᐊᕐᕕᒃᒥ ᐃᓕᓐᓂᐊᕐᑕᐅᔪᑦ ᐊᒻᒪᓗ ᓯᓚᒥ ᐱᓕᒻᒪᒃᓴᕐᖢᑎᒃ.

ᓄᓗᔭᓂ ᐅᔭᕿᒃᓯᐅᕐᑐᑦ ᖃᐅᔨᓴᕐᑕᐅᓪᓗᑎᒃ ᒪᓕᒐᑎᒍ ᐊᑐᕐᓯᒃᒪᖓᑕ ᖃᐅᔨᓴᕐᑕᐅᓚᐅᕐᑐᑦ ᓄᓇᒥᒃ ᑎᒍᒥᐊᕐᑎᐅᔪᓄᑦ ᐊᒻᒪᓗ ᐃᒥᕐᒧᑦ ᐊᑐᕐᑕᐅᓂᖓᓄᑦ ᖃᐅᔨᓴᕐᑎᐅᔪᓂᒃ. ᕿᕿᕐᑕᓂ ᐃᓄᐃᑦ ᑲᑐᔨᖃᑎᒋᕐᒋᑦ ᖃᐅᔨᓴᕐᑎᐅᔪᑦ ᐊᒻᒪᓗ ᐃᓄᓕᓇᐳᑐᕐᖢᒃᑯᑦ ᑲᓇᑕᒥ ᐃᒥᕐᒧᑦ ᖃᐅᔨᓴᕐᑎᐅᔪᑦ. ᓇᑭᕐᑕᓂ ᐃᓄᐃᑦ ᑲᑐᔨᖃᑎᒋᕐᒋᑦ ᖃᐅᔨᓴᕐᑎᕐᒋᑦ ᓇᒻᒪᒃᓴᓚᐅᕐᑐᑦ ᐊᐅᓚᓂᖓᓂ ᐊᒻᒪᓗ ᐊᐅᓚᑕᐅᓂᖓᓂᒃ ᐅᔭᕿᑕᕐᓂᐅᔪᖅ. ᐃᒥᕐᒧᑦ ᖃᐅᔨᓴᕐᑎᐅᔪᑦ ᐅᖃᐅᓯᖃᓚᐅᕐᑐᑦ ᐃᓚᖓᓂᒃ ᐊᒻᒪᓗ Baffinland ᑭᐅᖃᑦᑕᓚᐅᕐᓂᒋᑦ.

ᖃᓄᐃᓕᕐᒪᖓᑕ ᐸᕐᓇᐅᑎᐅᔪᓂᑦᑐᑦ ᐊᑐᕐᑕᐅᕙᓪᓕᐊᓂᖏᑦ ᐊᒻᒪᓗ ᐅᓂᑲᓇᔭᐅᔪᑦ ᐅᖃᐅᓯᐅᔪᑦ ᒪᓕᒃᓗᒋᑦ ᑭᐅᔪᑕᐅᕙᓪᓕᐊᓗᑎᒃ ᐊᓯᓪᓕᕐᐸᓪᓕᐊᓂᖏᑦ ᒪᓕᒃᓗᒋᑦ ᐃᒥᕐᒧᑦ ᐱᔪᓐᓇᐅᑎᖓ ᐅᖃᕐᓯᒪᔪᑦ. ᑕᒃᑯᐊ ᐸᕐᓇᐅᑎᖏᑦ ᐱᖃᓯᐅᔨᓯᒪᔪᑦ ᕿᒪᐃᓂᕐᒧᑦ ᐊᒻᒪᓗ ᓴᓗᒻᒪᕐᓴᐃᓂᕐᒧᑦ ᐸᕐᓇᐅᑎᖏᑦ, ᑯᕕᔪᖅᑲᓪᓚᒃᐸᑦ ᐸᕐᓇᐅᑎᖏᑦ, ᖃᐅᔨᓴᕐᑎᓪᓗᒋᑦ ᐊᐅᓚᑕᐅᒐᔭᕐᑐᑦ ᐸᕐᓇᐅᑎᖏᑦ, ᐃᒥᕐ ᐊᑐᕐᑕᐅᓂᖓᓄᑦ ᐸᕐᓇᐅᑎᖏᑦ, ᐱᕐᑯᓂᖓᓂ ᐃᒥᐅᑦ ᖃᐅᔨᓴᕐᓂᕐᒧᑦ ᐸᕐᓇᐅᑎᖏᑦ ᐊᒻᒪᓗ ᐊᒃᑕᕐᕕᐅᔪᑦ ᐃᒋᑦᑎᕕᐅᔪᑦ ᐊᕿᒃᓯᒪᓂᖏᑦ ᐊᐅᓚᓂᖓᑕᓗ ᐅᓂᑲᕐᓯᒪᓂᖏᑦ.

ᓇᓗᒪᖏᖅᑕᐅᓪᓚᐊᓪᓕᐅᕐᓂᑦ 2007 ᐅᑯᐊᖓᔪᓪ: ᓱᓪᓗᓂᓱᐃᓪᓗᑎᑦ, ᐱᓕᖅᑕᓪᓗᑎᑦ ᖃᖅᑕᐅᓕᕆᓂᖅ ᐱᑐᖃᐃᓂ ᓴᓂᕆᓪᓗ ᐱᑐᖃᐃᓂ, ᑲᑎᑕᐅᓪᓗᑎᑦ ᓴᕐᕕᖏᕆᓂᖅ ᑲᑎᑕᐅᓪᓗᑎᑦᓗ ᖃᖅᑕᐅᓕᕆᓂᖅ.

ᑲᑎᒪᖃᖅᓯᓱᐊᓕᐅᕐᓂᑦ ᐱᑎᐊᖅᑕᐅᖏᖃᓂᓪᓕᓐᓂᓗᒍ ᓄᓇᕗᑦ ᐅᓴᖅᑕᖅᓂᕐᒥᑦ ᕿᓂᕆᐊᖅᑕᐅᖏᖃᓂᓪᓕᓐᓂᓗᒍ 2004, ᓄᓇᓕᖓᒐ ᒥᖅᑎᒪᑕᓕᒃ ᐃᓱᒪᒋᔭᐅᓂᖅᓴᐅᓪᓗᓂ, ᓄᓇᒥᒃ ᑎᒍᒥᐊᖅᑎᑕᐅᓕᑦ (ᓱᖅᓗ ᕿᑭᖅᑕᓂ ᐃᓄᐃᑦ ᑲᑐᖃᖏᑦᑐᖅᑕᖅ ᐊᓕᒪᓗ ᐃᓗᓕᓴᐃᖅᑐᒃᓴᖅᑐᓗᓂ), ᐊᓕᒪᓗ ᓄᓇᕋᖅᒥ ᐃᒥᓕᓴᐃᖅᑐᓂ. ᐃᓄᒃᓂᒃ ᑲᑎᒪᖅᑎᑎᑦᑕᐅᓕᐅᕐᓂᑦ 2007 ᖃᐅᔨᑎᖅᑎᑦᐊᖅᓂᖅᑐᑦ ᐊᖏᖅᓕᒥᐊᖅᑕᐅᓪᓗᓂ ᐊᓕᒪᓗ ᐃᓕᖃᓱᐅᔨᓪᓗᓂ ᐅᓄᖅᓂᖅᓴᓂᒃ ᒥᖅᑎᒪᖅᑎᑎᐊᖅᓂᒃ. ᐊᖅᔪᓂ ᐊᓂᔪᖅᑐᓂ, ᑲᑎᒪᖅᑎᑎᑦᑕᐅᓕᐅᕐᓂᑦ ᐱᑎᐊᖅᓚᐅᓪᓗᑎᒃ ᒥᖅᑎᒪᑕᓕᒥᐅᑦ ᐊᓕᒪᓗ ᖃᐅᔨᒪᖅᑎᑎᐊᖅᓗᑎᒃ ᐱᓕᓚᐊᖅᓯᓂᒃ ᖃᓄᖅᐸᓕᐊᓂᒃ, ᐅᕙᓪᓕᐅᑦ ᓯᑎᐱᓇ 2006 ᖃᐅᔨᓕᐊᓴᓂᒃ ᖃᓄᐃ ᐃᓯᒪᓕᐅᕆᓚᖅᓯᓂ ᖃᐅᔨᓴᖅᓴᒥᐅᒃ ᐅᓴᖅᓂᓂᐊᖅᑎᓪᓗᑎᑦ.

ᖃᐅᔨᓴᖅᑕᐅᙵᖅᓯᑦ ᑭᓇᐅᔭᑎᑐᑦ ᐱᔭᒃᓴᐅᓂᖓ ᐅᓴᖅᑕᖅᖁᓕᒃ ᐱᓕᐊᖏᒃᓴᐅᒃᓚᖅᓯᓂ ᖃᓂᖅᓴᓪᓚᓂᓪᓗᑎᑦ, Baffinland ᐱᓕᐊᓕᐅᕐᓂᑦ ᑲᑎᒪᖅᑎᑎᓕᐊᖅᓂᒃ ᐱᔪᑎᑎᓪᓗᑐᓗ ᐅᓴᖅᑕᖅᖁᓕᒃ ᐱᓕᐊᖅᑎᑕᐅᔪᓚᓪᓗᑎᑦ 2007. ᐃᓄᓇᑦ ᑲᑎᒪᖅᑎᑕᐅᖃᖅᑕᓕᐅᕐᓂᑦ ᖃᐅᔨᑕᓪᓕ ᐅᐊᖃᓇᖓᓂ ᓄᓇᕗᑦᑐᔪᓪ ᑲᖏᖅᑐᐃᓚᒃ, ᒥᖅᑎᒪᖅᑕᓪᓚᒃ, ᐃᒃᐱᐊᖅᔪᒃ, ᐃᒃᓗᓕᓪᓚᒃ, ᐊᓂᕆᔨᒃ ᐊᖏᓪᓗᓂ ᐃᖃᓗᐃᑦ ᓭᑎᐱᓇ 2007. ᑐᕆᓚᖃᖅᓗᓂ ᑲᑎᒪᖅᑎᑕᐅᖃᖅᓯᒪᔪᓪᓗᑎᒃ ᐱᓕᐊᖅᑎᑕᐅᔪᓚᐅᓪᓗᓂ 2007. ᐃᓄᓇᑦ ᑲᑎᒪᖅᑎᑕᐅᖃᖅᓯᓂᒃ ᖃᐅᔨᑕᓪᓕ ᐅᐊᖃᓇᖓᓂ ᓄᓇᕗᑦᑐᔪᓪ ᑲᖏᖅᑐᐃᓚᒃ, ᒥᖅᑎᒪᖅᑕᓪᓚᒃ, ᐃᒃᐱᐊᖅᔪᒃ, ᐃᒃᓗᓕᓪᓚᒃ, ᐊᓂᕆᔨᒃ ᐊᖏᓪᓗᓂ ᐃᖃᓗᐃᑦ ᓭᑎᐱᓇ 2007. ᑐᕆᓚᖃᖅᓗᓂ ᑲᑎᒪᖅᑎᑕᐅᖃᖅᓯᒪᔪᓪᓗᑎᒃ ᐱᓕᐊᖅᑎᑕᐅᔪᓚᐅᓪᓗᓂ ᐃᓕᓴᐅᔪᓂᒃᓴᖅᑐᓂᒃ ᐱᓕᕆᔨᒃᑲᓐᓂᑕᐅᓪᓗᑎᒃ ᐱᓕᕆᔨᒃᑲᓐᓂᑕᐅᓪᓗᑎᒃ Baffinland ᑲᑎᒪᖅᑎᑎᖃᖅᑕᐅᓕᐅᕐᓂᑦ ᐃᓄᓇᑦ ᑲᑎᒪᖅᑎᑎᓕᐊᖅᓂᒃ ᓴᓕᒪᒃᑯᓂᓪᓚᖅᓴᖅᑐᓂᒃ ᓴᓕᒪᒃᑯᓂᓪᓚᖅᓴᖅᑐᓂᑦ ᑲᑎᒪᓕᐅᕐᓂᑦ 2007 ᓄᓇᕘᒥᓯᓚᐅᓪᓗᓂ, ᖃᐅᔨᓴᖅᑎᑎᐊᖅᓂᒃ ᐱᖅᐅᔪᓚᖅᓴᖅ ᖃᓄᐃᓕᓴᖅᓯᒪᓕᖅᓴᖅᑐᓂᒃ, ᐊᒪᓚᓗᐅᖃᐅᔨᓴᖅᓯᓚᐅᓕᖅᓯᓗᒍ ᐱᖓᓱᑎᒍ ᐊᖏᖅᑕᐅᓄᓇᕗᒃᓴᖅᓗ ᐊᒪᓚᓗ ᐅᖃᐅᔨᓴᖅᓯᓚᐅᓕᖅᓯᓂ.

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE
NUNAVUT WATER BOARD
(REF. NO. NB102-00181/11-3)

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Knight Piésold CONSULTING

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD (REF. NO. NB102-00181/11-3)

SECTION 1.0 - INTRODUCTION

1.1 GENERAL BACKGROUND

This report to the Nunavut Water Board (NWB) has been prepared to summarize the project activities and monitoring undertaken by Baffinland Iron Mines Corporation (Baffinland) during 2007, in accordance with Part B, Item 2 of Baffinland's current water licence for the Mary River Project, #2BB-MRY0710. A previous licence was issued on February 20, 2007 (as #2BE-MRY0708), with a new licence issued on July 27, 2007 (as #2BB-MRY0710) and Amendment No. 2 issued on February 13, 2008. The current licence, as amended, will expire on December 31, 2010.

Baffinland's water licence includes a sampling program that involves recording the volume of water extracted for any purpose, testing of any effluents (i.e. treated sewage effluents) discharged to the environment, and monitoring water quality at specific project areas (i.e. runoff from bulk sample pits or water from a lined berm). This information is summarized on the completed NWB Annual Report Form, included in Appendix A, and described in more detail in the following sections. This report also provides an overview of the planned activities in 2008.

Figure 1.1 shows the locations of the key activity areas associated with the Mary River Project. Project activities in 2007 were undertaken at Milne Inlet, along the Milne Inlet Tote Road, at the Mary River site, along the proposed rail alignment, at the proposed Steensby Inlet Port site, at the wind test tower area and at the potential hydroelectric site.

Key activities associated with the Mary River Project in 2007 are summarized as follows:

- Permitting and licensing of the exploration and geotechnical drilling program
- Exploration drilling on Deposit Nos. 1 and 3
- Geotechnical drilling at the Mary River site, along the proposed rail alignment, and both land-based and ocean drilling at Milne and Steensby Inlets
- Permitting and licensing of the bulk sampling program
- Delivery of materials, fuel and equipment in support of the exploration, geotechnical, and bulk sampling programs
- Construction activities to initiate the bulk sampling program
- Installation of a wind test tower near the Mary River site

1.2 BRIEF OVERVIEW OF PROJECT ACTIVITIES IN 2007

The year 2007 was busy for Baffinland, with many programs undertaken, including permitting, hiring, environmental and engineering studies, as well as public and government consultation. A chronological summary of the activities undertaken and submissions made to the Board in 2007 is provided in Table 1.1.

Exploration drilling continued on Deposit Nos. 1 and 3, and geotechnical drilling at project development areas was undertaken. Small drill camps were established in the spring at Milne and Steensby Inlets to support drilling along the proposed rail alignment and at the existing and proposed port sites.

Exploration drilling was initiated on June 21, 2007 and concluded on September 3, 2007. A total of 31 drillholes, with drillhole depths ranging between 83 m and 401 m, were completed using Longyear LY38 and LF70 rock coring drill rigs. A total of 6,567 m was drilled in the two deposits in the 2007 exploration drilling program. A thermistor was installed in the deepest drillhole (401 m), to measure the temperature gradient in bedrock for the purpose of estimating the total thickness of permafrost.

The geotechnical drilling program was conducted to investigate soil, bedrock and permafrost conditions at the mine site, proposed rail alignment and at potential port sites at Milne Inlet and Steensby Inlet. The geotechnical drilling program began on May 6, 2007 and ended for the season on September 23, 2007. A total of 139 drillholes were completed during the program using Longyear LY38, LF70 and LM30 rock coring drill rigs; 12 drillholes were completed at the mine site; 75 along the proposed rail alignment; 46 at the proposed Steensby Inlet port site and 6 at the Milne Inlet port site.

The bulk sampling program was also initiated in 2007, involving the delivery of equipment, materials and fuel to Milne Inlet, the replacement of the small drill camp established earlier in the year at Milne Inlet with a larger fully serviced trailer camp, and the start of road upgrades. Improvements were made to the Mary River Camp, as well as to the airstrips at both the Mary River site and Milne Inlet. Site layouts of Milne Inlet and Mary River camp sites are shown on Figures 1.2 and 1.3, respectively.

New hiring and contracting initiatives were undertaken, as Baffinland sought to extend employment opportunities to the six Baffin Island communities of interest (Pond Inlet, Arctic Bay, Hall Beach, Igloolik, Clyde River and Iqaluit). Baffinland's Inuit contractors received more than 800 resumes from people within the region, with a total of 195 people hired for the project. Within Baffinland itself, the company hired more than 15 people, including four environmental staff (including 2 secondments), five business development and community liaison staff (CLOs), three safety professionals, and two key operations positions. Of Baffinland's recent recruitments, seven staff members are based in Nunavut, including the five CLOs, the Business Development Manager, and the Assistant Operations Manager.

It was also a busy year for consultation with Baffinland's various stakeholders. The company made its first presentation to 66 government officials in Iqaluit in June and subsequent follow up meetings have been held. Baffinland visited its six communities of interest in September for a series of meetings with local officials and the public, and presented its plans for a mine at the Mary River site. The company was very pleased with the high turn-out at the meetings and the interest in the project. The company also hosted site visits for a number of community leaders, Inuit knowledge working groups, and government officials, allowing people to view the current operations first hand.

A comprehensive program of environmental baseline studies continued in the field and within the communities of the region throughout 2007. Additional environmental studies were undertaken in 2007 to monitor project activities, including air and noise monitoring, and to study the response of narwhal in Milne Inlet to sealift traffic from the project. In addition, a wind test tower was installed near the Mary River site. Baseline studies will continue in 2008.

For the purposes of further context, the Board is directed to an Annual Report submitted to the Nunavut Impact Review Board (NIRB 2008) summarizing the results of the exploration and geotechnical drilling programs as well as the bulk sample program. This report is a requirement of the Project Certificate issued through the environmental screening process under the Nunavut Land Claims Agreement (NLCA).

1.3 SUMMARY OF PROJECT PLANS FOR 2008

Project activities for 2008 include the following as it relates to exploration, geotechnical drilling and bulk sample programs:

Exploration Drilling

The 2008 exploration drilling program will continue on mining leases 2483, 2484 and 2485 (Deposit Nos. 1, 2, 3, 3B and 4), with an exploration drilling target of 7,000 to 8,000 m. Drilling on Deposit Nos. 1, 2, 3 and 3B will be supported by the Mary River camp, whereas an 8-12 person camp (included in the scope of previous permit applications but not yet established) will support preliminary exploration activities at Deposit No. 4. Baffinland is also planning to upgrade and extend historic drill roads on Deposit No. 1 to further facilitate efficient program execution (pending QIA approval), and may seek any necessary approvals to extend drill roads on Crown surface lands associated with Deposit Nos. 2, 3 and 3B.

Baffinland plans to replace the existing salt stations with new batch systems designed to reduce opportunities for spillage and reduce water use by utilizing on-demand water pumps, as well as increase brine solution consistency to better manage salt use.

Geotechnical Drilling

Detailed geotechnical investigations (i.e. drilling and test pitting) will continue from March to October in 2008, generally along the proposed rail alignment between Mary River and Steensby Inlet, and for the mine site infrastructure, open pit overburden, potential wind and hydro-electric power sites,

potential borrow pits, quarry sites, and railway ballast, and port facilities at Steensby. Both land-based and on-ice drilling will be conducted. The geographic area of drilling will be reduced, with the removal of plans to drill additional holes at Milne Inlet. Drilling will generally be focussed at Steensby Inlet, the proposed rail alignment and borrow sources. On-ice drilling will be limited to the Steensby Inlet and various other locations which will be drilled under frozen conditions. Locations selected for bridge abutments along the proposed rail alignment will require on-ice drilling.

Bulk Sample Program

The bulk sampling program, started in 2007, will continue and conclude in 2008. The following bullets summarize the key activities that will be undertaken this year.

- Construction of a 100-person all-weather tent camp, maintenance shop, and ancillary facilities at Mary River, next to the existing seasonal exploration camp
- Install a rotating biological contractor (RBC) for treatment of sewage from the all-weather camp, with a sewage outfall constructed into Sheardown Lake
- Grading and contouring of the airstrip at Mary River
- Installation of a helicopter re-fuelling station at Mary River
- Establishment of bulk fuel storage facilities, and lined re-fuelling stations, at the Mary River camp and crusher area
- Parking of a refuge trailer at the crusher location near Deposit No. 1, and the potential establishment of a camp and fuel storage facilities part-way along the Milne Inlet tote road ("Midway camp")
- Establishment of explosives storage and detonator storage magazines near Deposit No. 1 and an associated access road
- The drilling, blasting and stockpiling of 154,000 dry tonnes (t) of weathered surface rock on the top of Deposit No. 1 at Mary River
- The drilling, blasting, and crushing of 250,000 t of iron ore bulk sample from an open pit on Deposit No. 1 at Mary River
- Truck haulage from the bulk sample pit to the crusher, and truck haulage of the bulk sample to Milne Inlet
- Barge loading and ship loading at Milne Inlet
- Temporary stockpiling of the iron ore sample at Milne Inlet
- Loading of iron ore at Milne Inlet on five ships sailing to Europe in August through October 2008
- Construction and operation of a non-hazardous waste landfill at Mary River at a location approved by the Nunavut Water Board
- Application of EK35 to the airstrip at Milne Inlet
- Hercules airlift of materials, and removal of flight simulator
- Fuel haulage up road
- Road maintenance
- Dry cargo and fuel tanker sealifts at Milne Inlet, to re-supply the project with dry goods and fuel to Milne Inlet, with subsequent overland transport to Mary River
- Continued consolidation of historical scrap steel along the Milne Inlet tote road

- Removal of hazardous wastes from Mary River and Milne Inlet by sealift for off-site disposal at a licenced disposal facility
- Contouring of borrow areas along the Milne Inlet tote road

SECTION 2.0 - WATER USE AND WASTE DISPOSAL ACTIVITIES

2.1 WATER USE

In 2007, fresh water was obtained to sustain two key activities: potable water supply for camp use and drilling operations. Drilling operations included exploration drilling on Deposit Nos. 1 and 3 and geotechnical drilling to support future mine planning. The following sections describe water use and the associated sources thereof.

2.1.1 Methods of Obtaining Freshwater for Potable Use (Part B, Item 2 (i)) and Quantities of Water Used (Part B, Item 2 (v))

Water take locations for the various camps are shown on Figures 1.1, 1.3 and 2.1.

Water supply for the Mary River Camp was obtained using a small gasoline pump positioned adjacent to the shoreline of Camp Lake. Water was pumped directly from the lake source to water storage tanks located at the camp.

From April through July, potable water supply for the camp at Milne Inlet was flown in from Camp Lake. A small portable pump was used to withdraw water from the lake and used to fill small containers on the shore which were then flown back to the camp. Once delivered to the camp, the water was transferred to larger holding tanks.

With the initiation of the bulk sample program in August, the camp at Milne Inlet was replaced with a fully serviced trailer camp (piped water and sewage). A water truck was mobilized to site to deliver water to the camp. Similar to the method described above, a small pump was used to deliver water to the water truck which subsequently delivered the water to the camp.

Steensby Inlet Camp water came from an unnamed lake approximately 3 km east of the camp. A small portable pump was used to withdraw water from the lake and used to fill small containers on the shore which were then flown back to the camp. Once delivered to the camp, the water was transferred to larger holding tanks.

In all instances intakes were screened in accordance with the Department of Fisheries and Oceans Freshwater Intake End-of-Pipe Fish Screen Guideline (DFO Guideline) to ensure no entrapment of fish as per Part C, Item 5.

Table 2.1 summarizes potable water used in 2007.

2.1.2 Methods of Obtaining Freshwater for Drilling (Part B, Item 2 (ii)) and Quantities of Freshwater Used (Part B, Item 2 (v))

Water for exploration drilling on Deposit Nos. 1 and 3 was obtained from the Mary River. Deposit Nos. 1 and 3 each had its own water pumping station. Prior to being supplied to

the drills, calcium chloride was added to the water to lower its' freezing temperature and enable drilling in the permafrost. Whereas the pump and associated salt mixing station at Deposit No. 1 remained in a static location throughout the course of the drilling season, the pump and associated salt mixing station for Deposit No. 3 moved part way through the season to remain in proximity of the drilling. The locations of water withdrawal and the associated salt mixing stations are shown in Figure 2.2.

When possible, the ocean served as a water source for geotechnical drilling operations at Steensby and Milne Inlets. During the summer, lakes and ponds were also used as water sources for the drilling program at Steensby Inlet. Water sources for the proposed rail alignment drilling included Cockburn Lake and various unnamed lakes and ponds along the alignment near the drillholes. Lakes and ponds were chosen in advance and monitored during water withdrawal to ensure that notable drawdown did not occur. Water sources for drilling at the mine site were Sheardown Lake and Mary River tributaries. Figures 2.3 through 2.10 show the locations of the drillholes completed in 2007. Coordinates for the drillholes and associated water sources are provided on Table 2.2.

A summary of water use for exploration and geotechnical drilling is provided in Table 2.3.

2.1.3 Freshwater for Other Water Takings (Part B, Item 2 (ii))

No water was taken for other uses with the exception of negligible amounts of water used for dust suppression during upgrades of the Milne Inlet Tote Road. These amounts are included in the numbers provided above in Table 2.1.

2.2 SEWAGE, WASTE AND GREYWATER MANAGEMENT

2.2.1 Sewage and Greywater Management

Latrine toilets serviced camps at Milne Inlet and Steensby Inlet, as well as the Mary River Camp for much of the 2007 calendar year. After initiation of the bulk sample program, mechanical wastewater treatment facilities were commissioned to service the camps at Milne Inlet Camp and the Mary River in October 2007. Polishing ponds were installed along with the treatment plants to provide contingency during start-up and to serve as a repository for the management of sludge generated during operations. The locations of the wastewater treatment plants and associated polishing ponds are shown on Figures 1.2 and 1.3.

Prior to the commissioning of mechanical wastewater treatment facilities, human waste was collected in latrines from the Steensby Inlet Camp and flown back to the Mary River Camp for disposal. In the case of Milne Inlet, some latrine waste was buried in the vicinity of the camp at the direction of the Inspector.

At the Mary River Camp, latrine waste was initially burned in barrels, and at the direction of the Inspector this practice ceased in July. After receiving direction from the Inspector, and

prior to commissioning of the wastewater treatment plant, human waste was instead placed in an excavated trench, and treated with lime. The trench was covered with native material to maintain the natural contours of the land. Residue from waste that was burned remained stored on-site and will be sent by sea-lift in 2008 for off-site disposal at a licenced waste facility yet to be selected. Locations at Milne Inlet and Mary River where latrine wastes were buried are also shown on Figures 1.2 and 2.3 with coordinates provided on Table 2.8. There are currently 40 barrels of waste currently stored on-site awaiting backhaul.

Prior to commissioning of the wastewater treatment facilities, grey water generated at each of Milne, Mary River and the Steensby drill camp was directed to appropriately sized leach pits that were excavated adjacent to the camps. Pits were located remote from surface waters. Once the wastewater treatment systems were commissioned, leach pits at Milne and Mary River Camps ceased to be used.

2.2.2 Treated Sewage Effluent Discharged at Wastewater Treatment Facilities (WWTFs) and Any Waters Discharged From PWSPs (Part B, Item 2 (iii))

The monthly and annual quantities of treated sewage effluent discharged at the Mary River Camp Tanks-A-Lot System (Monitoring Station MRY-4) and at the Milne Inlet Camp RBC System (Monitoring Station MRY-5) are provided on Table 2.4. There were no discharges from either of the corresponding PWSPs in 2007.

2.2.3 Sludge Removed From WWTFs (Part B, Item 2 (iv))

There was no sludge removed from the WWTF at the Mary River site in 2007 while there was one vacuum truck load of sludge removed at Milne Inlet in 2007. This sludge was removed from the RBC System and placed into the PWSP.

2.2.4 Solid and Hazardous Waste Management

Prior to the initiation of the bulk sample program in August 2007, all solid waste generated as part of the work program was returned to Mary River for disposal. Solid waste such as domestic kitchen refuse and paper was incinerated daily at the Mary River Camp in a two-stage commercial incinerator. Upon commencement of the bulk sample program, a commercial two-stage incinerator was also commissioned for use at Milne Inlet.

The current water licence contemplates a solid waste landfill to be developed in the vicinity of the Mary River Camp. In November 2007, Baffinland submitted plans for the development of a non-hazardous waste landfill and is awaiting approval from the Nunavut Water Board accordingly. The updated landfill report is included in Appendix F. In the meantime, non-hazardous wastes generated in 2007 that were too bulky and/or not suitable for incineration are temporarily stored in designated locations at Mary River and Milne Inlet. These wastes generally consist of wood, plastics, metals as well as the ashes generated from the camp incinerators.

Historical waste primarily associated with exploration in the 1960's is present at various locations across the Mary River Property. Baffinland has been working to consolidate much of this waste as part of a commitment to progressive reclamation with the intent of disposing of the wastes in a future solid waste landfill and backhauling waste off-site, as appropriate. A waste 'bone-yard' has been established at the end of the airstrip at the Mary River site. Baffinland intends to engage third-party services to assist with the continued consolidation, characterization, and ultimate disposal of much of this waste in 2008 and 2009.

No potentially hazardous wastes were shipped off-site in 2007. Hazardous waste are collected and stored in lined containment areas awaiting off-site shipment to a licenced waste/recycling facility. Baffinland has engaged third party service providers to inventory, label, and manifest these wastes in preparation for shipment.

Figures 1.2, 1.3 and 2.3 show the following as it relates to solid and hazardous wastes:

- Locations of historic wastes being progressively managed
- Locations of camp incinerators
- Temporary storage locations of non-hazardous wastes awaiting landfill construction
- Location of the proposed landfill
- Lined containment areas where hazardous wastes are stored
- Location of the historic waste 'bone-yard'

Table 2.8 provides coordinates for various temporary and permanent waste storage areas.

2.2.5 Drill Waste

For exploration drilling activities sumps were constructed in the vicinity of the drillholes to intercept drill wastes including drill cuttings and drill water. In some cases, one sump accommodated several drillholes. Silt fences and berms were also used to intercept drill wastes. Locations of these water management structures are shown on Figure 2.2 with some further details provided on Table 2.5.

During geotechnical drilling activities diversion/collection berms and in-ground sumps were used to intercept drill waste. Diversion/collection berms and channels were constructed using native rocks, soil and/or absorbent cloth to form barriers to direct the runoff into natural depressions in the terrain surrounding the drillhole locations or into excavated sumps. On occasions where the terrain did not allow for diversion of the drill waste into a natural depression or where a natural depression of sufficient size was unavailable, shovels and picks were used to excavate small channels and sumps. When large amounts of sediments were collected in the depressions, the sediment was used to backfill the completed drillhole. Sumps for drilling wastes were located in the immediate vicinity of the drillhole, a minimum of 30 m from the ordinary high water mark of any water body. Locations of all geotechnical drillholes are shown on Figures 2.3 through 2.10 while drillhole coordinates are provided on Table 2.2.

2.3 WATER QUALITY OF WATER LICENCE MONITORING LOCATIONS

Results from the Surveillance Network Program (SNP) were provided in monthly reports to the NWB commenced in September 2007 with the granting of water licence 2BB-MRY0710. Monthly SNP reports were not required under the previous licence 2BE-MRY0708.

In 2007, monitoring stations at Mary River and Milne Inlet camps for raw water use and treated sewage effluent to polishing ponds were active. None of the other SNP stations were activated as there were yet any discharges to the environment from these areas. All water licence monitoring locations are provided on Table 2.6 and Figure 2.1.

With the exception of two days in the month of August, water use was within prescribed licence limits. There were 2 days during which reported water use for the purposes of drilling exceeded 455 m^3. Reported water use was intentionally conservative in its measurement.

As of December 2007, treated sewage effluent at Mary River and Milne Inlet camps continued to be discharged to polishing ponds as the treated sewage had yet met criteria established for direct discharge to the receiving environment.

Results for the parameters listed in Part I, Item 3 for monitoring locations MRY-4 and MRY-5 are provided on Table 2.7. Individual grab results for MRY-4 exceeded the allowable maximum average concentration for all parameters listed in the water licence. Results for MRY-5 only exceeded the allowable concentrations for faecal coliforms.

No toxicity testing was conducted in 2007 as there was no discharge to the environment from either waste water treatment system.

SECTION 3.0 - CONSTRUCTION ACTIVITIES (PART B, ITEM 2 (V))

Construction of the following waste water treatment facilities as contemplated by the water licence was completed in 2007:

- Mary River Wastewater Treatment Facility
- Milne Inlet Wastewater Treatment Facility

As discussed in the preceding sections, the wastewater treatment facility at Mary River was commissioned in October 2007. This facility, referred to as the Tanks-A-Lot system was installed as a means of mechanical sewage treatment contemplated by the previous licence and until a permanent facility accompanying camp expansion associated with the bulk sample program could be commissioned. A wastewater management plan for the Tanks-A-Lot facility was submitted to the Board in July 2007. A revised plan was submitted in September 2007 under the terms of the current licence for the installation of the permanent sewage treatment facility.

The sewage treatment facility contemplated under the licence for the Milne Inlet Camp was commissioned in October 2007. This facility consists of a rotating biological contactor (RBC) based treatment plant with trucked and/or piped discharge to a receiving ditch that ultimately reports to the ocean. A polishing/waste stabilization pond was constructed as an element of this facility. A wastewater management plan for this facility was included as part of the September submission described above for the Mary River facility.

As-built reports for each of these facilities along with select photographs are provided in Appendix C.

In 2008, the Tanks-A-Lot sewage treatment facility at Mary River will be replaced with a Rotating Biological Contactor based system similar to that installed at Milne Inlet. A permanent sewage outfall pipe will be extended from the facility to Sheardown Lake, the ultimate receiver of treated effluent. Installation plans are provided in the September 2007 submission referenced above.

SECTION 4.0 - GEOCHEMICAL ANALYSIS OF CORE (PART B, ITEM 2 (VI))

Since re-activation of exploration activities at the Mary River iron ore deposits 110 holes have been drilled for a total meterage of 22,984 m. Table 4.1 provides a breakdown of meterage by year and deposit as well as details of the number of holes drilled each year. Drilling began in 2004 with a focus on Deposit No. 1. This focus continued into the 2005 season. In 2006, the drilling program expanded to include satellite Deposits Nos. 2 and 3. This past season (2007) drilling at Deposit No. 1 continued to be the primary focus with further drilling at Deposit No. 3.

The majority of the 110 holes drilled have been sampled and sent for analysis to SGS Lakefield for analytical testing. Included in the suite of analysis are those parameters of potential concern for receiving waters and for which are sampled under the current water licence. These parameters include, Aluminum as measured by (Al_2O_3), Arsenic (As), Copper (Cu), Lead (Pb), Nickel (Ni), Zinc (Zn). Table 4.2 shows the minimum, maximum and median levels for the listed parameters in each drillhole. A total of 10 holes were not sampled since they did not intersect any iron ore formation, or there were difficulties with drilling equipment and holes were abandoned. Samples were broken out into two (2) metre intervals focusing on the iron ore mineralization. All iron formation is sampled along with ten (10) metres of 'waste' on either side of the iron formation contact. Internal waste units were also sampled at the discretion of the geologist.

It is important to realize that the majority of the trace metals tabulated are locked in silicates or other compounds, and are not easily leached out of the iron oxides. This is precisely the reason that they are considered deleterious elements or penalties in the steel-making process, due to the difficulty in removing them from the final steel product.

During sampling, drill core was cut into half, with one half of the sample being sent for analysis and the other stored on site. Drill core was stored at the core farm located approximately 200 m NNW of the Mary River Camp. Core was stored in wooden boxes with lids and stacked on pallets by hole.

In addition to metals analysis performed by SGS Lakefield, drill core was also being tested to determine the potential for metal leaching and/or acid rock drainage. In July 2007, a field leachate test using drill core and surface grab samples was initiated; this is also being supplemented with acid-base accounting and kinetic tests in a laboratory setting to support mine planning. Results of this work is summarized in the Bulk Sampling Management Plan presented as Appendix F to this report.

SECTION 5.0 - FUEL STORAGE (PART B, ITEM 2 (VII))

Prior to the year 2007, all of the fuel used at the Mary River project site was supplied by 200 litre drums. Fuel re-supply was provided by a combination of airlift directly to the Mary River camp and annual sea-lift re-supply to Milne Inlet. From Milne Inlet, drummed fuel was transported to Mary River by smaller aircraft or via the existing Milne Inlet tote road during winter, frozen conditions.

Fuel for the Mary River project is required for the following activities, including:

- Diesel electric power generation and building heat
- Light and heavy vehicle operation
- Fixed-wing aircraft and helicopter movement
- Exploration and geotechnical drill power and water supply

To protect receiving waters, it is Baffinland's practice to endeavour, as practical, to store drummed fuel, petroleum based wastes, and other potentially hazardous products within lined containment areas. Lined containment areas are in place at Mary River, Milne Inlet and the Steensby Inlet drill camp. Upgrading of existing lined areas and/or the installation of new lined areas is being undertaken at Mary River in compliment to improvements in site infrastructure and accommodations resulting from commencement of the bulk sample program.

With approval to proceed with the bulk sample program, the year 2007 marked a transition to the use of bulk fuel in addition to drummed fuel. A bulk fuel storage facility, with a total storage capacity of approximately 8.25 million litres was constructed at Milne Inlet and received delivery of diesel and Jet-A fuels in early September 2007. The storage facility consists of 74 bladders, each with a rated capacity of 113,560 litres and contained within an impermeable lined earthen berm designed to meet applicable standards and guidelines. An as-built report for this facility submitted to the Board in December 2007 is attached as Appendix C.

A bulk fuel bladder based storage facility is also planned for Mary River in support of the bulk sample program. A total estimated capacity of 1.6 million litres is planned as a repository of fuel transferred from Milne Inlet over the tote road. Work on this facility in 2007 was suspended as the result of cold temperatures negating the ability to weld impermeable liner seams and meet requisite quality control specifications. This facility will be completed in 2008, once weather permits. In the meantime, fuel for use at Mary River camp continued to be supplied via drums and a 75,000 litre pre-engineered steel tank installed in a lined berm.

In December 2007, Baffinland engaged the services of Genivar Engineers formally B.H. Martin to investigate fuel facilities at the Mary River and Milne Inlet camps and to determine if these facilities comply with the CCME "Environmental Code of Practice (2003) for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products". A copy of this report and related correspondence is included in Appendix D.

SECTION 6.0 - UNAUTHORIZED DISCHARGES (PART B, ITEM 2 (VIII))

With an increase in site activity in 2007, spill contingency training was developed and delivered to Baffinland spill response team members. Land based spill training was provided by the Qikiqtani Corporation and included classroom work and field drills. Prior to accepting fuel delivery, Baffinland participated in a mock event simulating the spill of fuel during bulk fuel off-loading to the Milne Inlet bulk fuel storage facility. This event was attended by staff from Transport Canada and the Qikiqtani Inuit Association.

The list of unauthorized discharges which occurred in 2007 is provided on Table 6.1. Information such as the date of the spill, the product and quantity spilled, cause of the spill, approximate location, proximity to any waterbody and a summary of follow-up actions taken, is provided on the table.

SECTION 7.0 - INSPECTION AND COMPLIANCE REPORT CONCERNS (PART B, ITEM 2 (IX))

The Mary River Project received the following formal compliance inspections from the landowners and/or water inspectors:

- Qikiqtani Inuit Association (QIA) inspectors inspected the site between November 21 and 23, 2007 (as reported in QIA letter dated December 6, 2007)
- An Indian and Northern Affairs Canada (INAC) water resource officer visited the site on July 14, 2007 (reported on December 10, 2007)

Copies of the inspection reports, and Baffinland's response detailing any follow-up, are included in Appendix E.

In general, the QIA inspectors were satisfied with the operation and management of the Project. The water resource inspector provided a number of comments, which have been summarized with Baffinland's follow-up action and/or response to the inspector, in Table 7.1.

SECTION 8.0 - UPDATES TO PLANS (PART B, ITEM 2 (X))

In March 2008, the Board granted an amendment to the Water Licence in response to an application made by Baffinland in 2007. The granted amendment is in reference to the following program changes in addition to requested minor adjustments and clarifications:

- An additional seasonal camp at a location along the proposed rail alignment between Mary River and Steensby Inlet
- An increase in the size of a seasonal camp at Steensby Inlet
- Expiration date of the licence

In accordance with Part B, Item 2 (x) of the water licence, updates to the following plans have been made in response to comments received on the current Plans and to reflect changes resulting from the above noted amendment:

- Abandonment and Reclamation Plan
- Spill Contingency Plan (referred to in water licence as Emergency Spill Response Plan)
- Bulk Sampling Management Plan (referred to in water licence as Waste Rock and Ore Storage Plan)
- Site Water Management Plan and QA/QC Plan
- Bulk Sampling Program - Landfill Design and Operations

A copy of each of these revised Plans and Reports is provided in Appendix F. A summary table in each Plan and Report provides a summary of salient changes.

SECTION 9.0 - PROGRESSIVE RECLAMATION WORK (PART B, ITEM 2 (XI))

A summary of progressive reclamation work completed in 2007 is provided below.

- A portion of the existing barrel/drum culverts remaining from the 1960s, as well as the eroded water crossings along the Milne Inlet Tote Road, were improved through the installation of engineered culverts in accordance with the Water Licence and DFO authorizations.
- Seven truckloads of historical barrels and debris were removed to Milne Inlet for temporary storage (to be removed during the 2008 sealift).
- A portion of the existing scrap steel at Milne Inlet, as well as various project wastes, were collected and consolidated.
- Drums at the old scrapyard at the Mary River site were stockpiled.

The disposal of historic non-hazardous wastes at the proposed landfill location of the Mary River site, and the off-site disposal of hazardous wastes by sealift, is planned to be initiated in 2008. Work will be ongoing to consolidate wastes into the designated locations in preparation for on-site disposal or off-site disposal and/or recycling. Baffinland is intending to engage the services of a third party contractor to assist in the preparation and execution of this work.

SECTION 10.0 - SUMMARY OF CONSULTATIONS (PART B, ITEM XIV)

10.1 CONSULTATION PRIOR TO 2007

Consultation on the project first began with the resumption of exploration in 2004, mainly focused on the community of Pond Inlet, the landowners (i.e., the QIA and INAC), and the NWB. Public consultation activities in 2007 increased in scope and outreach to include a number of additional stakeholders. In previous years, consultation efforts were directed primarily at Pond Inlet and the focus was to provide information regarding the exploration work underway, or in September 2006 to obtain feedback on the proposed bulk sampling program.

10.2 COMMUNITY CONSULTATION IN 2007

With a Definitive Feasibility Study (DFS) for mine development at an advanced stage, Baffinland began formal consultation regarding potential full-scale mine development in 2007.

In June 2007, a Mineral Development Advisory Group (MDAG) meeting, coordinated by INAC in Iqaluit, brought together a large number of government agencies and Inuit organizations which may be responsible for issuing a permit or approval, and/or that will be involved in an environmental assessment of the project.

Public Meetings were held in the North Baffin communities of Clyde River, Pond Inlet, Arctic Bay, Igloolik, Hall Beach, and Iqaluit in September 2007. The objective of these meetings was to provide the public with information regarding the mine development proposal, and obtain feedback prior to completion of the DFS. The turnout to the public meetings, particularly in the five North Baffin communities, was quite high, and feedback on the proposed mine was balanced. Baffinland has been very encouraged by the level of engagement demonstrated by the communities and looks forward to continued involvement and feedback from the communities.

Baffinland held a number of meetings with Inuit Organizations, government agencies, and Institutes of Public Government (IPGs) through the second half of 2007, to provide the groups with an early overview of the project, and to initiate dialogue regarding the applicable regulatory processes and information needs. At the request of the Hamlet of Pond Inlet and the Municipality of Igloolik, Baffinland executive has been meeting with the community leaderships on a bi-monthly basis since the summer of 2007.

Tables 10.1 and 10.2 provide summaries of these meetings.

SECTION 11.0 - REFERENCES

1. Canadian Council of Ministers of the Environment (CCME). Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products. 2003

2. Department of Fisheries and Oceans. Freshwater Intake End-of-Pipe Fish Screen Guideline. 1995.

3. Knight Piésold Ltd. 2007 Annual Report to the Nunavut Impact Review Board, Ref. No. NB102-00181/11-1, Rev. 0, January 25, 2008. North Bay: Knight Piésold Ltd., 2008.

4. Indian and Northern Affairs Canada. Nunavut Land Claims Agreement. 1993.

5. RWDI AIR Inc. Incinerator Stack Testing - Mary River Incinerator - Baffin Island, Nunavut Project Number: #W07-5226A, September 28, 2007. Ottawa: RWDI AIR Inc., 2007.

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SECTION 12.0 - CERTIFICATION ▲R1

This report was prepared, reviewed and approved by the undersigned.

Prepared by: _____

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Reviewed by: _____

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TABLE 1.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

SUMMARY OF 2007 ACTIVITIES AND SUBMISSIONS

Date	Activity/Submission
February 2007	Submission of annual report (2006)
February 2007	Water License renewal granted (2BE-MRY0708) - exploration and geotechnical drilling program
March 2007	Mobilization to site in preparation for 2007 program execution - Commencement of water use and waste disposal
May 2007	Commencement of 2007 geotechnical drilling program
May 2007	Site Water Management Plan submission
May 2007	Spill Contingency Plan submission (revised for 2007)
June 2007	Abandonment and Reclamation Plan submission (exploration and geotechnical program)
June 2007	Commencement of 2007 exploration drilling program
July 2007	Waste Water Management Plan submission (Tanks-A-Lot system)
July 2007	Water License Inspector site visit
July 2007	Water License amendment granted (2BB-MRY0710) - exploration and geotechnical drilling programs, and bulk sample program
August 2007	Spill Contingency Plan submission (revised to include bulk sample program)
September 2007	Completion of 2007 exploration drilling program
September 2007	Construction completion of Milne Inlet bulk fuel storage facility
September 2007	Sea-lift arrival of bulk fuel
September 2007	Waste Water Management Plan submission (Revised)
September 2007	Completion of 2007 geotechnical drilling program
September 2007	August monthly water license report submission
October 2007	Errata to Water License 2BB-MRY0710 to clarify Part C, Item 1 - Conditions Applying to Water Use
October 2007	Construction completion of Mary River Waste Water Treatment Facility (Tanks-A-Lot System)
October 2007	Restoration liability assessment submission (Revised Abandonment and Restoration Plan)
October 2007	Bulk Sample Management Plan submission
October 2007	Site Water Management Plan (Revised) submission (including Environmental Monitoring Plan)
October 2007	Construction completion of Milne Inlet Waste Water Treatment Facility
October 2007	Surface Water Sampling Program Quality Assurance and Quality Control Plan submission
October 2007	September monthly water license report submission
November 2007	Landfill Ste Design report submission
November 2007	Submission of water license amendment (2BB-MRY0710) - expansion of exploration and geotechnical drilling programs, addition/expansion of camps
December 2007	As-Built plans and drawings submission of Milne Inlet bulk fuel storage facility
December 2007	Receipt of Water License Inspectors Report of July 14, 2007 site visit
December 2007	November monthly water license report submission

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 1.1 Rev 0 - Chronology.xls]TABLE 1.1
28-Mar-08

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TABLE 2.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DAILY, MONTHLY AND ANNUAL QUANTITIES OF WATER FOR CAMPS

Day	April	May	June	July	August			September			October			November			December		
	(m^3)	(m^3)	(m^3)	(m^3)	MRY-1 (m^3)	MRY-2 (m^3)	Total (m^3)	MRY-1 (m^3)	MRY-2 (m^3)	Total (m^3)	MRY-1 (m^3)	MRY-2 (m^3)	Total (m^3)	MRY-1 (m^3)	MRY-2 (m^3)	Total (m^3)	MRY-1 (m^3)	MRY-2 (m^3)	Total (m^3)
1		6.5	10.0	11.4	9.2	2.1	11.3	13.1	0.0	13.1	12.0	8.2	20.2	4.5	16.4	20.9	13.0	6.4	19.4
2		7.6	9.8	12.3	9.2	2.9	12.1	11.3	11.3	22.6	12.3	32.8	45.1	5.3	24.6	29.9	13.0	6.4	19.4
3		7.1	9.4	11.9	9.2	2.1	11.3	9.0	0.0	9.0	12.2	24.6	36.8	9.6	8.2	17.8	12.2	6.4	18.6
4		7.1	9.4	12.9	9.2	3.3	12.5	8.6	0.0	8.6	12.2	16.4	28.6	6.5	12.8	19.3	13.1	12.8	25.9
5	0.9	7.2	9.2	12.2	9.2	2.9	12.1	11.6	0.0	11.6	11.7	8.2	19.9	6.8	12.8	19.6	13.0	6.4	19.4
6	1.0	7.6	9.3	12.7	9.2	2.4	11.6	15.6	0.0	15.6	10.7	8.2	18.9	6.7	6.4	13.1	13.0	12.8	25.8
7	1.1	7.2	8.4	12.8	9.2	2.6	11.8	11.6	0.0	11.6	10.6	16.4	27.0	14.3	12.8	27.1	12.5	6.4	18.9
8	1.1	8.0	9.5	12.6	9.2	2.6	11.8	6.0	9.5	15.5	10.4	8.2	18.6	4.2	6.4	10.6	12.5	0.0	12.5
9	1.1	9.3	8.7	13.2	9.2	2.6	11.8	10.4	0.0	10.4	9.8	8.2	18.0	9.4	13.1	22.5	12.5	6.4	18.9
10	1.1	8.0	8.5	13.8	9.2	2.6	11.8	11.0	9.5	20.5	11.0	16.4	27.4	7.3	12.8	20.1	13.1	6.4	19.5
11	1.2	8.5	9.9	13.6	9.2	2.6	11.8	9.0	22.8	31.8	10.7	16.4	27.1	8.4	12.8	21.2	13.3	6.4	19.7
12	1.7	7.8	9.0	14.3	9.2	2.6	11.8	12.3	11.4	23.7	10.4	8.2	18.6	6.8	0.0	6.8	13.1	6.4	19.5
13	2.0	7.7	9.2	13.6	9.2	5.8	15.0	10.3	11.4	21.7	10.2	8.2	18.4	9.7	25.6	35.3	13.1	6.4	19.5
14	2.3	8.0	9.0	13.6	9.2	5.7	14.9	10.8	11.4	22.2	9.9	16.4	26.3	6.6	12.8	19.4	13.1	6.4	19.5
15	2.4	8.2	10.5	15.9	9.2	5.5	14.7	12.8	11.4	24.2	9.9	8.2	18.1	7.9	12.8	20.7	13.6	6.4	20.0
16	2.4	8.3	10.3	15.2	9.2	0.0	9.2	15.8	11.4	27.2	9.6	16.4	26.0	11.6	12.8	24.4	12.5	6.4	18.9
17	2.4	7.8	9.9	15.8	9.2	11.3	20.5	5.0	0.0	5.0	9.4	8.2	17.6	1.9	12.8	14.7	12.6	6.4	19.0
18	2.4	7.7	10.5	14.5	9.2	0.0	9.2	17.3	0.0	17.3	9.4	16.4	25.8	8.0	0.0	8.0	13.3	12.8	26.1
19	2.7	7.3	9.9	16.1	9.2	0.0	9.2	12.1	22.8	34.9	9.9	8.2	18.1	5.9	6.4	12.3	13.9	6.4	20.3
20	3.7	6.9	10.9	15.4	9.2	11.3	20.5	9.8	5.7	15.5	8.6	16.4	25.0	7.5	19.2	26.7	13.3	6.4	19.7
21	3.7	7.5	10.1	15.3	9.2	0.0	9.2	12.6	5.7	18.3	8.8	16.4	25.2	7.8	6.4	14.2	13.6	6.4	20.0
22	3.8	6.8	10.7	15.8	9.2	11.3	20.5	12.6	11.4	24.0	9.4	16.4	25.8	6.5	12.8	19.3	13.6	6.4	20.0
23	4.2	8.1	9.8	15.1	9.6	0.0	9.6	14.1	22.8	36.9	10.2	8.2	18.4	9.6	12.8	22.4	13.3	6.4	19.7
24	4.2	7.7	10.0	15.7	8.3	11.3	19.6	11.3	11.4	22.7	10.1	16.4	26.5	7.9	12.8	20.7	13.0	6.4	19.4
25	4.5	8.4	11.2	15.5	8.3	0.0	8.3	9.8	11.4	21.2	11.0	42.0	53.0	7.8	25.6	33.4	13.0	6.4	19.4
26	4.8	8.4	11.3	15.7	7.3	0.0	7.3	4.6	11.4	16.0	8.5	8.2	16.7	8.4	6.4	14.8	12.5	6.4	18.9
27	5.6	8.4	11.8	14.4	9.3	34.1	43.4	8.0	11.4	19.4	9.4	8.2	17.6	10.8	6.4	17.2	11.0	12.8	23.8
28	5.4	9.0	11.0	14.6	7.0	0.0	7.0	8.0	11.4	19.4	9.6	16.4	26.0	9.9	19.2	29.1	10.2	0.0	10.2
29	5.5	8.6	12.6	14.9	11.6	11.3	22.9	8.0	11.4	19.4	10.4	16.4	26.8	10.1	12.8	22.9	10.6	12.8	23.4
30	5.8	9.7	10.5	13.3	10.6	0.0	10.6	8.0	11.4	19.4	9.4	8.2	17.6	10.3	12.8	23.1	10.7	6.4	17.1
31		8.7			10.6	11.3	21.9				9.6	16.4	26.0				9.8	6.4	16.2
Total	**77.0**	**245.1**	**300.3**	**424.1**	285.0	150.2	**435.2**	320.2	258.3	**578.5**	317.6	443.8	**761.4**	238.0	369.5	**607.5**	391.0	217.6	**608.6**

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.1 Rev 0 - Water for Camps.xls]TABLE 2.1 - Camp Water
28-Mar-08

Notes:
1. Values for April through July are total for the project and are based on an average consumption of 100 litres/person/day.
2. Value for Milne Inlet (MRY-2) are based on truck counts.
3. A flowmeter was installed for the Mary River Camp water source (MRY-1) on August 24th.
4. There was no water usage data provided for July 31st.
5. The total volume of water used for camps for 2007 is 4,038 m^3.

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TABLE 2.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

GEOTECHNICAL DRILLHOLE DETAILS

Drillhole ID	Drillhole Coordinates		Water Source Coordinates		Depth of Drillhole	Date Started	Date Completed
	Northing (m)	Easting (m)	Northing (m)	Easting (m)	(m)		
2007 MINE SITE DRILLHOLE DETAILS							
Primary Crusher							
MPC-005 [4,8]	*7,913,364*	*563,405*	7,912,888	563,670	56.4	19-Jun-07	19-Jun-07
Stockpile Areas							
MSL-005	7,912,887	562,239	7,912,887	562,239	23.2	21-Sep-07	21-Sep-07
MSL-006	7,913,064	561,737	7,913,219	561,807	26.0	22-Sep-07	22-Sep-07
Rail Loading Facilities							
MLO-002	7,912,087	562,362	7,912,108	562,012	26.0	24-Sep-07	24-Sep-07
MLO-003	7,912,241	562,148	7,912,108	562,021	26.0	23-Sep-07	23-Sep-07
Power Generation Plant							
MPL-002 [8]	7,913,430	560,569	7,913,293	560,485	17.5	27-May-07	27-May-07
MPL-003 [8]	7,913,378	560,610	7,913,293	560,485	16.7	30-May-07	30-May-07
MPL-004 [8]	7,913,404	560,590	7,913,293	560,485	29.4	16-Jun-07	16-Jun-07
Administrative and Accommodation Buildings							
MBC-003 (2007) [5,8]	7,913,608	560,663	7,913,496	560,755	25.1	13-Jun-07	13-Jun-07
MBC-004 [6,8]	*7,913,389*	*560,852*	7,913,496	560,755	24.2	06-Jun-07	06-Jun-07
MBC-004 (Redrill) [8]	*7,913,389*	*560,852*	7,913,496	560,755	27.9	10-Jun-07	10-Jun-07
Tank Farm							
MTF-004 [7,8]	7,913,178	560,994	7,913,293	560,485	15.0	04-Jun-07	04-Jun-07
2007 MILNE INLET DRILLHOLE DETAILS							
Transfer Tower							
PMT-001	7,975,942	503,278	Ocean	Ocean	13.9	25-May-07	26-May-07
Accommodation / Admin / Maintenance / Lab Complex							
PMBC-002	7,975,931	503,174	Ocean	Ocean	15	21-May-07	24-May-07
Power Plant							
PMPL-002	7,975,912	503,177	Ocean	Ocean	15	24-May-07	25-May-07
Tank Farm							
PMTF-001	7,976,602	503,311	Ocean	Ocean	13.5	26-May-07	27-May-07
Service & Construction Dock							
PMSD-001	7,976,595	503,314	Ocean	Ocean	24	27-May-07	29-May-07
Bulk Sample Fuel Storage							
BS-001	7,975,955	503,277	Ocean	Ocean	15	25-May-07	25-May-07
2007 STEENSBY PORT SITE DETAILS							
Rotary Rail Car Dumper							
PSD-001	7,800,754	594,848	Ocean	Ocean	16.7	25-Jun-07	25-Jun-07
PSD-002	7,800,724	594,817	Ocean	Ocean	24.7	24-Jun-07	24-Jun-07
Screen Feed Bin Conveyor							
PSC2-001 [12]	7,800,488	594,618	Ocean	Ocean	22.5	26-Jun-07	26-Jun-07
Secondary Screening Station							
PSS-001	7,800,289	594,100	7,800,164	594,087	12.4	16-Jul-07	16-Jul-07
Transfer Tower No. 3							
PST2-001 [12]	7,800,414	593,925	Ocean	Ocean	10.2	14-Jul-07	14-Jul-07
Stockpile (fine)							
PSSF-001	7,800,074	593,906	Ocean	Ocean	9.1	6-Jun-07	6-Jun-07
Stockpile (fine) - Future							
PSSF-002	7,799,897	593,746	Ocean	Ocean	12.5	10-Jun-07	11-Jun-07
Stockpile (lump)							
PSSL-001	7,799,434	593,293	7,799,144	593,200	9.6	3-Jun-07	3-Jun-07
PSSL-002	7,799,742	593,574	7,799,144	593,200	15	4-Jun-07	5-Jun-07
PSSL-003	7,799,917	593,534	Ocean	Ocean	9.2	5-Jun-07	5-Jun-07
PSSL-004	7,800,124	593,660	Ocean	Ocean	9.8	6-Jun-07	6-Jun-07
Stockpile (lump) - Future							
PSSL-005 [12]	7,799,308	593,202	7,799,144	593,200	19.2	2-Jul-07	2-Jul-07
PSSL-006A	7,799,634	593,493	7,799,144	593,200	13.6	3-Jul-07	3-Jul-07
PSSL-006B	7,799,634	593,493	7,799,144	593,200	22.2	3-Jul-07	3-Jul-07
PSSL-007 [12]	7,799,836	593,524	7,799,742	593,560	19.3	4-Jul-07	4-Jul-07
PSSL-008 [12]	7,800,334	593,831	7,800,072	593,906	15.9	5-Jul-07	5-Jul-07
Ship Loader Feed Conveyor							
PSLC-001	7,799,023	593,115	7,799,076	593,200	14.7	3-Jun-07	3-Jun-07
PSLC-002	7,799,048	593,248	7,799,076	593,200	15	23-May-07	23-May-07
PSLC-003	7,799,093	593,174	7,799,076	593,200	26.9	4-Jun-07	4-Jun-07
Ore Dock							
PSSW-001 [10,15]	7,798,230	592,844	Ocean	Ocean	4.9	10-May-07	11-May-07
PSSW-002 [10,15]	7,798,290	592,835	Ocean	Ocean	33.0	08-May-07	13-May-07
PSSW-003 [10,15]	7,798,230	592,863	Ocean	Ocean	7.5	12-May-07	13-May-07
PSSW-004 [10,15]	7,798,354	592,823	Ocean	Ocean	15.1	13-May-07	14-May-07
PSSW-005 [10,15]	7,798,400	592,801	Ocean	Ocean	27.6	14-May-07	15-May-07
PSSW-006/006B [10,15]	7,798,267	592,843	Ocean	Ocean	12.2	15-May-07	17-May-07
PSSW-007 [10,15]	7,798,423	592,786	Ocean	Ocean	14.0	17-May-07	19-May-07
PSSW-008 [10,15]	7,798,206	592,854	Ocean	Ocean	2.2	18-May-07	19-May-07
PSSW-009 [10,15]	7,798,206	592,854	Ocean	Ocean	10.0	19-May-07	20-May-07
PSSW-010 [15]	7,798,413	592,797	Ocean	Ocean	1.5	20-May-07	20-May-07
PSSW-011 [15]	7,798,466	592,814	Ocean	Ocean	6.0	20-May-07	20-May-07

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TABLE 2.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

GEOTECHNICAL DRILLHOLE DETAILS

Drillhole ID	Drillhole Coordinates		Water Source Coordinates		Depth of Drillhole	Date Started	Date Completed
	Northing	Easting	Northing	Easting			
	(m)	(m)	(m)	(m)	(m)		
PSSW-012 [15]	7,798,413	592,797	Ocean	Ocean	13.5	20-May-07	21-May-07
PSSW-013 [15]	7,798,505	592,828	Ocean	Ocean	5.0	22-May-07	22-May-07
Accommodation/Admin/Maintenance/Lab Complex							
PSBC-001 [12]	7,802,087	593,657	-	-	19.2	28-Jun-07	29-Jun-07
PSBC-002 [12]	7,802,166	593,508	-	-	16.5	30-Jun-07	30-Jun-07
Power Plant							
PSPL-001 [12]	7,802,208	593,725	-	-	19.3	29-Jun-07	29-Jun-07
PSPL-002 [12]	7,802,249	593,654	-	-	16.2	29-Jun-07	29-Jun-07
Tank Farm							
PSTF-001 [12]	7,801,770	594,102	-	-	19.1	27-Jun-07	27-Jun-07
PSTF-002	7,802,850	592,589	-	-	19	18-Jul-07	18-Jul-07
PSTF-003	7,798,395	593,011	593,034	7,798,490	19.2	27-Jun-07	27-Jun-07
Bridge							
PSB-001 [12]	7,800,316	594,226	Ocean	Ocean	16.7	5-Jul-07	5-Jul-07
PSB-002 [15]	7,800,325	594,351	Ocean	Ocean	15.0	24-May-07	25-May-07
PSB-003 [12,15]	*7,800,355*	*594,406*	Ocean	Ocean	21.8	07-May-07	10-May-07
PSB-004 [12]	7,800,372	594,522	Ocean	Ocean	31.2	12-Jul-07	13-Jul-07
Service Dock							
PSSD-001 [15]	7,803,186	592,443	Ocean	Ocean	26	29-May-07	30-May-07
PSSD-002 [15]	7,803,211	592,517	Ocean	Ocean	25.5	31-May-07	31-May-07
Tug Dock							
PSTD-001 [15]	7,798,141	592,986	Ocean	Ocean	8.2	7-Jun-07	8-Jun-07
2007 PROPOSED RAIL ALIGNMENT DRILLHOLE DETAILS							
BH2007-01	7,910,601	564,561	7,910,353	564,637	34.2	12-Aug-2007	13-Aug-2007
BH2007-02	7,909,974	565,572	7,909,943	565,572	20.4	10-Aug-2007	10-Aug-2007
BH2007-03	7,909,085	566,869	7,908,878	566,863	29.5	9-Aug-2007	9-Aug-2007
BH2007-04	7,907,959	568,729	7,907,244	568,680	34.2	14-Aug-2007	14-Aug-2007
BH2007-05	7,906,456	570,787	7,906,124	570,423	19.3	16-Aug-2007	16-Aug-2007
BH2007-06	7,904,853	573,316	7,904,368	573,215	12.4	17-Aug-2007	17-Aug-2007
BH2007-07	7,903,242	576,926	7,902,991	576,835	19.2	9-Aug-2007	10-Aug-2007
BH2007-08	7,901,919	579,739	7,901,763	579,613	29.6	11-Aug-2007	11-Aug-2007
BH2007-09	7,901,110	582,375	7,900,729	581,299	28.5	8-Aug-2007	8-Aug-2007
BH2007-10	7,900,625	584,043	7,900,442	584,373	28.5	18-Aug-2007	18-Aug-2007
BH2007-11	7,900,312	584,993	7,900,095	585,408	26.9	7-Aug-2007	7-Aug-2007
BH2007-12	7,896,305	589,205	7,896,071	588,921	25.6	19-Aug-2007	19-Aug-2007
BH2007-13	7,893,685	591,762	7,893,454	591,884	33.1	20-Aug-2007	20-Aug-2007
BH2007-14	7,892,781	592,807	7,892,707	592,789	13.1	8-Aug-2007	8-Aug-2007
BH2007-15	7,892,695	592,891	7,892,847	592,705	13.5	21-Aug-2007	21-Aug-2007
BH2007-16	7,889,693	594,738	7,890,143	595,205	24.9	12-Aug-2007	13-Aug-2007
BH2007-17	7,887,655	596,193	7,887,655	596,451	20.7	5-Aug-2007	5-Aug-2007
BH2007-18	7,886,535	596,589	7,886,545	596,665	14.7	14-Aug-2007	14-Aug-2007
BH2007-19	7,883,460	597,679	7,883,067	597,846	14.7	4-Aug-2007	4-Aug-2007
BH2007-20	7,880,267	597,068	7,880,568	597,728	17.5	13-Aug-2007	13-Aug-2007
BH2007-21	7,878,138	597,388	7,878,104	597,332	20.6	3-Aug-2007	3-Aug-2007
BH2007-22	7,875,412	599,186	7,874,600	599,185	14.2	24-Aug-2007	24-Aug-2007
BH2007-23	7,870,338	598,418	7,871,146	597,856	20.4	26-Jul-2007	27-Jul-2007
BH2007-24	7,866,714	599,813	7,866,902	600,447	17.2	25-Aug-2007	25-Aug-2007
BH2007-25	7,864,988	601,394	7,865,213	601,654	20.4	26-Aug-2007	26-Aug-2007
BH2007-26	7,861,748	602,695	7,861,853	603,029	20.6	28-Jul-2007	28-Jul-2007
BH2007-27	7,857,225	605,239	7,857,512	605,575	24.7	25-Jul-2007	25-Jul-2007
BH2007-28	7,845,196	606,129	7,845,049	606,346	41.8	21-Jul-2007	21-Jul-2007
BH2007-29	7,843,085	606,239	7,843,100	606,400	23.8	27-Aug-2007	28-Aug-2007
BH2007-30	7,841,016	607,705	7,840,651	608,041	24.9	23-Jul-2007	23-Jul-2007
BH2007-31	7,840,675	608,060	7,840,651	608,041	31.2	16-Jul-2007	18-Jul-2007
BH2007-32	7,834,890	605,110	7,834,771	605,159	47.5	9-Jul-2007	9-Jul-2007
BH2007-33	7,831,610	600,513	7,832,763	601,543	80.2	7-Jul-2007	7-Jul-2007
BH2007-34	7,826,205	597,231	7,831,167	599,881	36.2	22-Jun-2007	22-Jun-2007
BH2007-35	7,825,972	597,215	7,825,961	597,264	24.3	21-Jun-2007	21-Jun-2007
BH2007-36	7,820,698	598,158	7,821,037	598,004	42.0	19-Jun-2007	19-Jun-2007
BH2007-37	7,817,367	598,583	7,816,646	598,906	18.8	27-Jun-2007	27-Jun-2007
BH2007-38	7,810,539	600,733	7,810,499	600,976	25.2	17-Jun-2007	17-Jun-2007
BH2007-39	7,807,514	598,728	7,807,576	598,530	34.6	15-Jun-2007	15-Jun-2007
BH2007-40	7,803,037	595,459	7,803,312	595,899	31.6	15-Jun-2007	15-Jun-2007
BH2007-41	7,803,300	595,950	7,803,312	595,899	5.7	12-Jun-2007	12-Jun-2007
BH2007-42	7,803,191	595,942	7,803,312	595,899	28.9	21-Jun-2007	14-Jul-2007
BH2007-43	7,803,136	595,649	7,803,312	595,899	16.2	14-Jun-2007	15-Jun-2007
BH2-2007-33	7,901,862	580,033	7,901,647	579,971	22.6	19-Sep-2007	21-Sep-2007
BH2-2007-34	7,901,632	579,999	7,901,647	579,971	20.9	17-Sep-2007	19-Sep-2007
BH2-2007-37	7,901,536	580,899	7,901,216	581,015	23.4	15-Sep-2007	16-Sep-2007
BH2-2007-38	7,901,500	581,027	7,901,186	581,011	25.3	12-Sep-2007	12-Sep-2007
BH2-2007-39	7,901,381	581,236	7,901,186	581,011	25.3	11-Sep-2007	11-Sep-2007
BH2-2007-41	7,900,564	584,305	7,900,450	584,395	25.3	10-Sep-2007	10-Sep-2007
BH2-2007-43	7,900,124	585,356	7,900,097	585,415	15.2	9-Sep-2007	9-Sep-2007
BH2-2007-44	7,900,039	585,511	7,900,034	585,511	24.2	8-Sep-2007	8-Sep-2007
BH2-2007-46	7,898,326	587,287	7,898,181	587,314	28.9	7-Sep-2007	7-Sep-2007

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TABLE 2.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

GEOTECHNICAL DRILLHOLE DETAILS

Drillhole ID	Drillhole Coordinates		Water Source Coordinates		Depth of Drillhole	Date Started	Date Completed
	Northing	Easting	Northing	Easting			
	(m)	(m)	(m)	(m)	(m)		
BH2-2007-47	7,897,996	587,614	7,898,051	587,549	22.8	5-Sep-2005	5-Sep-2005
BH2-2007-49	7,895,823	589,703	7,895,552	589,583	15.3	4-Sep-2007	4-Sep-2007
BH2-2007-50	7,894,462	591,044	7,894,250	591,040	31.5	1-Sep-2007	1-Sep-2007
BH2-2007-51	7,894,322	591,176	7,894,253	591,077	16.6	2-Sep-2007	2-Sep-2007
BH2-2007-52	7,893,539	592,023	7,893,480	591,990	28.8	31-Aug-2007	31-Aug-2007
BH2-2007-53	7,891,886	594,099	7,891,728	593,853	23.2	20-Sep-2007	21-Sep-2007
BH2-2007-54	7,890,410	594,404	7,890,309	594,323	16.2	17-Sep-2007	17-Sep-2007
BH2-2007-55	7,885,135	596,540	7,885,135	596,540	17.3	16-Sep-2007	16-Sep-2007
BH2-2007-56	7,881,941	598,240	7,882,008	598,372	17.3	15-Sep-2007	15-Sep-2007
BH2-2007-57	7,881,209	597,764	7,881,197	597,857	10.7	11-Sep-2007	15-Sep-2007
BH2-2007-58	7,879,120	596,670	7,879,068	596,753	13.0	10-Sep-2007	10-Sep-2007
BH2-2007-59	7,878,488	597,062	7,878,278	597,123	20.1	9-Sep-2005	9-Sep-2005
BH2-2007-60	7,877,677	597,808	7,877,840	597,440	17.3	8-Sep-2007	8-Sep-2007
BH2-2007-61	7,876,904	598,589	7,877,372	599,551	20.0	7-Sep-2007	7-Sep-2007
BH2-2007-62	7,874,759	599,369	7,874,643	599,431	12.3	6-Sep-2007	6-Sep-2007
BH2-2007-63	7,873,194	599,591	7,874,054	599,159	17.4	4-Sep-2007	4-Sep-2007
BH2-2007-64	7,871,883	598,993	7,871,368	599,002	14.2	3-Sep-2007	3-Sep-2007
BH2-2007-65	7,870,882	598,526	7,871,013	598,329	11.4	2-Sep-2007	2-Sep-2007
BH2-2007-66	7,867,882	599,202	7,868,757	599,230	13.8	1-Sep-2007	1-Sep-2007
BH2-2007-67	7,866,186	600,321	7,866,019	600,225	16.6	31-Aug-2007	31-Aug-2007
BH2-2007-68	7,864,266	601,935	7,864,021	602,854	29.2	29-Aug-2007	29-Aug-2007
MR-001	7,911,959	562,828	7,911,900	562,600	25.0	18-Sep-2007	18-Sep-2007
MR-002	7,912,083	562,574	7,911,900	562,600	23.0	20-Sep-2007	20-Sep-2007

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Notes for Mine Site drillholes:

1. All drillhole coordinates were obtained from handheld GPS except those in italics, which were given by Aker Kvaerner.
2. Coordinates are given in the UTM grid NAD 83, Zone 17 and in metres.
3. All drillhole collar elevations are based on Eagle Mapping 2005 contour data.
4. MPC-005 was logged by the geomechanical program to provide geomechanical data for foundation recommendations.
5. MBC-003 (2007) was given the year of drilling in its name to differentiate it from the drillhole with the same designation, MBC-003 completed during 2006 site investigation.
6. MBC-004 drillhole log not provided due to nearly 0% recovery on first attempt.
7. MTF-004 was previously mislabelled as MTF-003 in the previously issued memo (Ref. No. NB07-00542).
8. No coordinates recorded, coordinates based on memory.

Notes for Milne Inlet drillholes:

9. All co-ordinates taken from handheld GPS and are approximate.

Notes for Steensby port site drillholes:

10. Coordinates were surveyed with a Total Station with control points surveyed by survey GPS.
11. Coordinates are the intended coordinates provided by Aker Kvaerner.
12. Coordinates and elevations provided by MH Martin survey.
13. All other points were surveyed using a handheld or survey GPS and are approximate.
14. Coordinates are in UTM NAD 83 (Zone 17), in metres.
15. Negative elevations indicate the drillhole was on-ice and correspond to the water depth at the next low tide.
16. All other elevations are from LIDAR.

Notes for South Rail Alignment drillholes:

17. Coordinates are UTM NAD 83, Zone 17 and are in metres.
18. Elevations from Lidar survey contours.
19. All co-ordinates taken from handheld GPS and are approximate.

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TABLE 2.3

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DAILY, MONTHLY AND ANNUAL QUANTITIES OF WATER FOR DRILLING

Day	April (m^3)	May (m^3)	June (m^3)	July (m^3)	August (m^3)	September (m^3)
1			55	164	259	77
2			0	383	220	161
3			109	328	309	74
4			55	383	309	121
5			109	383	259	105
6		27	55	383	281	49
7		55	0	383	331	104
8		55	0	219	151	55
9		109	0	109	353	51
10		0	55	109	378	38
11		109	0	328	378	46
12		109	109	328	**472**	48
13		0	55	219	435	42
14		109	55	164	**457**	8
15		109	55	109	382	79
16		55	55	109	410	68
17		55	109	164	435	52
18		55	164	219	435	82
19		109	109	219	435	64
20		109	164	164	403	93
21		0	164	164	202	95
22		0	164	273	101	28
23		55	109	274	284	26
24		109	164	274	329	34
25		109	164	274	343	
26		55	218	109	295	
27		109	273	164	50	
28		55	164	0	170	
29		109	164	164	68	
30		55	109	219	210	
31		0		219	304	
Total	**0**	**1,717**	**2,999**	**6,996**	**9,450**	**1,599**

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.3 Rev 0 - Water for Drilling.xls]TABLE 2.3 - Drilling Water

28-Mar-08

Notes:

1. Water use for geotechnical drilling was calculated by multiplying 10USgpm per drill by the estimated period of drill operation.
2. Water use for exploration drilling was estimated as follows:
   a. Prior to August 24th - calculated by multiplying 12USgpm per drill by the estimated period of drill operation
   b. After August 24th - flow meter measurement
3. Bolded numbers indicate estimated water use exceeded licence limits for drilling.
4. Flow meters were not installed for geotechnical drilling.
5. The total volume of water used for drilling for 2007 is 22,761 m^3.

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TABLE 2.4

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

MONTHLY AND ANNUAL QUANTITIES OF TREATED SEWAGE EFFLUENT REMOVED

Day	October		November		December	
	Milne Inlet Camp RBC final effluent (m^3)	Mary River Camp WWTF final effluent (m^3)	Milne Inlet Camp RBC final effluent (m^3)	Mary River Camp WWTF final effluent (m^3)	Milne Inlet Camp RBC final effluent (m^3)	Mary River Camp WWTF final effluent (m^3)
1	8.6	0.0	0,0	4.5	0.0	13.0
2	8.6	0.0	11.7	5.3	3.2	13.0
3	8.6	0.0	8.5	9.6	3.4	12.2
4	8.6	0.0	9.5	6.5	5.9	13.1
5	8.6	11.7	9.5	6.8	5.1	13.0
6	8.6	10.7	7.6	6.7	4.8	13.0
7	8.6	10.6	9.8	14.3	5.0	12.5
8	8.6	10.4	7.6	4.2	0.0	12.5
9	8.6	9.8	9.8	9.4	13.0	12.5
10	8.6	11.0	9.8	7.3	3.0	13.1
11	8.6	10.7	7.9	8.4	0.0	13.3
12	8.6	10.4	0.0	6.8	4.2	13.1
13	8.6	10.2	8.3	9.7	3.8	13.1
14	8.6	9.9	7.9	6.6	10.0	13.1
15	8.6	9.9	7.8	7.9	0.0	13.6
16	8.6	9.6	8.7	11.6	10.0	12.5
17	8.6	9.4	11.0	1.9	9.5	12.6
18	8.6	9.4	7.0	8.0	5.5	13.3
19	8.6	9.9	9.0	5.9	9.0	13.9
20	8.6	8.6	7.5	7.5	8.0	13.3
21	8.6	8.8	8.0	7.8	5.8	13.6
22	34.2	9.4	8.8	6.5	5.8	13.6
23	8.6	10.2	11.5	9.6	7.0	13.3
24	8.6	10.1	9.0	7.9	0.0	13.0
25	0.0	11.0	0.0	7.8	11.5	13.0
26	0.0	8.5	12.0	8.4	10.5	12.5
27	0.0	9.4	4.2	10.8	0.0	11.0
28	0.0	9.6	5.6	9.9	0.0	10.2
29	0.0	10.4	5.6	10.1	13.5	10.6
30	0.0	9.4	4.7	10.3	9.5	10.7
31	8.6	9.6			0.0	9.8
Total	**239.5**	**269.0**	**228.3**	**237.9**	**166.9**	**390.7**

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.4 Rev 0 - Treated Sewage and Sludge.xls]TABLE 2.4 - Final Effluent
28-Mar-08

Note:
1. The total volume of sewage effluent removed for 2007 is 1,532 m^3.

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TABLE 2.5

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

EXPLORATION DRILLING WATER MANAGEMENT STRUCTURES

Drillhole ID	UTM Location		Elevation	Associated Drillhole(s)	Deposit #	Comments
	Northing (m)	Easting (m)	(m)			
Sumps						
MR1-07-SU1	7914729	563272	688	MR1-07-132	1	Located near 'magnetite' pit hole
MR1-07-SU2	7914630	563151	678	MR1-07-124	1	Located W of 'mixed' pit hole
MR1-07-SU3	7914468	563308	595	MR1-07-133	1	Sump located downslope and SSE of section line 450N
MR1-07-SU4	7914400	563236	595	MR1-07-121, MR1-07-136	1	Sump located downslope and SSE of section line 375N
MR1-07-SU5	7914154	562903	637	MR1-07-118	1	Located SW of 'hematite' pit hole
MR1-07-SU6	7913983	563462	460	MR1-07-112, MR1-07-113, MR1-07-119, MR1-07-123, MR1-07-126, MR1-07-127, MR1-07-128, MR1-07-130, MR1-07-134, MR1-07-138	1	Small sump located in fold axis of deposit 1 beneath (ESE) upper and lower fan pads; followed by a larger sump and two tiers of silt fences
MR1-07-SU7	7913962	563483	454		1	Larger sump located in fold axis of deposit 1 beneath (ESE) upper and lower fan pads; followed by two tiers of silt fences
MR1-07-SU8	7913902	563442	447	MR1-07-111, MR1-07-115	1	South limb sump located downslope from MR1-07-111 and MR-07-115
Silt Fences						
MR1-07-SF1	7913940	563503	447	MR1-07-112, MR1-07-113, MR1-07-119, MR1-07-123, MR1-07-126, MR1-07-127, MR1-07-128, MR1-07-130, MR1-07-134, MR1-07-138	1	Located beneath sumps (SU 6+7) in axis of deposit 1 for drilling from upper and lower fan pads; two tiered fence
MR1-07-SF2	7913915	563517	443		1	
MR1-07-SF3	7913879	563451	444	MR1-07-111, MR1-07-115	1	Located beneath sump on south limn (SU8)
MR1-07-SF4	7913862	563466	438		1	
MR3-07-SF5	7913807	567914	515	MR3-07-116, MR3-07-120	3	Located along section line 16
MR3-07-SF6	7913796	567916	508		3	
MR3-07-SF7	7913993	568342	549	MR3-07-122, MR3-07-125	3	Located along section line 22
MR3-07-SF8	7913981	568330	547		3	
MR3-07-SF9	7914169	568733	526	MR3-07-131, MR3-07-135	3	Located along section line 28
Berms						
MR3-07-B1	7913812	567914	516	MR3-07-116, MR3-07-120	3	Located along section line 16
MR3-07-B2	7913801	567917	512		3	
MR3-07-B3	7913996	568338	551	MR3-07-122, MR3-07-125	3	Located along section line 22
MR3-07-B4	7913988	568325	550		3	
MR3-07-B5	7914175	568729	528	MR3-07-131, MR3-07-135	3	Located along section line 28

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TABLE 2.5

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

EXPLORATION DRILLING WATER MANAGEMENT STRUCTURES

Drillhole ID	UTM Location		Elevation	Associated Drillhole(s)	Deposit #	Comments
	Northing (m)	Easting (m)	(m)			
Pump Stations						
MR1-07-PS1	7912975	563891	233	All holes drilled at deposit No.1	1	Primary stage pump for all deposit 1 drilling
MR1-07-PS2	7913118	563850	265	All holes drilled at deposit No.1	1	Secondary pump at salt mixing station for all deposit 1 drilling
MR3-07-PS3	7912695	567793	313	MR3-07-114, MR3-07-116, MR3-07-120, MR3-07-137	3	Deposit 3 pump station, main location. Active from June 23rd to July 27th and September 4th to September 15th, 2007.
MR3-07-PS4	7912892	568762	318	MR3-07-122, MR3-07-125, MR3-07-131, MR3-07-135	3	Deposit 3 pump station, secondary location. Active from July 27th to September 4th, 2007.

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.5 Rev 0 - Exploration Water Management.xls]Table 2.5
28-Mar-08

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TABLE 2.6

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

WATER LICENCE WATER QUALITY MONITORING LOCATIONS

Monitoring Station	Description	UTM Coordinates (NAD83)		Latitude	Longitude
		Easting (m)	Northing (m)		
MRY-1	Water Supply for the Mary River Camp at Camp Lake	557,682	7,914,693	71° 19' 39" N	79° 23' 8" W
MRY-2	Summer Water Supply for the Milne Inlet Camp at Phillips Creek	514,503	7,964,579	71° 46' 52" N	80° 35' 4" W
MRY-3	Winter water supply for the Milne Inlet Camp at Km 99 Lake(1)	521,714	7,951,862	71° 39' 60" N	80° 22' 53" W
MRY-4	Mary River Camp sewage discharge at the WWTF	557,920	7,914,372	71° 19' 28" N	79° 22' 45" W
MRY-4a	Mary River Camp sewage discharge from the PWSP	558,706	7,913,930	71° 19' 13" N	79° 21' 27" W
MRY-5	Milne Inlet Camp sewage discharge at the WWTF	503,462	7,975,764	71° 52' 55" N	80° 54' 1" W
MRY-5a	Milne Inlet Camp sewage discharge from the PWSP	503,344	7,976,118	71° 53' 6" N	80° 54' 13" W
MRY-6	Water collected within the Bulk Fuel Storage Facility at Mary River prior to release	558,186	7,914,780	71° 19' 41" N	79° 22' 17" W
MRY-7	Water collected within the Bulk Fuel Storage Facility at Milne Inlet prior to release	503,309	7,976,097	71° 53' 6" N	80° 54' 17" W
MRY-8	Minewater and surface drainage either pumped or released from the Hematite Open Pit	NO LONGER REQUIRED(2)			
MRY-9	Minewater and surface drainage either pumped or released from the Magnetite Open Pit(2)	563,239	7,914,596	71° 19' 31" N	79° 13' 49" W
MRY-10	Surface discharge from the weathered ore stockpile	563,349	7,915,262	71° 19' 52" N	79° 13' 36" W
MRY-11	Surface discharge from the lump ore and fine ore stockpiles at the processing area	560,987	7,913,364	71° 18' 53" N	79° 17' 39" W
MRY-12	Surface discharge from the lump ore and fine ore stockpiles at Milne Inlet	12a - 503,356	7,976,452	71° 53' 17" N	80° 54' 12" W
		12b - 503,522	7,976,399	71° 53' 15" N	80° 53' 55" W

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.6 Rev 0 - Water Mon Locations.xls]Table 2.6 Monitoring Stations
31-Mar-08

Notes:
1. This location is actually at Km 32 Lake.
2. There is actually only one bulk sample pit now.

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TABLE 2.7

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

WATER QUALITY RESULTS FOR WATER LICENCE MONITORING LOCATIONS

		Parameter				
		Faecal Coliforms (ct/100mL)	Oil and Grease (mg/L)	BOD_5 (mg/L)	pH (pH units)	TSS (mg/L)
Maximum Allowable Concentration (MRY-4)		**1,000**	**no visible sheen**	**30**	**btw 6.0 and 9.5**	**35**
Maximum Allowable Concentration (MRY-5)		**10,000**	**no visible sheen**	**100**	**btw 6.0 and 9.5**	**120**
MRY-4	12-Nov-07	**>500,000**	3	**265**	7.64	**122**
	12-Nov-07 (Duplicate)	**>500,000**	1	**265**	7.65	**117**
	17-Dec-07	**>500,000**	19	**365**	7.50	**123**
MRY-5	28-Nov-07	**265,000***	2	N/A	8.13	29
	17-Dec-07	**>500,000**	<1	44	7.71	36

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.7 Rev 0 - Water Quality Results.xls]Table 2.7
28-Mar-08

Notes:

1. * Sample exceeded holding times for biological analysis.
2. N/A - BOD was outside the expected dilution range and could not be-reanalysed due to sample holding time.
3. Bolded results indicates an exceedance of the water license criteria.

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TABLE 2.8

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

LOCATION OF TEMPORARY AND PERMANENT STORAGE AREAS FOR WASTES

Description	UTM Coordinates (NAD83)		Latitude	Longitude
	Easting (m)	Northing (m)		
Milne Inlet				
Greywater sump	503,112	7,976,231	71° 53' 10" N	80° 54' 37" W
Trench for buried latrine waste	503,019	7,976,231	71° 53' 10" N	80° 54' 47" W
Temporary empty fuel drum storage area	503,255	7,975,936	71° 53' 0" N	80° 54' 22" W
Temporary ash storage area	503,661	7,976,243	71° 53' 10" N	80° 53' 40" W
Temporary non-hazardous waste storage area	503,629	7,976,231	71° 53' 10" N	80° 53' 44" W
Temporary storage of drummed latrine waste	503,719	7,976,181	71° 53' 8" N	80° 53' 34" W
Hazardous waste area (temporary)	503,565	7,975,956	71° 53' 1" N	80° 53' 50" W
Mary River				
Temporary non-hazardous waste storage area (near incinerator)	557,968	7,914,733	71° 19' 40" N	79° 22' 39" W
Temporary empty fuel drum storage area	558,086	7,914,677	71° 19' 38" N	79° 22' 27" W
Greywater sump	558,042	7,914,490	71° 19' 32" N	79° 22' 32" W
Temporary hazardous materials storage area	558,199	7,914,555	71° 19' 34" N	79° 22' 16" W
Temporary non-hazardous waste storage area	558,268	7,914,496	71° 19' 32" N	79° 22' 10" W
Bone-yard	559,956	7,907,586	71° 15' 48" N	79° 19' 39" W
Temporary empty fuel drum storage area (near bone-yard)	559,986	7,907,564	71° 15' 47" N	79° 19' 36" W
Drums of diesel contaminated human waste (temporary)	559,961	7,907,483	71° 15' 44" N	79° 19' 39" W
Trench for buried latrine waste	559,280	7,913,867	71° 19' 10.943" N	79° 20' 29.463" W
Drilling Activities				
Temporary sumps	Located adjacent to drillhole locations; refer to Tables 2.2 and 2.5			

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 2.8 Rev 0 - Storage Areas.xls]TABLE 2.8 - Storage Areas
29-Mar-08

Note:
1. Locations are approximate.

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TABLE 4.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

SUMMARY OF EXPLORATION DRILLING

Deposit No.	2004		2005		2006		2007		Total	
	Number of Holes Drilled	Meterage (m)	Number of Holes Drilled	Meterage (m)	Number of Holes Drilled	Meterage (m)	Number of Holes Drilled	Meterage (m)	Number of Holes Drilled	Meterage (m)
1	14	2742	33	8001	22	4136	23	4650	92	19529
2	1	122	0	0	7	1193	0	0	8	1315
3	0	0	0	0	3	636	8	1917	11	2553

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 4.1 Rev 0 - Exploration Drill Summary.xls]TABLE 4.1
28-Mar-08

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TABLE 4.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DRILL CORE ANALYTICAL DATA

Hole ID	UTM Coordinates		Depth	(Total) Arsenic (As)			Copper (Cu)			Nickel (Ni)			Lead (Pb)			Zinc (Zn)			Alumina (Al_2O_3)			Aluminum (Al)		
	Northing (m)	Easting (m)	(m)	(g/t) DL=40			(g/t) DL=0.5			(g/t) DL=10			(g/t) DL=20			(g/t) DL=50			% DL=0.01			% DL=0.01		
				Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.
2004 holes																								
Deposit No. 1																								
MR1-04-31	7,913,335	563,795	167	20	230	20	2.3	55.0	13.0	11	59	18	10	64	37	60	140	78	0.19	9.75	1.13	0.10	5.13	0.59
MR1-04-32	7,913,712	563,801	194	20	390	20	0.3	31.0	8.0	5	180	5	10	56	45	25	94	70	0.14	17.10	0.44	0.07	9.00	0.23
MR1-04-33	7,915,355	563,707	254	20	20	20	3.0	160.0	14.0	5	98	26	10	170	10	25	210	93	0.07	2.16	0.31	0.04	1.14	0.16
MR1-04-34	7,913,759	563,435	194	20	130	20	0.3	120.0	18.0	5	130	41	10	160	33	54	390	100	0.16	5.30	0.48	0.08	2.79	0.25
MR1-04-35	7,913,828	563,505	59	Hole abandoned due to length of overburden																				
MR1-04-36	7,915,355	563,707	155	20	20	20	36.0	220.0	200.0	15	55	42	10	10	10	65	75	69	2.24	4.76	3.25	1.18	2.51	1.71
MR1-04-37	7,913,919	563,385	206	20	200	20	1.9	110.0	7.1	5	230	24	10	10	10	25	120	62	0.04	7.62	0.38	0.02	4.01	0.20
MR1-04-38	7,915,201	563,690	203	20	20	20	0.8	65.0	9.6	5	33	5	10	10	10	51	100	75	0.22	8.91	0.73	0.12	4.69	0.38
MR1-04-39	7,913,919	563,385	199	20	180	20	3.1	62.0	7.6	5	110	25	10	10	10	25	760	58	0.08	3.37	0.39	0.04	1.77	0.20
MR1-04-40	7,915,597	563,796	179	20	120	20	1.3	54.0	5.9	5	150	8	10	64	10	25	130	69	0.17	5.51	0.65	0.09	2.90	0.34
MR1-04-41	7,915,047	563,647	137	20	20	20	1.6	190.0	3.2	5	51	17	10	10	10	25	88	59	0.36	3.63	0.73	0.19	1.91	0.38
MR1-04-43	7,914,848	563,682		Hole abandoned due to problems with overburden, no core was recovered																				
MR1-04-44	7,914,113	563,312	401	20	100	20	0.9	120.0	8.1	5	210	24	10	74	10	25	100	25	0.24	9.79	0.58	0.13	5.16	0.31
MR1-04-45	7,914,113	563,312	392	20	490	20	1.0	120.0	7.4	5	120	26	10	60	40	25	140	60	0.01	4.41	0.50	0.00	2.32	0.26
Deposit No. 2																								
MR2-04-42	7,914,240	566,687	122	20	20	20	2.6	84.0	7.6	5	380	27	10	10	10	25	74	25	0.05	6.59	0.20	0.03	3.47	0.11
2005 holes																								
Deposit No. 1																								
MR1-05-46	7,914,197	563,343	416	20	110	20	0.3	120.0	8.2	5	200	18	10	60	41	25	68	25	0.10	14.70	0.52	0.05	7.74	0.27
MR1-05-47	7,914,304	563,445	419	20	160	20	2.0	200.0	9.3	5	180	36	10	63	45	25	25	25	0.12	7.45	0.75	0.06	3.92	0.39
MR1-05-48	7,914,522	563,552	348	20	20	20	0.9	740.0	6.3	5	220	33	10	72	54	25	140	25	0.06	20.90	0.59	0.03	11.01	0.31
MR1-05-49	7,914,050	563,437	402	20	160	20	5.5	95.0	17.5	5	320	36	10	72	47	25	91	25	0.08	16.20	0.49	0.04	8.53	0.26
MR1-05-50	7,914,362	563,317	281	20	20	20	0.3	150.0	7.0	5	210	41	10	57	43	25	260	25	0.07	11.30	0.47	0.04	5.95	0.25
MR1-05-51	7,914,455	563,529	386	20	20	20	1.1	230.0	9.5	5	330	31	10	52	38	25	160	25	0.05	12.10	0.52	0.03	6.37	0.27
MR1-05-52	7,914,320	563,264	239	20	20	20	4.2	58.0	9.8	5	270	31	10	96	31	25	830	25	0.12	16.00	0.49	0.06	8.43	0.26
MR1-05-53	7,914,054	563,439	358	20	20	20	1.2	75.0	3.6	5	210	15	10	55	32	25	25	25	0.11	15.20	0.50	0.06	8.00	0.26
MR1-05-54	7,914,500	563,436	314	20	130	20	1.6	160.0	6.2	5	150	31	10	66	46	25	89	25	0.09	10.00	0.67	0.05	5.27	0.35
MR1-05-55	7,914,254	563,387	95	20	20	20	69.0	69.0	69.0	14	14	14	39	39	39	25	25	25	0.46	0.46	0.46	0.24	0.24	0.24
MR1-05-56	7,913,938	563,465	42	Hole abandoned due to length of overburden																				
MR1-05-57	7,914,236	563,256	318	20	20	20	1.7	340.0	7.3	5	480	22	10	48	10	25	110	25	0.11	15.20	0.65	0.06	8.00	0.34
MR1-05-58	7,913,900	563,427	241	20	260	20	2.8	180.0	16.5	11	130	37	10	68	46	25	75	25	0.05	14.90	0.48	0.03	7.85	0.25
MR1-05-59	7,914,424	563,402	324	20	140	20	1.1	180.0	6.0	13	160	34	10	61	51	25	490	25	0.06	14.00	0.45	0.03	7.37	0.23
MR1-05-60	7,914,280	563,168	182	20	20	20	2.4	47.0	7.6	12	110	26	10	60	40	25	25	25	0.14	6.32	0.33	0.07	3.33	0.17
MR1-05-61	7,913,990	563,524	46	Hole abandoned due to washing out of drill cribbing																				
MR1-05-62	7,914,377	563,499	437	20	250	20	1.1	310.0	8.4	10	210	32	10	60	39	25	62	25	0.09	18.20	0.46	0.05	9.58	0.24
MR1-05-63	7,914,145	563,095	87	20	46	20	2.6	47.0	9.0	25	380	37	10	46	10	25	25	25	0.28	10.20	0.59	0.15	5.37	0.31
MR1-05-64	7,913,975	563,507	152	20	20	20	2.0	8.3	2.6	5	27	14	10	39	32	25	25	25	0.34	1.07	0.47	0.18	0.56	0.25
MR1-05-65	7,914,561	563,470	278	20	41	20	0.3	80.0	6.3	13	290	32	10	75	54	25	170	25	0.14	13.50	0.65	0.07	7.11	0.34
MR1-05-66	7,914,180	563,206	291	20	180	20	4.0	44.0	10.0	5	540	32	10	54	36	25	62	25	0.10	12.40	0.62	0.05	6.53	0.33
MR1-05-67	7,913,914	563,293	211	20	100	20	3.5	120.0	8.8	13	330	37	10	63	49	25	58	25	0.10	4.11	0.43	0.05	2.16	0.23
MR1-05-68	7,914,613	563,529	263	20	53	20	0.3	140.0	7.3	5	120	31	10	63	37	25	120	25	0.14	14.20	0.68	0.07	7.48	0.36
MR1-05-69	7,914,181	563,207	229	20	20	20	1.1	61.0	9.4	5	170	25	10	50	39	25	25	25	0.11	4.15	0.69	0.06	2.19	0.36
MR1-05-70	7,913,914	563,293	130	20	20	20	2.8	31.0	11.0	16	96	35	10	63	50	25	55	25	0.19	3.85	0.50	0.10	2.03	0.26
MR1-05-71	7,913,914	563,293	222	20	410	20	3.6	120.0	10.0	5	160	49	10	85	36	25	72	25	0.06	6.73	0.50	0.03	3.54	0.26
MR1-05-72	7,914,581	563,593	336	20	40	20	0.8	180.0	16.0	13	200	56	10	77	56	25	150	25	0.08	13.30	0.66	0.04	7.00	0.35
MR1-05-73	7,913,914	563,293	299	20	270	20	4.9	160.0	19.0	14	250	51	10	166	63	25	63	25	0.06	10.90	0.59	0.03	5.74	0.31
MR1-05-74	7,914,744	563,612	27	Hole abandoned due to broken core barrel																				
MR1-05-75	7,913,809	563,403	175	20	2300	20	5.6	110.0	18.5	13	230	41	10	81	49	25	60	25	0.06	8.42	0.42	0.03	4.43	0.22
MR1-05-76	7,913,809	563,405	202	20	650	20	5.0	140.0	24.5	13	260	49	10	74	82	24	94	25	0.03	14.00	0.44	0.02	7.37	0.23
MR1-05-77	7,914,744	563,612	243	20	20	20	1.0	150.0	5.0	5	170	38	10	81	36	25	88	25	0.16	11.30	1.04	0.08	5.95	0.55
MR1-05-78	7,914,744	563,612	10	Hole abandoned due to broken casing																				
2006 holes																								
Deposit No. 1																								
MR1-06-80	7,914,776	563,537	204	20	20	20	1.4	200.0	9.1	12	420	44	10	10	10	25	140	38	0.11	23.60	2.04	0.06	12.43	1.07
MR1-06-81	7,915,177	563,598	252	20	20	20	4.3	87.0	13.0	5	430	5	10	10	10	25	110	61	0.21	24.10	0.52	0.11	12.69	0.27
MR1-06-83	7,914,539	563,363	228	20	62	20	1.6	77.0	12.0	5	360	32	10	10	10	25	150	61	0.19	17.40	0.77	0.10	9.16	0.41
MR1-06-84	7,914,213	563,139	213	20	20	20	2.7	66.0	11.0	5	690	31	10	10	10	25	240	25	0.15	18.60	0.67	0.08	9.79	0.35
MR1-06-86	7,914,776	563,537	198	Hole abandoned due to unscrewed casing																				
MR1-06-87	7,914,213	563,139	168	20	610	20	2.4	120.0	9.2	5	1100	28	10	10	10	25	660	25	0.15	16.90	0.65	0.08	8.90	0.34
MR1-06-89	7,913,776	563,586	139	20	20	20	1.8	180.0	5.4	5	1300	12	10	10	10	25	68	25	0.23	14.80	0.58	0.12	7.79	0.30
MR1-06-90	7,914,283	563,164	162	20	250	20	1.7	83.0	13.0	10	420	29	10	10	10	25	120	25	0.10	17.60	0.61	0.05	9.27	0.32
MR1-06-91	7,914,776	563,537	340	Geomechanical hole that did not intersect any ore, therefore was not sampled																				
MR1-06-93	7,914,350	563,193	159	20	96	20	3.2	71.0	9.1	16	810	33	10	10	10	25	410	25	0.13	20.20	0.63	0.07	10.64	0.33
MR1-06-94	7,914,658	563,438	183	20	20	20	0.3	220.0	8.7	5	440	38	10	100	10	25	130	25	0.19	17.40	0.76	0.10	9.16	0.40
MR1-06-95	7,914,683	563,563	183	20	66	20	3.0	210.0	15.5	18	980	49	10	10	10	25	160	25	0.30	17.60	3.25	0.16	9.27	1.71
MR1-06-96	7,914,350	563,193	176	20	80	20	2.0	140.0	7.2	5	550	34	10	10	10	25	350	25	0.08	20.30	0.87	0.04	10.69	0.46
MR1-06-98	7,914,093	563,114	104	20	20	20	3.9	55.0	7.3	25	400	44	10	10	10	25	130	25	0.24	21.30	0.43	0.13	11.22	0.22
MR1-06-101	7,914,683	563,563	171	Hole not sampled since it was a duplicate of MR1-06-95 and did not reach the desired depth																				
MR1-06-102	7,914,723	563,480	176	20	20	20	2.2	360.0	23.0	5	460	44	10	10	10	25	180	25	0.10	21.90	1.39	0.05	11.53	0.73
MR1-06-103	7,914,253	563,379	333	20	210	20	1.7	120.0	12.0	5	270	43	10	10	10	25	150	25	0.24	23.90	1.08	0.13	12.59	0.57
MR1-06-104	7,914,093	563,114	212	20	110	20	3.1	55.0	12.0	13	330	29	10	10	10	25	140	25	0.13	20.70	0.44	0.07	10.90	0.23
MR1-06-105	7,914,599	563,397	220	20	280	20	1.1	500.0	15.0	5	480	33	10	10	10	25	230	25	0.12	22.50	0.98	0.06	11.85	0.52
MR1-06-107	7,914,093	563,114	141	20	20	20	4.1	56.0	8.9	15	420	29	10	10	10	25	160	25	0.06	20.40	0.53	0.03	10.74	0.28
MR1-06-109	7,913,991	563,287	30	Hole abandoned due to drill rod breakage																				
MR1-06-110	7,914,093	563,114	144	20	20	20	1.5	910.0	4.8	11	350	38	10	10	10	25	110	25	0.19	20.70	0.57	0.10	10.90	0.30
Deposit No. 2																								
MR2-06-79	7,914,175	566,712	191	20	20	20	7.9	270.0	17.0	14	950	33	10	10	10	25	120	25	0.06	17.90	0.22	0.03	9.43	0.12
MR2-06-82	7,914,236	566,690	167	20	20	20	2.6	150.0	11.0	5	1000	37	10	10	10	25	140	25	0.05	24.80	0.25	0.03	13.06	0.13
MR2-06-85	7,914,205	566,814	248	20	20	20	2.6	180.0	12.0	5	3500	46	10	40	10	25	150	25	0.05	26.40	0.44	0.03	13.90	0.23
MR2-06-88	7,914,230	567,019	231	20	20	20	4.9	260.0	21.0	5	3500	60	10	10	10	25	180	25	0.10	27.00	2.14	0.05	14.22	1.13
MR2-06-92	7,914,203	566,611	164	20	20	20	2.8	270.0	15.0	5	1600	78	10	10	10	25	300	25	0.08	23.10	0.84	0.04	12.16	0.44
MR2-06-97	7,914,168	566,498	24	20	20	20	9.6	9.6	9.6	27	27	27	10	10	10	25	25	25	0.55	0.55	0.55	0.29	0.29	0.29
MR2-06-99	7,914,168	566,498	168	20	20	20	2.6	66.0	10.0	5	480	38	10	10	10	25	130	25	0.09	19.50	0.89	0.05	10.27	0.47
Deposit No. 3																								
MR3-06-100	7,913,993	567,124	233	No iron formation was intersected, therefore the hole was not sampled																				
MR3-06-106	7,913,789	566,992	143	20	20	20	1.3	19.0	8.2	13	890	110	10	10	10	25	110	25	0.04	17.30	1.40	0.02	9.11	0.74
MR3-06-108	7,913,789	566,992	260	20	20	20	0.7	200.0	6.8	11	870	140	10	10	10	25	95	25	0.02	17.40	0.28	0.01	9.16	0.15

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TABLE 4.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DRILL CORE ANALYTICAL DATA

Hole ID	UTM Coordinates		Depth	(Total) Arsenic (As)			Copper (Cu)			Nickel (Ni)			Lead (Pb)			Zinc (Zn)			Alumina (Al_2O_3)			Aluminum (Al)		
	Northing (m)	Easting (m)	(m)	(g/t) DL=40			(g/t) DL=0.5			(g/t) DL=10			(g/t) DL=20			(g/t) DL=50			% DL=0.01			% DL=0.01		
				Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.	Min.	Max.	Med.
2007 holes																								
Deposit No. 1																								
MR1-07-111	7,913,910	563,414	401	20	1300	20	2.1	130.0	17.0	5	430	24	10	10	10	25	110	25	0.14	17.70	0.99	0.07	9.32	0.52
MR1-07-112	7,914,097	563,111	201	20	20	20	3.6	31.0	8.7	5	47	20	10	10	10	25	110	25	0.10	19.10	0.43	0.05	10.06	0.23
MR1-07-113	7,914,119	563,253	248	20	20	20	1.2	92.0	6.9	5	520	36	10	10	10	25	220	25	0.24	23.80	0.86	0.13	12.53	0.45
MR1-07-115	7,913,917	563,385	292	20	400	20	0.7	140.0	9.9	5	740	26	10	10	10	25	80	25	0.04	20.20	0.51	0.02	10.64	0.27
MR1-07-117	7,914,130	563,208	351	20	360	20	0.3	76.0	5.2	5	310	10	10	10	10	25	110	25	0.07	17.60	0.54	0.04	9.27	0.28
MR1-07-118	7,914,157	562,923	189	20	20	20	0.7	78.0	5.2	5	220	21	10	10	10	25	120	25	0.13	19.30	0.34	0.07	10.16	0.18
MR1-07-119	7,914,119	563,253	243	20	20	20	1.0	36.0	12.0	11	100	27	10	10	10	25	70	25	0.28	18.90	0.82	0.15	9.95	0.43
MR1-07-121	7,914,407	563,224	245	20	95	20	1.7	82.0	11.0	10	510	28	10	10	10	25	310	25	0.09	22.60	0.57	0.05	11.90	0.30
MR1-07-123	7,914,119	563,253	237	20	43	20	2.5	200.0	7.8	5	450	39	10	10	10	25	190	25	0.18	25.90	0.82	0.09	13.64	0.43
MR1-07-124	7,914,628	563,159	90	20	20	20	1.4	67.0	6.8	5	550	17	10	10	10	25	250	25	0.14	21.10	0.41	0.07	11.11	0.22
MR1-07-126	7,914,097	563,111	117	20	20	20	2.5	130.0	5.4	15	280	29	10	10	10	25	100	25	0.23	20.80	0.65	0.12	10.95	0.34
MR1-07-127	7,914,119	563,253	265	20	92	20	0.7	71.0	7.2	5	460	30	10	10	10	25	280	25	0.23	24.20	0.76	0.12	12.74	0.40
MR1-07-128	7,914,097	563,111	206	20	20	20	0.3	29.0	6.6	5	98	22	10	10	10	25	25	25	0.15	3.55	0.36	0.08	1.87	0.19
MR1-07-129	7,914,368	563,152	250	20	190	20	2.3	250.0	20.5	17	480	78	10	10	10	25	420	61	0.30	28.20	18.45	0.16	14.85	9.72
MR1-07-130	7,914,097	563,111	168	20	20	20	1.6	67.0	7.3	5	240	34	10	10	10	25	110	25	0.17	21.90	0.58	0.09	11.53	0.30
MR1-07-132	7,914,731	563,282	83	20	60	20	1.8	53.0	9.9	12	63	29	10	10	10	25	25	25	0.10	2.13	0.37	0.05	1.12	0.19
MR1-07-133	7,914,474	563,298	199	20	160	20	1.7	220.0	8.5	5	460	25	10	10	10	25	96	25	0.16	22.30	0.64	0.08	11.74	0.34
MR1-07-134	7,914,097	563,111	184	20	47	20	2.1	71.0	7.5	5	340	33	10	10	10	25	200	25	0.12	26.50	0.45	0.06	13.95	0.24
MR1-07-136	7,914,409	563,228	108	20	20	20	3.1	51.0	7.6	11	530	28	10	10	10	25	190	25	0.09	23.70	0.43	0.05	12.48	0.23
MR1-07-138	7,914,097	563,111	40	20	20	20	2.5	140.0	6.2	5	320	28	10	10	10	25	110	25	0.32	22.10	0.56	0.17	11.64	0.29
MR1-07-139	7,913,764	563,435	123	20	130	20	2.5	84.0	13.0	5	790	27	10	10	10	25	180	25	0.04	16.50	0.31	0.02	8.69	0.16
Deposit No. 3																								
MR3-07-114	7,913,847	567,440	320	20	20	20	0.9	140.0	4.6	5	560	150	10	10	10	25	180	25	0.01	21.50	1.05	0.01	11.32	0.55
MR3-07-116	7,913,887	567,890	158	20	20	20	3.7	110.0	10.0	5	410	76	10	10	10	25	96	25	0.09	21.00	0.91	0.05	11.06	0.48
MR3-07-120	7,913,844	567,898	268	20	20	20	1.6	160.0	8.1	5	1100	210	10	10	10	25	170	25	0.08	18.30	0.84	0.04	9.64	0.44
MR3-07-122	7,914,016	568,326	272	20	20	20	0.9	170.0	6.2	5	2000	110	10	10	10	25	91	25	0.10	19.20	1.17	0.05	10.11	0.61
MR3-07-125	7,914,117	568,302	216	20	20	20	0.8	150.0	10.0	5	380	99	10	10	10	25	120	25	0.20	23.90	1.41	0.11	12.59	0.74
MR3-07-131	7,914,191	568,711	316	20	45	20	2.0	31.0	8.9	5	180	48	10	10	10	25	94	25	0.09	5.30	0.81	0.05	2.79	0.43
MR3-07-135	7,914,263	568,658	205	20	20	20	2.6	60.0	8.1	5	2500	46	10	10	10	25	140	25	0.04	17.20	1.01	0.02	9.06	0.53
MR3-07-137	7,913,734	567,426	162	20	20	20	1.6	210.0	5.1	20	720	140	10	10	10	25	220	25	0.09	23.10	1.00	0.05	12.16	0.53

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Notes:

1. Indicates holes within pit shell at Deposit No. 1 (pit shell has yet to be defined at Deposit Nos. 2 and 3
2. Half the value of the detection limit was used for statistical purposes.
3. Aluminum (Al) values are converted from compound Al_2O_3 to elemental Al using a conversion factor of 1.898.

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TABLE 6.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

SUMMARY OF UNAUTHORIZED DISCHARGES

Date of Occurrence	Quantity	Product Spilled	Cause of Spill	Approximate Location	Proximity to any Waterbody?	Actions Taken (Summarized)
Sept. 16, 2007	615 L 410 L	P-50 Diesel Jet A	While drums were being slung by a helicopter, the sling on the helicopter failed due to an improper connection.	25 m off the shore of Sheardown Lake, towards Mary River Camp	Sheardown Lake	Excavated an area of 30m X 20m of contaminated soil. 110 drums of contaminated materials have been removed and brought back to Mary River for proper disposal until sea lift season.
Oct. 7, 2007	205 L	Jet A	While transferring 45 gallon drums to the fuel storage laydown a 930 loader punctured a drum.	Approx. 500 yards from beach at Milne Inlet	Milne Inlet	Excavated an area of 4ft X 3ft and placed contaminated soil into waste containment barrels until proper disposal during sea lift season.
Nov. 12, 2007	2700 L	Treated Sewage	Due to high velocity winds during a white out storm, the discharge line on the RBC unit that connects to the storage tank dislodged causing the spill.	RBC Sewage System at Milne Inlet	Milne Inlet	RBC Unit line was repaired and secured. Affected area ($36m^2$) was left in place and allowed to neutralize during the freezing conditions. Area will be monitored in the spring when thaw occurs and liquid vacuumed up.
Nov. 13, 2007	900 L	Treated Sewage	Final effluent tank settled within tanks a lot system and fitting was displaced on final effluent tank causing the spill.	Tanks-a-Lot System at Mary River	Camp Lake	All water was vacuumed and placed in containment drums. The drums will be placed in appropriate containment and removed from site to an approved facility during the next sea lift season.
Nov. 29, 2007	205 L	P-50 Diesel	930 loader punctured drum while placing a pallet of drums on a kenworth truck. Ice build up on forks of loader caused pallet to slip off.	Loading dock at Milne Inlet	Milne Inlet	Spill was cleaned up with spill pads (which were later incinerated) and the contaminated snow was placed into barrels and stored in the containment area until sea lift season.

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TABLE 7.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

SUMMARY OF INAC WATER LICENCE INSPECTION AND FOLLOW-UP ACTIONS

No.	Observations made by INAC Inspection during July 14th 2007 Site Visit	Response to INAC Inspector from Baffinland
	Part A: Scope, Definition and Enforcement	
1	No issues were found with respect to the location of the camp as it relates to the information contained within the current license.	Reminders have been noted.
2	It is noted that the current license was issued on February 20th, 2007 and is a renewal of license NWB2MRY0406, issued originally on June 11, 2004. The Licensee submitted a request to renew and amend the license on October 6, 2006. The license expired on December 31, 2006. The Licensee is reminded that the use of water or deposit of waste without a current Water License is an offence under the Nunavut Waters and Nunavut Surface Rights Tribunals Act.	
3	It is noted that the Camp was inspection on July 14th, 2007. Subsequent to the inspection an amendment to the existing type B license was approved by the Nunavut Water Board that modified the type of license from a BE (Exploration- Mining and Milling) to a BB (Bulk Sampling) type. This change along with an additional set of terms and conditions came into effect on July 16th, 2007. The enclosed inspection report will reference where necessary any changes to the requirements for compliance as they relate to specific issues within the report.	
4	The license remains a Type “B” license.	
	Part B: General Conditions	
5	The issues of water use fees and security were not included within the context of this inspection.	
6	A review of the Nunavut Water Board FTP – Public Registry was conducted during the writing of this report. An annual report for the 2006 annum, completed by KNIGHT PIÉSOLD LTD was located.	
7	This report is a requirement under the terms and conditions of the Water License. The annual report must include but should not be limited to those items listed in Section 2 (i) through (ix) of this Part. (Section 5, i-xvi under 2BB-MRY0710) .	
8	Upon review of the report it was noted that the report on file was deficient in the following;	Baffinland has noted concerns with respect to information contained in the 2006 water licence annual report, including details as the management of drill water and cuttings. As requested under the heading of non-compliance in your report, Baffinland has enclosed an attachment detailing the exploration drill program at Mary River for the 2007 drill season.
9	o No mention of what the licensee is doing with the waste/ returned drill water and cuttings is included in the report. Given the total water used for drilling (9,415 Cubic meters) this is of substantial concern for the inspector.	
10	o GPS coordinates and photographic records are not included in the body of the report.	
11	o Specific information regarding the approved waste disposal site to where all hazardous waste, waste oil and non-combustible wastes generated on site are backhauled is not included.	
12	The proponent is reminded that an annual report is required to be filed by March 31st 2008 for the year ending December 31st 2007. The annual report must include but not be limited to those items listed in Section 5 (i) through (Xvi) inclusive, of this part as well as any information required by the Inspector.	
13	Failure to file a complete report as outlined in the license is a violation of the Act and will subject the licensee to the enforcement measures and penalties provided for under the Act.	
14	The licensee is reminded that it is the responsibility of the licensee to ensure that any documentation submitted by the licensee to the Nunavut Water Board is acknowledged by the Manager of Licensing.	
15	During the period of inspection the Inspector noted that flow meters had not been installed on the intake lines.	Since the time of the inspection, the accuracy of water use estimates has been increased through the installation of flow meters
16	It was also noted during the inspection that Paints, solvents and other hazardous materials were stored without the proper secondary containment. This practice must be addressed by the period of the next inspection.	As discussed at the time of the inspection, Baffinland is in the process of consolidating the locations where hazardous and non-hazardous wastes are stored in preparation for backhaul and final disposal and/or recycling as appropriate. Backhaul of these wastes is planned for the summer of 2008. As a general practice, it is Baffinland's intention to store all potentially hazardous wastes, regardless of quantity in lined containment areas. That being said, there currently are wastes at the site that are not stored as such. All wastes are located remote from any surface waters.
17	A review of the Nunavut Water Board FTP site was able to locate the required Site Water Management Plan which, as per section 3 of this Part was to have been submitted October 20th, 2007. An approval of the plan was not located on the FTP site and the Inspector seeks clarification from the Nunavut Water Board regarding the completeness of the plan and the acceptance of the plan by the Board.	
	Part C: Conditions Appling to Water Use	
18	At the time of the inspection the licensee was allocated the use of 475 Cubic meters of water per day for all purposes.	
19	The Licensee is reminded to ensure that the intake hoses are equipped with a screen to prevent the entrapment of fish. Samples of the potable source were collected at the time of the inspection however after three attempts to land a helicopter at the drilling site were aborted because of high winds; no samples of the drilling return were collected. It should be noted that a sump was noted down hill of the drills and that a flow of water was noted below the sump area and above the Mary River. It is unclear if this flow terminated in the river or if it was an above ground flow that terminated prior to the river.	Water intakes are installed with screens to prevent the entrainment of fish.
20	Analytical results received by the inspector did not contain any results in excess of the Canadian Council of Ministers of the Environment (CCME) guidelines for drinking water.	
21	An inspection of the intake system was conducted, a filter system and UV system were both present and in working order.	

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TABLE 7.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

SUMMARY OF INAC WATER LICENCE INSPECTION AND FOLLOW-UP ACTIONS

No.	Observations made by INAC Inspection during July 14th 2007 Site Visit	Response to INAC Inspector from Baffinland
	Part D: Conditions Applying to Waste Disposal	
22 23	During the inspection of the camp the following items were noted and brought to the attention of Mr. Chubb during the period of inspection. As per section 4 of this Part; Unless otherwise approved by the Board, the Licensee shall not practice open burning or on-site land filling of domestic waste.	Baffinland respectfully notes that the incinerator referenced at the time of the inspection was not being calibrated. At the time of the inspection, observed was an air quality consultant that was retained to test the stack emissions from the incinerator as a means of documenting performance as it related to Canada wide standards. This incinerator was installed in 2006 as a replacement to a previous unit that has since been decommissioned. Since commencement of exploration activities in 2004, Baffinland has employed the use of a commercial incinerator.
24	Additionally, as per section 9 of this Part; Unless otherwise approved by the Board the Licensee shall dispose of all toilet wastes through incineration, chemical or composting toilets for any camp with a design population over 300 and less than 2,000 person days per year, and less than 5,000 person days per year for the life of the camp. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved waste disposal site.	
25	During the period of Inspection, July 14, 2007 the inspector however noted the following;	
26	o Open burning of combustible wastes – Photographed and documented	
27	o Open burning of Human wastes – Photographed and documented	
28	o Consolidation and stockpiling of human wastes – Eventually had to be buried as per direction of Inspector because of the threat to human health.	
29	A new incinerator was found on site during the period of inspection however it was not in use and was only just being calibrated. It is unclear how long the licensee was in the practice of open burning garbage and human wastes in barrels. It is noted that the Licensee in the 2006 annual report states the following;	
30	"Latrine toilets were used at the Mary River camp in 2006, and all sewage was contained in drums and incinerated prior to treatment with lime then covered with native material to maintain the natural contours of the land. Amendment 1 (Part D, Item 5) required that commercial incineration toilet systems be used at full camp capacity, however, operational difficulties were encountered with the propane-fired incineration toilet and as a result use of the latrine toilets continued throughout the season." Pp2 –Waste Disposal Activities	
31	Given the above the Inspector seeks clarification from the Nunavut Water Board regarding the licensee's practice of open burning the Human wastes and then land filling the waste. Was an amendment application or notification of modification, as required by Section 4 of Part B submitted by the Licensee with respect to this practice? Additionally, it is noted that the locations of any trenches or Latrine pits (land filling) of the human wastes is not noted in the annual report.	
32	The licensee is cautioned that they are to incinerate all combustible waste in an approved incinerator that will meet or exceed the Canada-wide Standards for Dioxins and Furans and the Canada-wide Standard for Mercury Emissions. Continued operations in this manner and in contravention of the terms and conditions of the current license will be treated as a continuing violation of the Act and will subject the licensee to the enforcement measures and penalties provided for under the Act.	
33	As per Section 7 of this Part; Unless otherwise approved by the Board, the Licensee shall contain all greywater in a sump located at a distance of at least thirty (30) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created.	As per Part D, Section 7 of the said water licence, a sump was constructed for the management of grey water from the kitchen and wash tent facilities at the Mary River camp. The lined containment pond located south west of the camp was detailed in the design submission to the Nunavut Water Board required under Section 3 of this part. To date, there has been no discharge to date from this facility to the receiving environment, and its operation is detailed in the most recently submitted Sewage Management Plan submitted to the Nunavut Water Board in accordance with Part D, Section 13 of the now current water licence 2BB-MRY0710.
34	It was noted during the period of inspection that a large lagoon sized area had been excavated adjacent to the camp. It is unclear to the inspector if the new excavation was covered under the existing license at the time. When questioned regarding the construction of this sump and an additional Sewage Lagoon located 150 meters south and west of the camp the Inspector was informed that this was to be covered under the new license which was still in the application stage at that time. The licensee is cautioned that all modifications to the Operations of the camp must be approved by the Nunavut Water Board prior to their construction. A review of the Nunavut water Board FTP site could not located any approval for this work to have been completed prior to the issuance of the new license. Again the licensee is cautioned that continued operations outside the existing terms and conditions of the issued license will result in enforcement actions being undertaken by the inspector and the Department of Indian and Northern Affairs on behalf of the Nunavut Water Board.	
35	The Licensee is reminded to include in the 2007 annual report due on March 31st 2008 a list of hazardous materials shipped out of the camp, and the location of the NWB approved treatment facility, as per section 10 of this Part, to which they were sent. All of the foregoing is required information to be included in the annual report. Shipping and receiving invoices are not required so long as records are available for inspection during the 2008 inspection season.	In 2007, Baffinland obtained a letter from Pond Inlet acknowledging a request for the disposal of non-hazardous waste at the community landfill site and outlining the procedures for approved disposal. Information regarding all wastes disposed of off site in 2007 will be provided as required in the annual report. A copy of the letter from the community of Pond Inlet accepting non-hazardous wastes is attached. At present time, no wastes are transported to Pond Inlet, and inert materials are currently stockpiled in a specified location adjacent to the incinerator as well as the historical bulk steel area, until the on-site landfill has been constructed. Plans were submitted to the Nunavut Water Board for construction of the on-site landfill in accordance with the Water Licence in November 2007.
36	During the review of the Nunavut Water Board FTP site correspondence between the Hamlet of Pond Inlet and Baffinland Iron Miners Corp was noted. A review of the documents to ensure compliance with Section 2 of this Part was inconclusive and the Licensee is asked to provide the appropriate approvals from the Hamlet of Pond Inlet as soon as possible. Additionally, a Design and Operations report consistent with the requirements of Section 3 of this Part was noted. Missing is an approval document from the Nunavut Water Board accepting and approving the completeness of this report. The Nunavut Water Board is asked to provide clarity on this matter.	
	Part E: Conditions for Camps and Access Infrastructure	
37	No issues were noted in the Mary River Camp however the Inspector could not make it to Milne Inlet nor Steensby Inlet and these two sites still require inspection.	Noted

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SUMMARY OF INAC WATER LICENCE INSPECTION AND FOLLOW-UP ACTIONS

No.	Observations made by INAC Inspection during July 14th 2007 Site Visit	Response to INAC Inspector from Baffinland
	Part F: Conditions Applying to Drilling Operations	
38	As noted, an inspection was not completed at the Mary River Drilling site as high winds prevented the helicopter from landing at the site. It was noted that there was present a flow of water (over land flow) below the drill sumps and traveling down hill toward Mary River. It is unclear if this ground water flow originated in the sump area.	Noted
39	The licensee is reminded to submit, as per Section 3 (a to e) of the is Part, in the 2007 Annual Report the results of the Geochemical analysis of the Drill core currently being generated by the drill program to determine the constituent elements of the core which may be present and may impact water.	
	Part G: Conditions Applying to Contingency Planning	
40	A review of the Water Board FTP site located a 2006 Spill Response Plan which as per Section 1 of this Part is to be on site and available for use within 30 days of the issuance of the current license. The Inspector was not able to locate an approval document from the Nunavut Water Board and is unable to determine if the submitted plan is complete or has been approved by the Board.	The current Spill Contingency Plan, dated August 17, 2007 was approved by the Nunavut Water Board under Motion 2007-14-03. Minor comments on the Plan have been addressed through distribution of an addendum letter, with intentions for the distribution of a revised plan to coincide with the timing of the 2007 annual report.
41	The licensee is reminded that it is the responsibility of the licensee to ensure that any documentation submitted by the licensee to the Nunavut Water Board is acknowledged by the Manager of Licensing.	
42	If the plan is not completed or approved by the Board, the Licensee is directed to provide, as an addendum to the 2007 Annual report due on March 31st 2008, a revised and up to date copy of the Spill Response plan which must include the items outlines in Section 1 (i through xii).	
43	During the same review and in accordance with a review for compliance with Section 3 of this Part a report from Knight Piesold dated April 14th, 2007 was reviewed. This report notes that it is written in response to Section 3 of this Part with requires the licensee to provide, within 90 days of the issuance of the current license a report, to be approved by the Nunavut Water Board, which is appropriately qualified by an engineer registered in Nunavut and which clearly details that the requirements of the CCME guidance document "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products (2003)" have been met by the Licensee. It should be noted that this report, if submitted in April of 2007 was submitted 3 months before the current license was even issued.	Baffinland notes that the letter dated April 14th, 2007 referenced in the inspection report was submitted in accordance with water licence 2BE-MRY0708, requiring submission of a report within ninety (90) days of the licence issuance confirming compliance with the said CCME guidance document. At the time of the report, and the inspection, Baffinland did not have bulk fuel storage systems in place. As such, this report referenced only the practice as it related to the management of barrel fuel. Since release of the current water licence 2BB-MRY0710 and relevant to the CCME guidance document, a bulk fuel storage system was commissioned at Milne Inlet in September 2007 and most recently a 75,000 litre double walled fuel storage tank was installed at Mary River in December 2007. A bulk fuel storage system at Mary River is currently under construction. In accordance with Part J, Item 4 of the now current water licence 2BB-MRY0710, an as-built report for the Milne Inlet bulk fuel storage area, dated December 9, 2007 was submitted to the Water Board. This as-built report referenced compliance with the relevant Section of the CCME guidance document. Baffinland will be submitting as-built drawings for the systems as Mary River within ninety (90) days of commissioning, in accordance with the requirements of the water licence. As requested, Baffinland has commissioned the third party preparation of a consolidated report detailing information on any and all fuel storage in a fixed location currently in place as it relates to CCME guidance. This report will be forwarded as soon as possible.
44	The Fuel Storage Review document concludes, based on the fact that the barrels used for fuel storage at the Mary River camp do not hold in excess of 230 L the Licensee is not required to meet the terms and conditions of the guidance document. The inspector does not question this somewhat simplistic conclusion however because the scope of the report did not and does not include fuel storage at either the Milne inlet or Steensby Camps the Inspector is forced to conclude the report is incomplete.	
45	The Licensee is directed to within 30 days of receipt of this report submit for approval to the Nunavut Water Board and the Inspector a report that includes among other things any and all fuel storage at any camp in a fixed location. This revised report must include any and all closed containers, receptacles or bladders currently in use by the licensee.	
46	Additionally, as noted previously for other plans and submitted reports the review of the Nunavut Water Board FTP site did not locate an acceptance or approval for the above noted plan which again appears to have been written and submitted three months in advance of the issuing of the current license.	
47	The Licensee is reminded that as per Section 6 (iii) of this Part the Licensee is required to submit a detailed report on each spill occurrence no later than 30 days following the initial event.	
	Part H: Conditions Applying to Abandonment and Restoration	
48	It was noted that during the period of inspection that a clean-up of the historic waste metals including drums and machinery was on-going.	Baffinland appreciates the comments of support for ongoing efforts of Baffinland to clean-up historic waste metals found around the Mary River site. These efforts will be documented in the annual water licence report to be submitted March 2008.
49	The Inspector strongly encourages the licensee to document and provide reports on any and all proactive reclamation activities undertaken by the licensee over the last year.	
	Part I: Conditions Applying to Monitoring Programs	
50	As per Section 1 of this Part the Licensee is required to measure and record in cubic meters the daily quantities of water utilized for Camp operations and all purposes.	Reminders of monitoring and reporting requirements have been noted.
51	As per Section 2 of this Part the Licensee is required to adhere to the monitoring and reporting requirements contained within section 3 of Part B and Section 3 of Part F.	
52	The Licensee is reminded that failure to comply with the terms and conditions of the issued water license constitutes an offence under the Nunavut Water and Nunavut Surface Rights Tribunals Act.	
53	The Licensee is also required as per section 6 to provide accurate measurements of all waste hauled off site and the location, including the NWB approved location for Hazardous waste treatment.	
54	All this information shall be included in the 2007 annual report.	
	Non-Compliance	
55	During the inspection a number of items were noted as violations of the Act and required remedial actions to be undertaken. It is noted that on August 15th an e-mail from Mr. Chubb detailing the efforts of the Licensee to address items noted during the Inspection was received.	
56	o Open burning of garbage is to cease – Verbal direction provided on July 14th, 2007	The practice of open burning regardless of waste type or volume ceased at the time of the inspection. Baffinland notes that exclusive of human waste, only wood waste that did not fit in the commercial incinerator was being burned on site.
57	o Stockpiling and Open Burning of Human Waste to cease- Verbal Direction in July 14th, 2007	At the direction of the inspector, the open burning and stockpiling of human waste ceased at the time of the inspection.
58	o Location of the NWB approved treatment facility where hazardous wastes generated or marshalled on site are to be shipped- to be included in annual report.	

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SUMMARY OF INAC WATER LICENCE INSPECTION AND FOLLOW-UP ACTIONS

No.	Observations made by INAC Inspection during July 14th 2007 Site Visit	Response to INAC Inspector from Baffinland
59	o Installation of metering system to accurately record water use.	A flow meter has been installed on the water intake pipe for the Mary River site. Truck counts are being used to record water use for the Milne Inlet camp. As of December 17, 2007 a flow meter was installed at the Milne Inlet camp and volumes are recorded and reported monthly within the SNP Monthly report.
60	o Submission of a revised report on the conformity of the licensee to the CCME's "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products 2003" within 30 days of receipt of this report.	Although Baffinland believes that it has to date met the requirements of its water licence regarding the submission of as-built reports for its bulk fuel storage systems, including an assessment of conformance to the above CCME document, a report has been commissioned for completion of a site wide review of CCME conformance of existing site infrastructure. This report is expected imminently and will be forwarded to the inspector upon receipt.
61	o A detailed report, including GPS coordinates and photographs, on the disposal of drill cuttings and wastes associated with drilling at the Mary River Drill site. This report is required within 30 days of receipt of this report.	Report is attached as requested.
62	o Installation of required secondary containment as outlined during the inspection.	As stated above, it is Baffinland's practice to endeavour, as practical, to store barrel fuel, petroleum based wastes, and other potentially hazardous products within lined containment areas. A lined and bermed area at Milne Inlet has been constructed to allow the temporary storage of hazardous materials until shipment off site to an approved facility can occur in 2008. Hazardous materials will be transferred from Mary River to Milne Inlet for storage within the lined facility to ensure proper containment. Fuels and other petroleum based products stored in bulk are installed within lined containment in accordance with the stated CCME guidance document.
63	o Installation of meters on intake systems for properly and accurately recording water use volumes.	
64	o Provide locations and quantities of all human wastes buried as per the terms of this and previous licenses. This is to be provided as an addendum to the 2007 annual report.	To be provided as part of the 2007 annual report to be submitted in March 2008.
65	o Provide documentation of the approved modification or amendment from the Nunavut Water Board permitting the licensee to burn in 45 gallon drums human waste and then deposit it in a land fill location within 30 days of receipt of this report.	Baffinland site supervisors were provided verbal direction at some point in the 2005 season allowing the burning of open burning of latrine wastes in 45 gallon drums and subsequently burying any residual waste. Baffinland is not in possession of any formal documentation in this regard and it is uncertain as to whether it was the Nunavut Water Board, QIA, or GN inspector that provided this direction.
66	o Provide documentation of the approved modification or amendment from the Nunavut Water Board permitting the construction of the sump and sewage lagoon prior to the issuance of the current license within 30 days of receipt of this report.	As stated above, the sump was constructed in accordance with Part D, Item 7 of water licence 2BE-MRY0708 for the management of grey water wastes. As stated above, the lined pond south west of the Mary River camp was constructed as an element of the pre-engineered mechanical sewage treatment facility under Part D, Section 3 of the water licence 2BE-MRY0708.

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Notes:
1. INAC inspector comments were provided in a letter from Water Resources Officer Andrew Keim to Baffinland, dated December 10, 2007.
2. Baffinland response provided in a letter to the INAC Water Resources Officer, dated January 10, 2008.

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TABLE 10.1

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

MEETINGS WITH THE PUBLIC AND COMMUNITY GROUPS

Group	Date	Description
	Pond Inlet Public Meetings	
Public	April 20, 2006	Baffinland provided a project update and presentation reviewing exploration and environmental work conducted in 2005, plans for 2006 season
	September 6, 2006	Baffinland provided a project update - Bulk Sample
	April 26, 2007	Baffinland provided a project update
	September 20, 2007	Baffinland presented the mine development proposal
	Pond Inlet Community Groups	
Qarjuq Elders Committee	March 2, 2006	Baffinland consultants Introduced the project, including the environmental and IQ studies
Mitimatillik Hunters and Trappers Organization	April 7, 2006	Baffinland consultants provided a project update/ discussed marine mammals and terrestrial wildlife with the working group, collecting IQ and obtaining feedback on proposed surveys
	June 1, 2006	Baffinland consultants discussed proposed ringed seal surveys
	January 25, 2007	Baffinland consultants provided a project update and discussed the socio-economic program
	January 11, 2008	Baffinland consultants conducted a mapping project
Hamlet of Pond Inlet	January 23-24, 2007	Information meeting
	September 20, 2007	Meeting with hamlet councillors
	December 6, 2007	Project update
Hamlet Economic Development Committee	January 24, 2007	Information meeting
	May 25, 2007	Meeting with councillor and CEDO
	July 17, 2007	Baffinland consultants discussed the socio-economic program
Pond Inlet District Education Authority	January 24, 2007	Baffinland consultants discussed the socio-economic program
Concerned Citizens Group	May 25, 2007	Discussion of community concerns on employment, sampling work, environmental issues
Pisiksik Working Group	March 1-4, 2006	Baffinland consultants chaired the inaugural IQ Working Group meeting; discussion of research agreement
	April 5, 2006	Baffinland consultants provided a project update/Discussed wildlife issues, collecting IQ, and obtaining feedback on proposed surveys
	April 18-22, 2006	Baffinland consultants provided a project update/Baffinland presentation reviewing 2005 work, plans for 2006 season
	June 1, 2006	Baffinland consultants discussed the organization of interviews, use of GIS
	July 28-29, 2006	Baffinland consultants provided a project update, had the research approved
	August 29, 2006	Baffinland consultants discussed future planning

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2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

MEETINGS WITH THE PUBLIC AND COMMUNITY GROUPS

Group	Date	Description
	September 7, 2006	Baffinland consultants provided a project update on the bulk sample
	January 24, 2007	Baffinland consultants provided a project update, discussed the socio-economic program
	March 15-16,2007	Baffinland consultants provided a project update
	January 12, 2008	Baffinland consultants provided a project update
	Arctic Bay Public Meetings	
Public Meeting	September 24, 2007	Baffinland presented the mine development proposal
	Arctic Bay Community Groups	
Hamlet of Arctic Bay	February 1, 2007 September 24, 2007	Information meeting with hamlet representatives Meeting with hamlet council
Arctic Bay Hunters and Trappers Association	February 1, 2007	Information meeting
Arctic Bay Economic Development Committee	May 23, 2007	Baffinland consultants provided a project introduction, Q & A
Nunavut Youth Consulting	August 16, 2007	Baffinland consultants provided a project introduction, Q & A
Inuksuligaqjuk Working Group	March 17-19, 2007	Baffinland consultants discussed the community interviews, provided logistics updates
	March 22-23, 2007	Baffinland consultants provided an overview of the socio-economic program
	May 23, 2007	Baffinland consultants provided a project update
	Mary 29, 2007	Baffinland consultants discussed the socio-economic program
	July 14-16, 2007	Baffinland consultants provided project updates, discussed IQ study planning
	August 15 & 16, 2007	Baffinland consultants provided project updates, Q & A, discussed planning
	Igloolik Public Meetings	
Public	March 28, 2007	Baffinland introduced the project
Public	September 25, 2007	Baffinland presented the mine development proposal
	Igloolik Community Groups	
HTO and CLARC	March 28, 2007	Introductory meeting
Hamlet of Igloolik Economic Development Officers	January 26, 2007	Information meeting
Hamlet of Igloolik	January 29, 2007	Project update, Q & A
	May 25, 2007	Information meeting
	September 25, 2007	Meeting with mayor, SAO and council
Igloolik Hunters and Trappers Association	January 29, 2007	Introductory meeting
	January 18, 2008	Baffinland consultants facilitated the mapping of marine wildlife
Inullariit Elders Society	May 28, 2007	Information meeting

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MEETINGS WITH THE PUBLIC AND COMMUNITY GROUPS

Group	Date	Description
Igloolik Research Centre	May 28, 2007	Project and IQ study overview
Qaatiliit Working Group	May 28, 2007	Baffinland consultants provided project updates, facilitated Q & A
	August 17 & 20, 2007	Baffinland consultants provided project updates, facilitated Q & A and future planning
	January 19, 2008	Baffinland consultants provided a project update
	Hall Beach Public Meetings	
Public	September 26, 2007	Baffinland presented the mine development proposal
	Hall Beach Community Groups	
Hamlet of Hall Beach	September 26, 2007	Baffinland met with hamlet council, mayor
	Clyde River Public Meetings	
Public	September 19, 2007	Baffinland presented the mine development proposal
	Clyde River Community Groups	
Hamlet of Clyde River	September 19, 2007	Baffinland met with the Mayor and council
Namautaq Hunters and Trappers Association	September 19, 2007	Consultant meeting to discuss IQ study
Ilisaqsivik Society	September 19, 2007	Consultant meeting to discuss IQ study
Ilisaqsivik Society	September 19, 2007	Consultant meeting to discuss IQ study
Hamlet of Clyde River	January 25, 2008	Consultant meeting to discuss IQ study
Namautaq Hunters and Trappers Association	January 25, 2008	Consultant meeting to discuss IQ study
	Iqaluit Public Meetings	
Public	September 27, 2007	Baffinland presented the mine development proposal
	Iqaluit Community Groups	
City of Iqaluit	September 27, 2007	Baffinland met with Mayor and Councillors

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TABLE 10.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

MEETINGS WITH GOVERNMENT AND INUIT ORGANIZATIONS

Date	Agency(s)	Location	Description
Mar 26, 2007	Municipality of Igloolik	Igloolik	Introduction of Baffinland and the Mary River Project to Hamlet Council
Mar 27, 2007	Igloolik HTO Community Lands and Resources Committee (CLARC)	Igloolik	Introduction of Baffinland and the Mary River Project to the HTO and CLARC
Mar 28, 2007	Hamlet of Hall Beach	Hall Beach	Introduction of Baffinland and the Mary River Project to Hamlet Council
Apr 25, 2007	Hamlet of Pond Inlet	Pond Inlet	Project update presentation to Mayor and Counci
June 5, 2007	Hamlet of Clyde River	Clyde River	Introduction of Baffinland and the Mary River Project to Hamlet Council
June 24-26, 2007	Indian and Northern Affairs Canada Environment Canada Fisheries and Oceans Canada Natural Resources Canada Transport Canada (EA, Marine Safety) Canadian Coast Guard Nunavut Tunngavik Incorporated Qikiqtani Inuit Association Health Canada Government of Nunavut (Environment, Economic Development, Health and Social Services)	Iqaluit	Mineral Development Advisory Group (MDAG) meeting, coordinated by INAC. Baffinland provided a project overview presentation, and various agencies provided presentations on their respective mandates, in a two-day meeting. This was followed by a fly-over visit of the Mary River site.
July 25, 2007	Hamlet of Pond Inlet	Pond Inlet	Project update presentation to Mayor and Counci
Sept 19, 2007	Hamlet of Clyde River	Clyde River	Meeting with Mayor and Council, prior to public meeting
Sept 20, 2007	Hamlet of Pond Inlet	Pond Inlet	Meeting with Mayor and Council, prior to public meeting
Sept 24, 2007	Hamlet of Arctic Bay	Arctic Bay	Meeting with Mayor and Council, prior to public meeting
Sept 25, 2007	Municipality of Igloolik	Igloolik	Meeting with Mayor and Council, prior to public meeting
Sept 26, 2007	Hamlet of Hall Beach	Hall Beach	Meeting with Mayor and Council, prior to public meeting
Sept 27, 2007	City of Iqaluit	Iqaluit	Meeting with Mayor and Council, prior to public meeting
Oct 15, 2007	INAC CEAA NIRB DFO NRCan	INAC HQ, Ottawa	A federal interdepartmental meeting, in which Baffinland provided a project overview presentation to a wider federal agency audience
Oct 16, 2007	QIA Board of Directors	Iqaluit	Project update presentatior
Oct 22, 2007	Canadian Transportation Agency	CTA offices, Ottawa	Baffinland met with the CTA to provide information on the proposed railway and to discuss the potential for CTA jurisdiction in rail safety
Nov 13-15, 2007	Government of Nunavut Hamlet Mayors and Community Economic Development Officers	Pond Inlet	A GN-coordinated development workshop focusing on community economic development in the North Baffin

Knight Piésold CONSULTING

TABLE 10.2

BAFFINLAND IRON MINES CORPORATION
MARY RIVER PROJECT

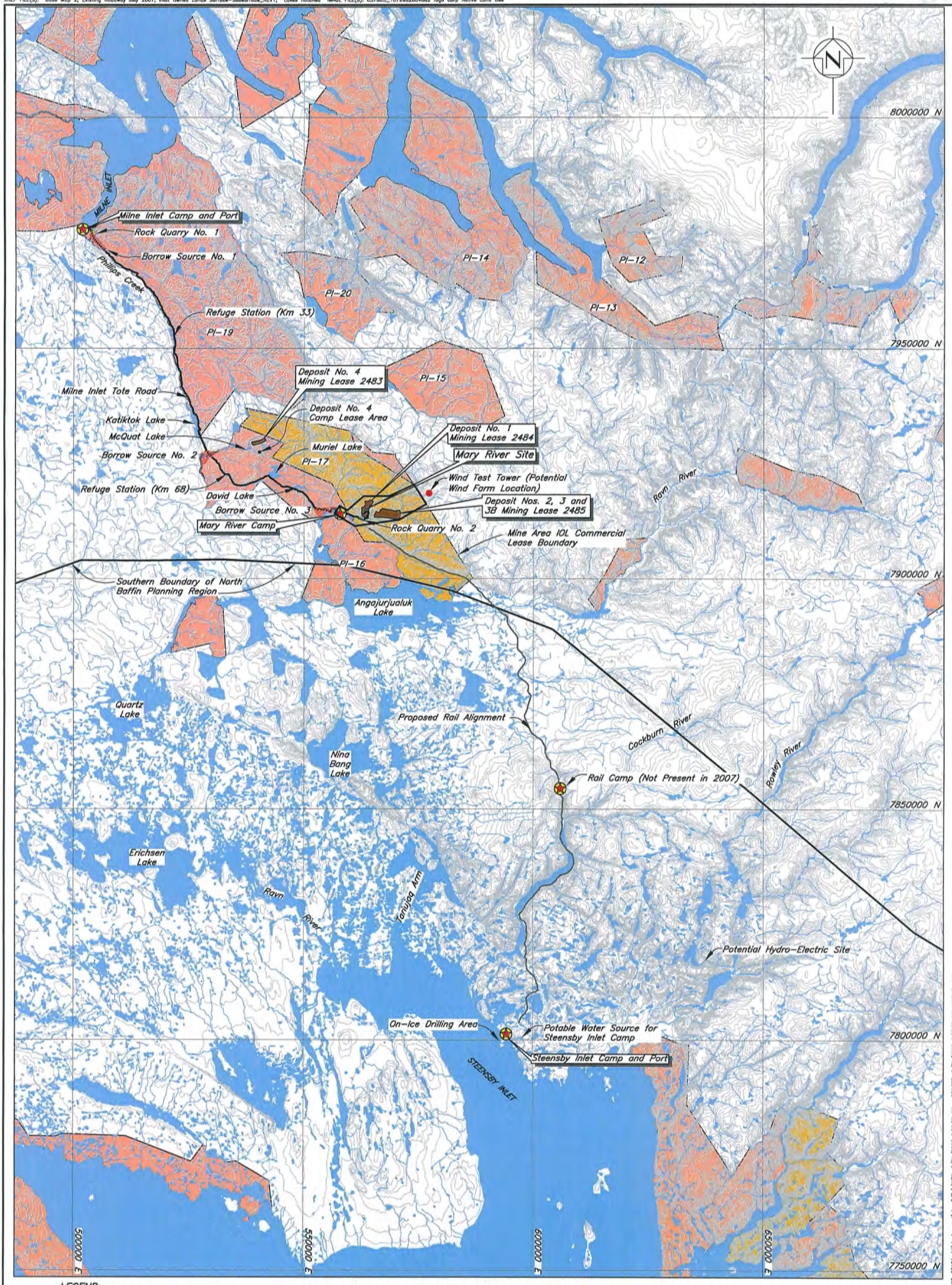
2007 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

MEETINGS WITH GOVERNMENT AND INUIT ORGANIZATIONS

Date	Agency(s)	Location	Description
Nov 22, 2007	INAC CEAA DFO NRCan Transport Canada CTA Environment Canada Human Resources and Social Development Canada	Government Conference Centre, Ottawa	Hosted by INAC HQ, this meeting discussed the potential regulatory processes that may apply to the project, and initiatives underway to streamline regulatory reviews in Nunavut
Nov 28, 2007	Transport Canada, Navigable Waters Protection Program	Transport Canada offices, Edmonton	Baffinland provided a presentation providing an overview of the project, and a list of the expected project interactions with navigable waters. The approvals process under the Navigable Waters Protection Act was discussed in relation to the project and the regulatory processes the project will be subject to.
Nov 29, 2007	Nunavut Planning Commission	NWT/NU Chamber of Mines, Yellowknife	Baffinland provided an overview presentation of the project. The NPC provided information on how they see the North Baffin Regional Land Use Plan applying to the project.
Dec 6, 2007	Hamlet of Pond Inlet	Pond Inlet	Project update presentation to Mayor and Counci
Dec 12, 2007	Transport Canada (EA, Marine Safety, Rail Safety, Marine Security, Navigable Waters Protection Program)	Transport Canada offices, Winnipeg	Baffinland provided an updated presentation to a wider audience at Transport Canada
Dec 12, 2007	DFO (Nunavut Regional, EA and Major Projects, Habitat Management, Marine Mammals)	Freshwater Institute, Winnipeg	Baffinland provided an updated presentation to a wider audience at DFO
Jan 8, 2008	INAC	Ottawa	Baffinland met with INAC lands staff to discuss the various land tenure options that may apply to the pre-construction, construction and operation phases of the project
Jan 21, 2008	Hamlet of Pond Inlet	Pond Inlet	Project update presentation to Mayor and Counci
Jan 25, 2008	Municipality of Igloolik	Igloolik	Project update presentation to Mayor and Counci
Jan 28, 2008	Government of Nunavut Department of Community and Government Services Department of Health and Social Services	Iqaluit	A project information meeting to discuss emergency services and occupational health and safety related to the Mary River Project
Jan 31, 2008 (scheduled)	NIRB NPC Nunavut Water Board	Vancouver	Discussed the review process, the potential requirement for an amendment to the North Baffin land use plan and the associated review, and opportunities for joint NIRB-NWB hearings

I:\102-00181-11\Assignment\Report\Report 3, Rev. 0 - NWB 2007 Report\Tables\[Table 10.2 Rev 0 - Meetings with Govt and Inuit Orgs.xls]Table 10.2
28-Mar-08

XREF FILE(S): Base Map 2; Existing Roadway July 2007; Inuit Owned Lands Surface-Subsurface_REV1; Lakes hatched IMAGE FILE(S): 037C05_1079982884802 logo corp Native Land Use



LEGEND:

- River/Stream/Drainage
- Milne Inlet Tote Road
- Proposed Rail Alignment
- Contour
- Water
- Inuit Owned Land-Surface Only Excluding Minerals
- Inuit Owned Land-Surface and Subsurface Including Minerals
- Mineral Lease Boundary
- Crown Land
- Existing Borrow Area (IOL Commercial Lease)
- Existing Rock Quarry (IOL Commercial Lease)

NOTES:

1. Base Map: © Her Majesty the Queen in Rights of Canada, Department of Natural Resources (2004). All rights reserved.
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval varies.
4. Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.

Scale 10 5 0 10 20 30 40 Kilometres

Baffinland Iron Mines Corporation

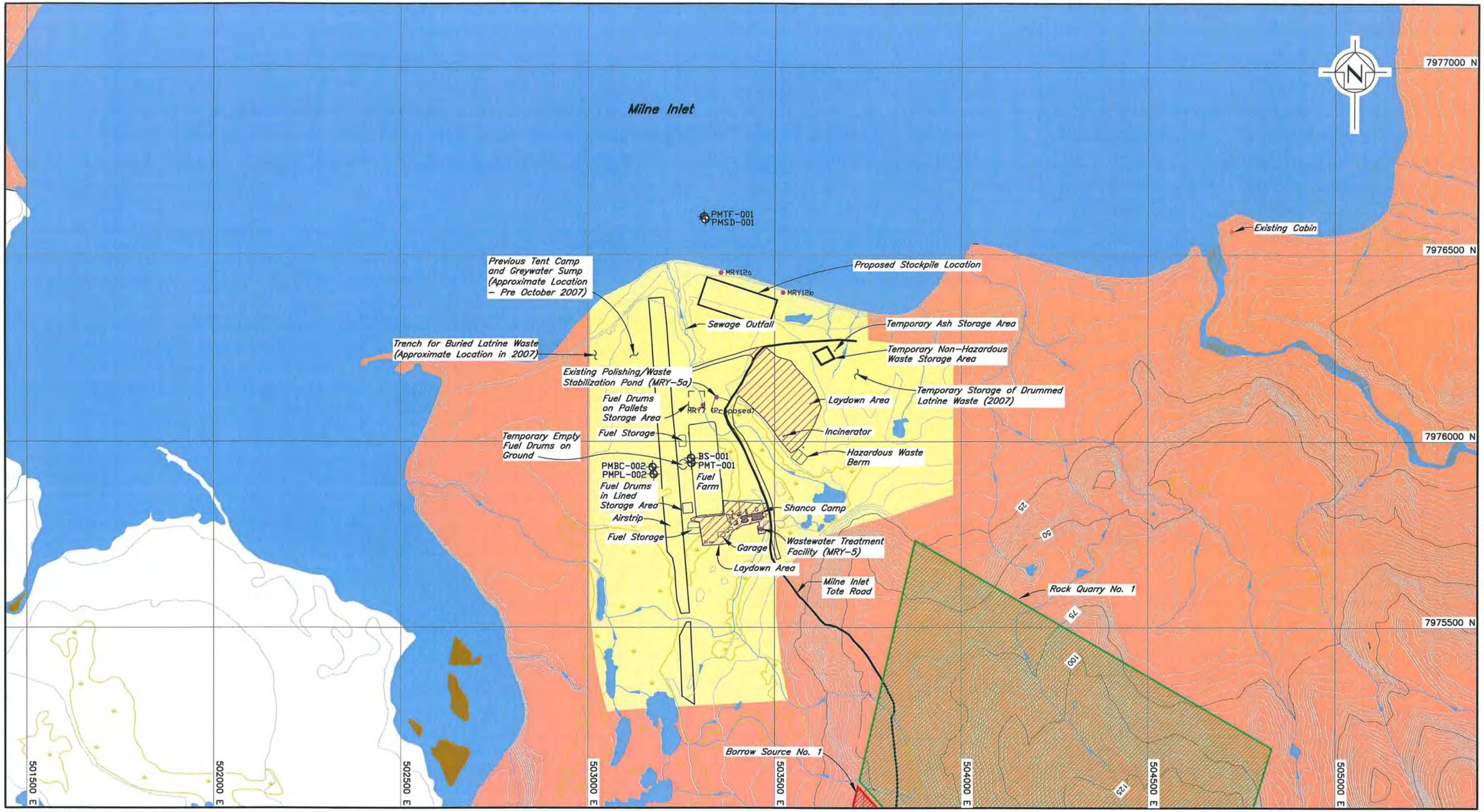
MARY RIVER PROJECT

LOCATION OF PROJECT ACTIVITIES

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3.	0

FIGURE 1.1



LEGEND:

- Water
- Inuit Owned Land–Surface Only Excluding Minerals
- Crown Land
- Laydown Area
- Surface Rights Area (IOL Commercial Lease)
- Existing Borrow Area (IOL Commercial Lease)
- Existing Rock Quarry (IOL Commercial Lease)
- Wetland
- Drillhole Completed in 2007
- River/Stream/Drainage
- Direction of surface water runoff
- Milne Inlet Tote Road
- Road
- MRY5 Water Licence Monitoring Location

NOTES:

1. Topography provided by Eagle Mapping (2005).
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 2.5 metres.
4. Layout provided by BH Martin/Genivar and Baffinland (as of December 31, 2007).

Scale 100 50 0 100 200 300 400 500 Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

MILNE INLET CAMP AND PORT LAYOUT

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P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 1.2

LEGEND:

- River/Stream/Drainage
- Spill Kit
- Tent

NOTES:

1. Airphotos provided by Eagle Mapping (2005) and ALS contour data provided by Terrapoint (2006).
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 1.5 metres.
4. Layout as of December 31, 2007 provided by BH Martin/Genivar and Baffinland.

Scale 30 15 0 30 60 90 120 150 Metres

Baffinland IRON MINES CORPORATION

MARY RIVER PROJECT

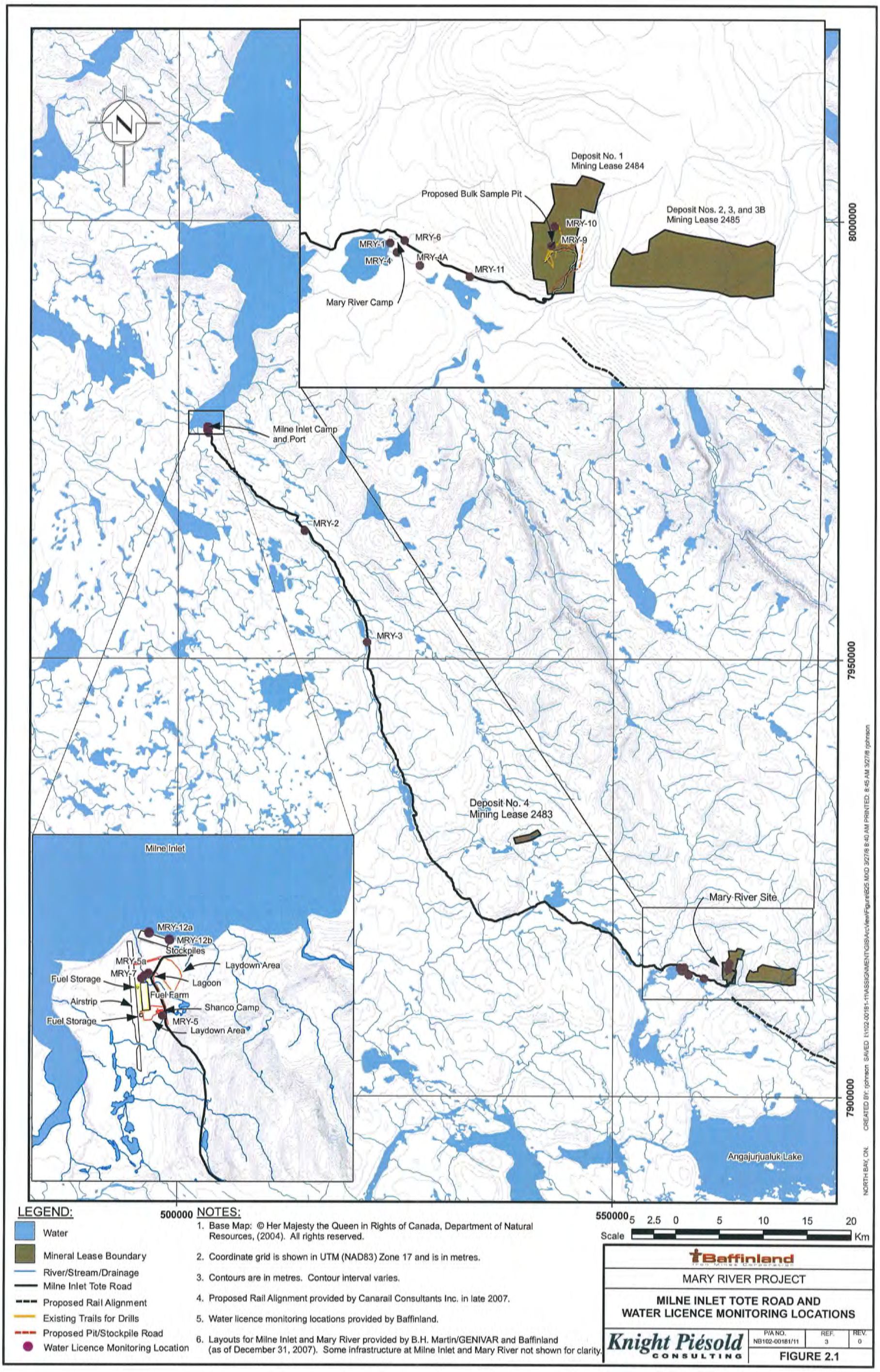
MARY RIVER CAMP

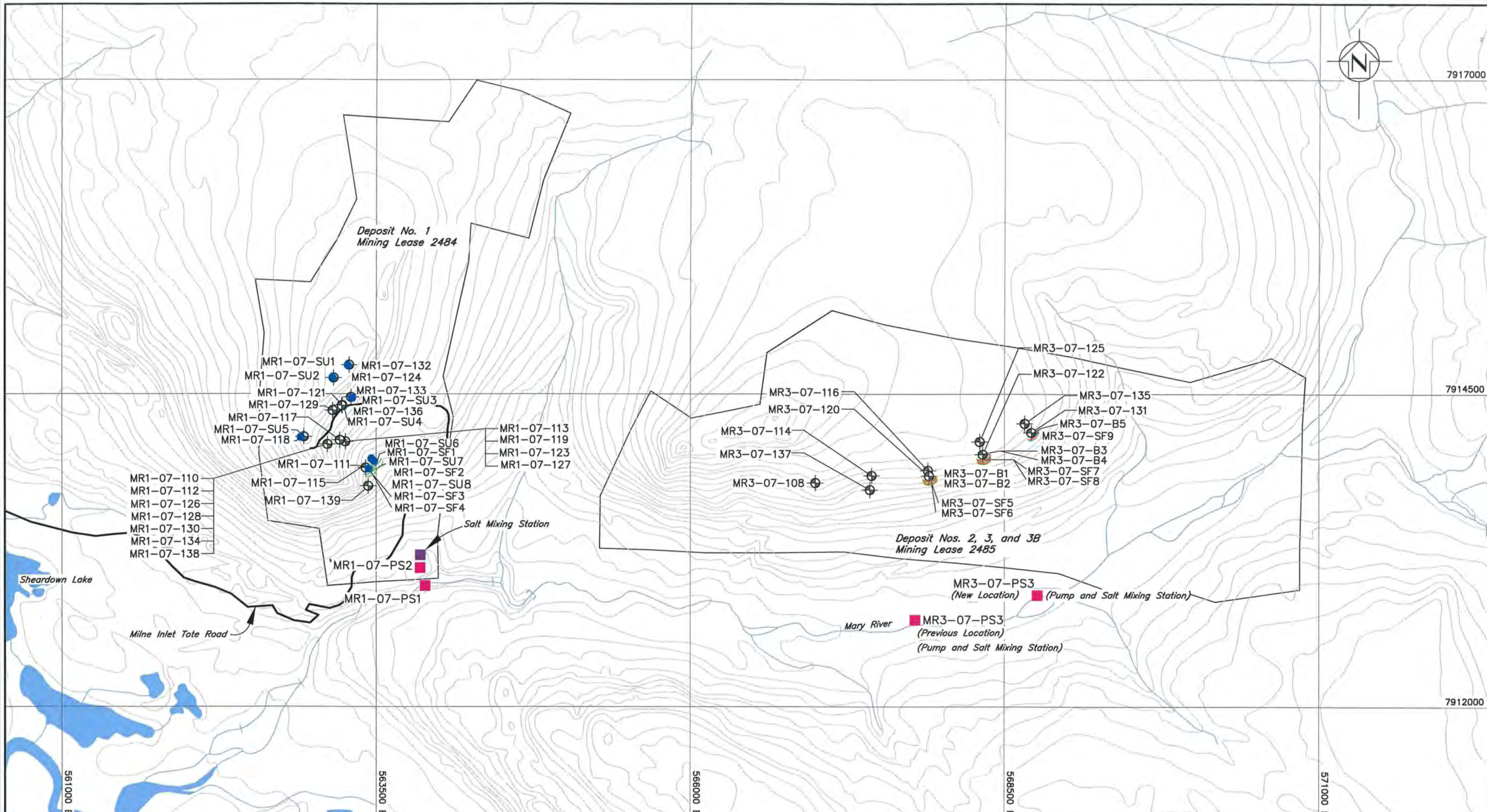
Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 1.3

XREF FILE(S): Mine Site Lidar, Mine_Site_Water Hatch; PROJECT SITE PLAN 2m INTERVAL_REV3 IMAGE FILE(S): logo-big corp edit Mary River 070820_Sheardown_Lake_North_Bathy3, Baffinland logo-big corp Eaglage
NORTH BAY ON, SAVED: I:\102-00181-11\Assignment\Vcad\Fig\81178, 3/31/2008 11:49:31 AM PRINTED: 3/31/2008 11:50:05 AM, Layout1, bpark


N
Deposit No. 1
Mining Lease 2484
Proposed Bulk Sample Pit
MRY-10
MRY-9
Deposit Nos. 2, 3, and 3B
Mining Lease 2485
MRY-1
MRY-6
MRY-4
MRY-4A
MRY-11
Mary River Camp
Milne Inlet Camp
and Port
MRY-2
MRY-3
Deposit No. 4
Mining Lease 2483
Milne Inlet
MRY-12a
MRY-12b
Stockpiles
MRY-5a
MRY-7
Laydown Area
Fuel Storage
Lagoon
Fuel Farm
Airstrip
Shanco Camp
Fuel Storage
MRY-5
Laydown Area
Mary River Site
Angajurjualuk Lake
8000000
7950000
7900000
500000
550000
LEGEND:
Water
Mineral Lease Boundary
River/Stream/Drainage
Milne Inlet Tote Road
Proposed Rail Alignment
Existing Trails for Drills
Proposed Pit/Stockpile Road
Water Licence Monitoring Location
NOTES:
1. Base Map: © Her Majesty the Queen in Rights of Canada, Department of Natural Resources, (2004). All rights reserved.
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval varies.
4. Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.
5. Water licence monitoring locations provided by Baffinland.
6. Layouts for Milne Inlet and Mary River provided by B.H. Martin/GENIVAR and Baffinland (as of December 31, 2007). Some infrastructure at Milne Inlet and Mary River not shown for clarity.
5 2.5 0 5 10 15 20
Scale Km
Baffinland
Iron Mines Corporation
MARY RIVER PROJECT
MILNE INLET TOTE ROAD AND
WATER LICENCE MONITORING LOCATIONS
Knight Piésold CONSULTING
P/A NO. NB102-00181/11
REF. 3
REV. 0
FIGURE 2.1
NORTH BAY, ON.
CREATED BY: rjohnson SAVED: f:\n102-00181-11\ASSIGNMENT\GIS\ArcView\Figure\625.MXD 3/27/8 8:40 AM PRINTED: 8:45 AM 3/27/8 rjohnson


7917000 N
7914500 N
7912000 N
561000 E
563500 E
566000 E
568500 E
571000 E
N
Deposit No. 1
Mining Lease 2484
MR1–07–SU1
MR1–07–132
MR1–07–SU2
MR1–07–124
MR1–07–121
MR1–07–133
MR1–07–129
MR1–07–SU3
MR1–07–136
MR1–07–117
MR1–07–SU4
MR1–07–SU5
MR1–07–118
MR1–07–SU6
MR1–07–SF1
MR1–07–SU7
MR1–07–111
MR1–07–SF2
MR1–07–115
MR1–07–SU8
MR1–07–SF3
MR1–07–139
MR1–07–SF4
MR1–07–113
MR1–07–119
MR1–07–123
MR1–07–127
MR1–07–110
MR1–07–112
MR1–07–126
MR1–07–128
MR1–07–130
MR1–07–134
MR1–07–138
Salt Mixing Station
MR1–07–PS2
MR1–07–PS1
Sheardown Lake
Milne Inlet Tote Road
MR3–07–125
MR3–07–122
MR3–07–116
MR3–07–135
MR3–07–120
MR3–07–131
MR3–07–B5
MR3–07–114
MR3–07–SF9
MR3–07–B3
MR3–07–137
MR3–07–B4
MR3–07–B1
MR3–07–SF7
MR3–07–108
MR3–07–B2
MR3–07–SF8
MR3–07–SF5
MR3–07–SF6
Deposit Nos. 2, 3, and 3B
Mining Lease 2485
MR3–07–PS3
(New Location)
(Pump and Salt Mixing Station)
Mary River
MR3–07–PS3
(Previous Location)
(Pump and Salt Mixing Station)

LEGEND:

- Water
- River/Stream/Drainage
- Milne Inlet Tote Road
- Drillhole Completed in 2007
- Lease Boundary
- Silt Fence Locations
- Berm Location
- Sump Locations
- Salt Mixing Station
- Pump Station Location

NOTES:

1. *Mapping derived from Department of Energy, Mines and Resources, 1965 (converted to digital format June, 2006).*
2. *Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.*
3. *Contours are in feet. Contour interval is 50 feet.*
4. *Locations of drillholes, berms, sumps, etc., provided by Baffinland.*

Scale 300 150 0 300 600 900 1200 1500 Metres

Baffinland Iron Mines Corporation

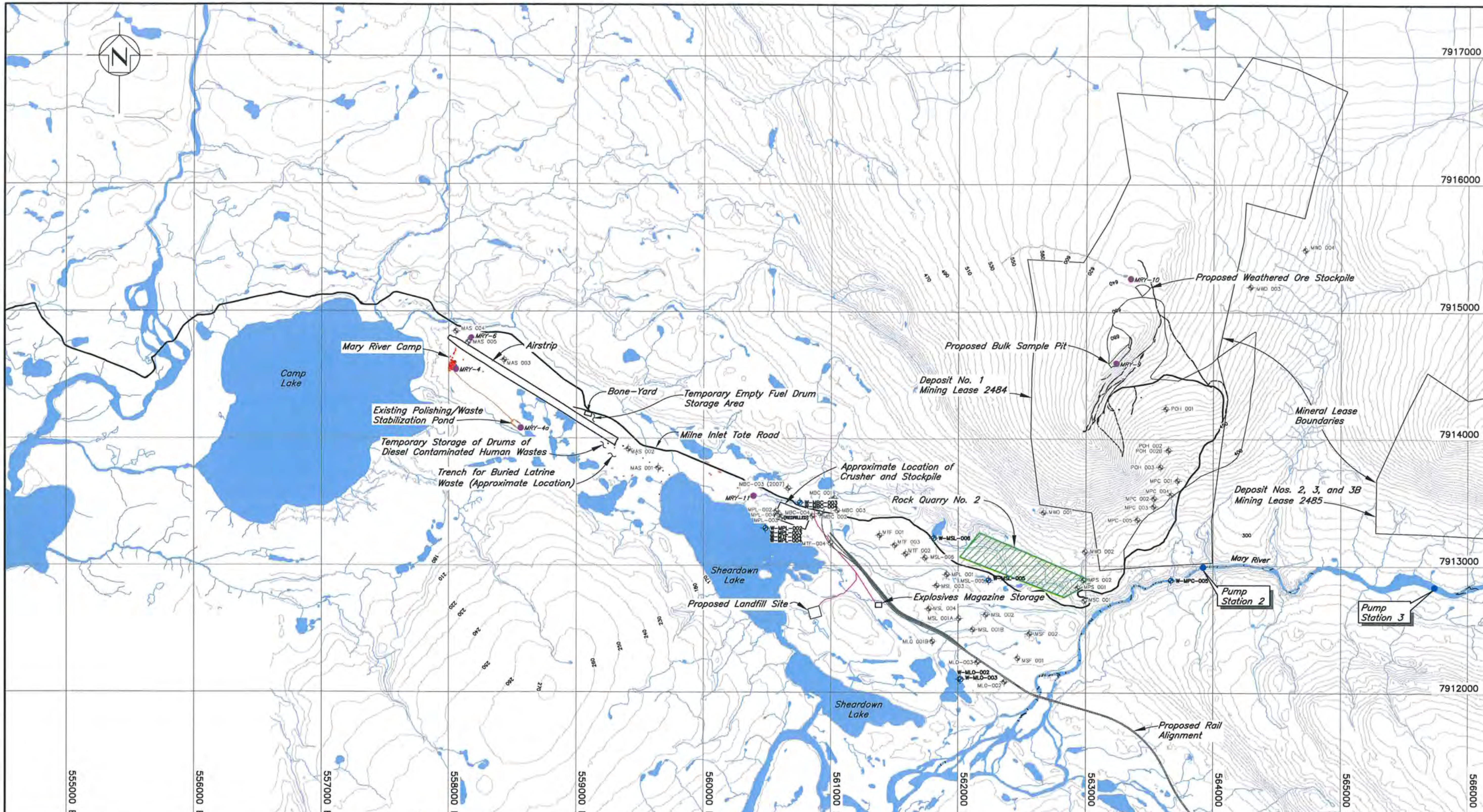
MARY RIVER PROJECT

2007 EXPLORATION DRILLHOLES

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.2



LEGEND:

- Water
- Rock Quarry Location
- River/Stream/Drainage
- Water Licence Monitoring Location
- Milne Inlet Tote Road
- Drill Road
- Proposed Rail Alignment
- Drillhole Completed in 2007
- Water Source in 2007

NOTES:

1. Topography provided by Eagle Mapping (2005).
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 10 metres.
4. Layout as of December 31, 2007 provided by BH Martin/Genivar and Baffinland.
5. Some infrastructure not shown for clarity.

Scale 300 150 0 300 600 900 1200 1500 Metres

Baffinland

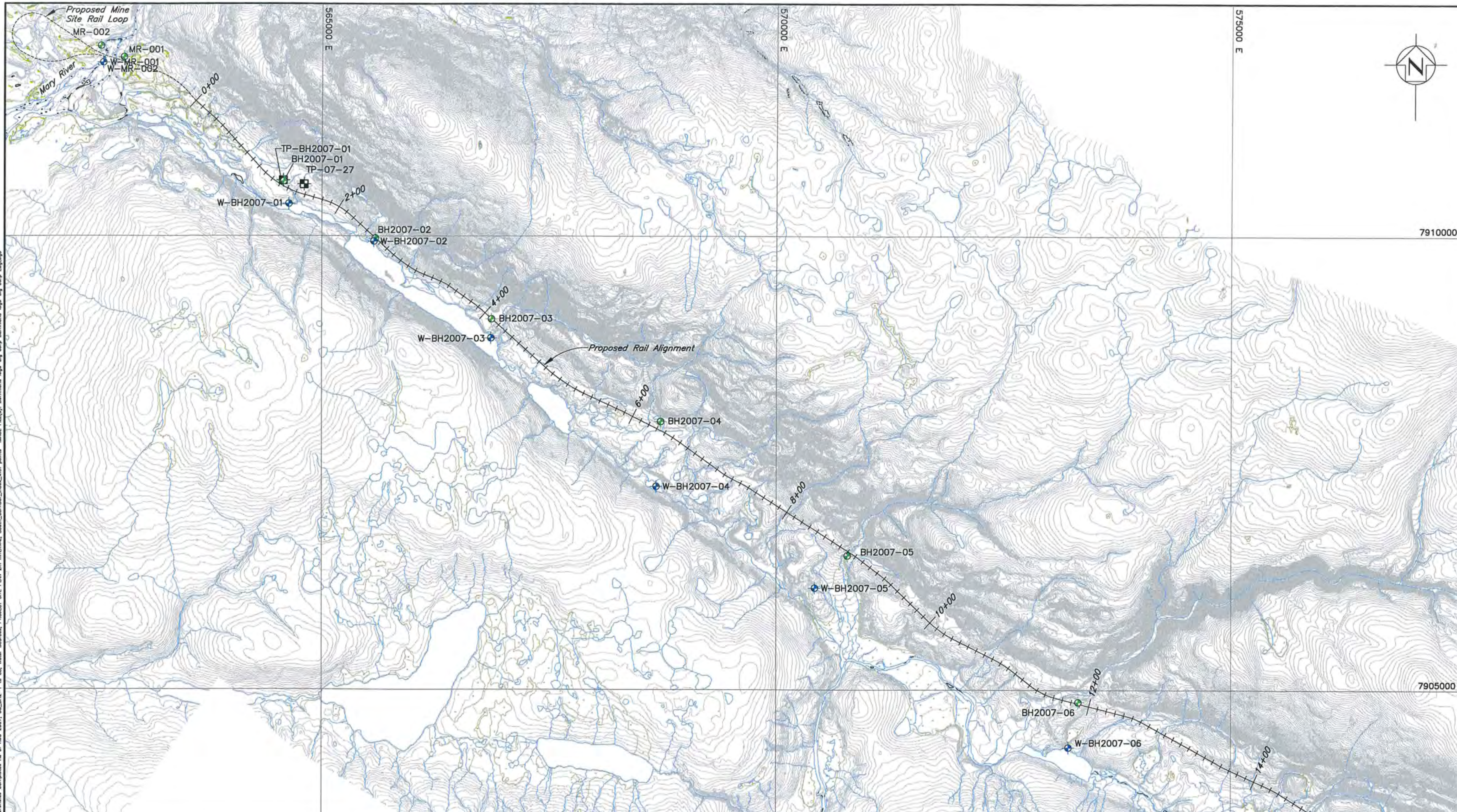
MARY RIVER PROJECT

MARY RIVER DRILLING AREA CATCHEMENT AREAS

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.3



LEGEND:

- Drillholes Completed in 2007
- Test Pits Completed in 2007
- Water Sources in 2007
- 0+00 Station marker (Km)
- River/Stream/Drainage
- Wetland

NOTES:

1. Topography provided by Eagle Mapping (2005).
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 2.5 metres.
4. Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.

Scale 400 200 0 400 800 1200 1600 2000 Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT
2007 SITE INVESTIGATION PLAN
(SHEET 1 OF 6)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.4

LEGEND:

- Drillholes Completed in 2007
- Test Pits Completed in 2007
- Water Sources in 2007

0+00 Station marker (Km)
River/Stream/Drainage
Wetland

NOTES:

1. Topography provided by Eagle Mapping (2005).
2. Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 2.5 metres.
4. Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.

Scale 400 200 0 400 800 1200 1600 2000 Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT 2007 SITE INVESTIGATION PLAN (SHEET 2 OF 6)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.5

BH2-2007-51
W-BH2-2007-51
W-BH2-2007-50
TP-07-24
34+00
BH2007-13
BH2-2007-52
W-BH2007-13
W-BH2-2007-52
TP-07-19
W-BH2007-15
BH2007-14
W-BH2007-14
BH2007-15
BH2-2007-53
W-BH2-2007-53
38+00
W-BH2-2007-54
BH2-2007-54
W-BH2007-16
BH2007-16
40+00
BH2007-17
42+00
W-BH2007-17
Proposed Rail Alignment
BH2007-18
W-BH2007-18
44+00
BH2-2007-55
W-BH2-2007-55
46+00
7890000 N
7885000 N
595000 E
600000 E

N

LEGEND:

- *Drillholes Completed in 2007*
- *Test Pits Completed in 2007*
- *Water Sources in 2007*
- *0+00 Station marker (Km)*
- *River/Stream/Drainage*
- *Wetland*

NOTES:

1. *Topography provided by Eagle Mapping (2005).*
2. *Coordinate grid is shown in UTM (NAD 83) Zone 17 and is in metres.*
3. *Contours are in metres. Contour interval is 2.5 metres.*
4. *Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.*

Scale 400 200 0 400 800 1200 1600 2000 Metres

Baffinland IRON MINES CORPORATION

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT
2007 SITE INVESTIGATION PLAN
(SHEET 3 OF 6)

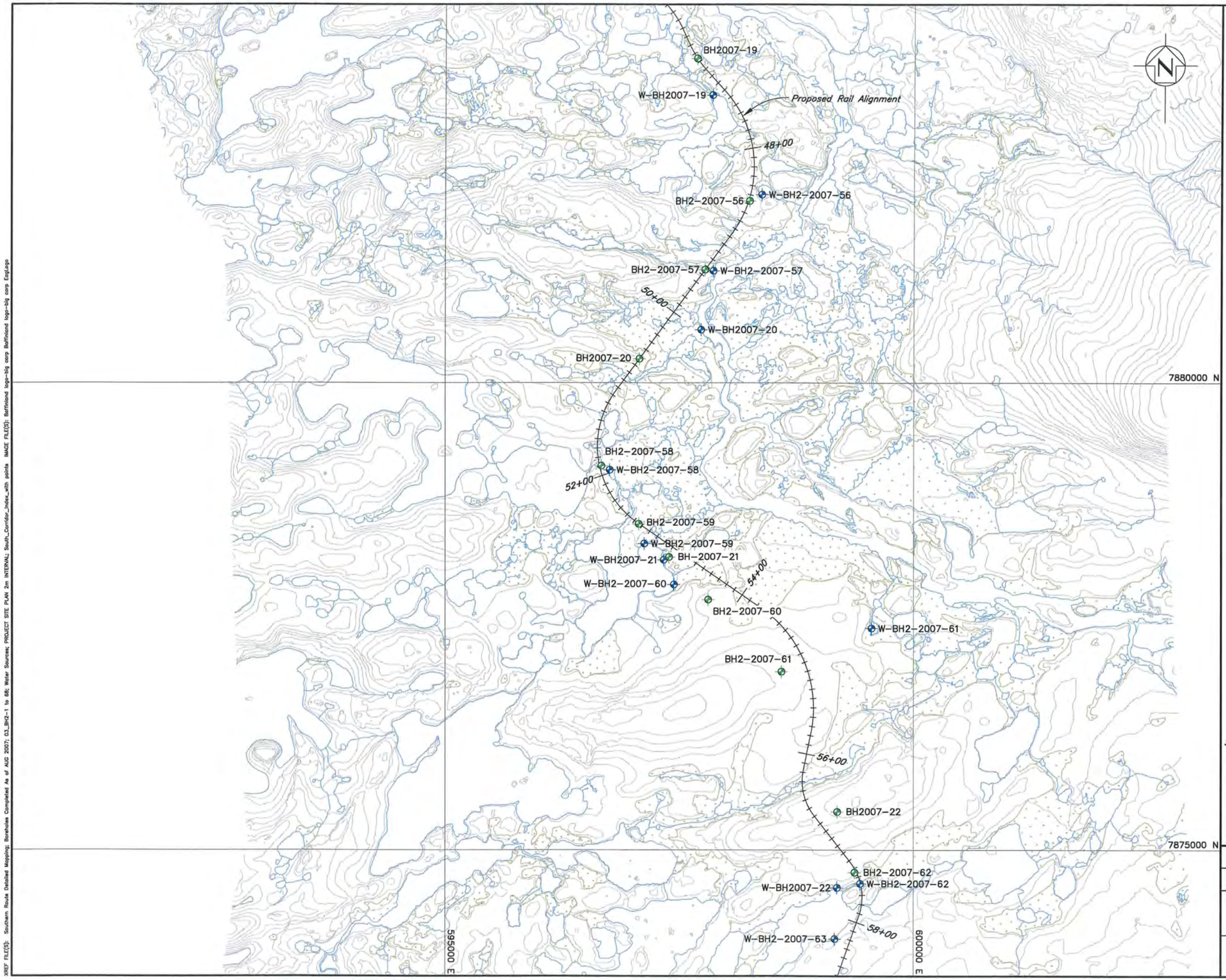
Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.6

XREF FILE(S): Southern Route Detailed Mapping; Boreholes Completed As of AUG 2007; 03_BH2-1 to 68; Water Sources; PROJECT SITE PLAN 2m INTERVAL; South_Corridor_Index_with points IMAGE FILE(S): Baffinland logo-big corp Baffinland logo-big corp EagLogo

NORTH BAY ON. CREATED BY: mdamare SAVED: I:\102-00181-11\Alignment\Acad\Fig\B182, 3/31/2008 10:38:38 AM PRINTED: 3/31/2008 10:38:12 AM, 3 of 6, rjohnson



LEGEND:

- *Drillholes Completed in 2007*
- *Test Pits Completed in 2007*
- *Water Sources in 2007*
- *0+00 Station marker (Km)*
- *River/Stream/Drainage*
- *Wetland*

NOTES:

1. *Topography provided by Eagle Mapping (2005).*
2. *Coordinate grid is shown in UTM (NAD 83) Zone 17 and is in metres.*
3. *Contours are in metres. Contour interval is 2.5 metres.*
4. *Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.*

Scale 400 200 0 400 800 1200 1600 2000 Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT
2007 SITE INVESTIGATION PLAN
(SHEET 4 OF 6)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.7

XREF FILE(S): Southern_Route_Detailed_Mapping; Boreholes Completed As of AUG 2007; 03_Bh2-1 to 68; Water Sources; PROJECT SITE PLAN 2m INTERVAL; South_Corridor_Index_with points IMAGE FILE(S): Baffinland logo-big corp Baffinland logo-big corp EagLogo

NORTH BAY ON. CREATED BY: mdemers SAVED: I:\102-00181-11\Vestigment\Acad\Fig\81182. 3/31/2008 10:39:58 AM PRINTED: 3/31/2008 10:40:43 AM. 4 of 6. rjohnsen

BH2-2007-63

60+00

BH2-2007-64

W-BH2-2007-64

W-BH2007-23

W-BH2-2007-65

BH2-2007-65

BH2007-23

7870000 N

Proposed Rail Alignment

64+00

W-BH2-2007-66

BH2-2007-66

66+00

W-BH2007-24

BH2007-24

BH2-2007-67

W-BH2-2007-67

68+00

W-BH2007-25

BH2007-25

7865000 N

BH2-2007-68

70+00

W-BH2-2007-68

595000 E

595000 E

595000 E

N

LEGEND:

- *Drillholes Completed in 2007*
- *Test Pits Completed in 2007*
- *Water Sources in 2007*
- *0+00 Station marker (Km)*
- *River/Stream/Drainage*
- *Wetland*

NOTES:

1. *Topography provided by Eagle Mapping (2005).*
2. *Coordinate grid is shown in UTM (NAD 83) Zone 17 and is in metres.*
3. *Contours are in metres. Contour interval is 2.5 metres.*
4. *Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.*

Scale 400 200 0 400 800 1200 1600 2000 Metres

Baffinland

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT
2007 SITE INVESTIGATION PLAN
(SHEET 5 OF 6)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.8

XREF FILE(S): Southern Route Detailed Mapping; Boreholes Completed As of AUG 2007; 03_BH2-1 to 68; Water Sources; PROJECT SITE PLAN 2m INTERVAL; South_Corridor_Index_with points IMAGE FILE(S): Baffinland logo-big corp Baffinland logo-big corp EagLogo

NORTH BAY ON. CREATED BY: mdamers SAVED: I:\102-00181-11\Assignment\Acad\Vp\8182, 3/31/2008 10:44:20 AM PRINTED: 3/31/2008 10:45:04 AM, 3 of 6, rjohnsen

XREF FILE(S): Southern Route Detailed Mapping; Boreholes Completed As of AUG 2007; 03_BH2-1 to 68; Water Sources; PROJECT SITE PLAN 2m INTERVAL; South_Corridor_Index_with points IMAGE FILE(S): Baffinland logo-big corp Baffinland logo-big corp EagLogo

N

7860000 N

7850000 N

7840000 N

7830000 N

7820000 N

7810000 N

590000 E

600000 E

610000 E

BH2007-26 W-BH2007-26

W-BH2007-27

BH2007-27

50+00

TP-07-18

TP-07-17

Proposed Rail Alignment

90+00

BH2007-28 W-BH2007-28

North Cockburn Lake

BH2007-29 W-BH2007-29

BH2007-30 W-BH2007-30

BH2007-31 W-BH2007-31

Cockburn Lake

100+00

BH2007-32 W-BH2007-32

BH2007-33 W-BH2007-33

BH2007-34

W-BH2007-34

110+00

BH2007-35 W-BH2007-35

TP-07-16

TP-07-15

TP-07-14

20+00

TP-07-13

TP-07-11

TP-07-12

TP-07-10

W-BH2007-36

BH2007-36

TP-07-09

TP-07-08

BH2007-37

TP-07-07

TP-07-06

W-BH2007-37

TP-07-04

TP-07-05

130+00

TP-07-03

TP-07-02

BH2007-38

W-BH2007-38

BH2007-39 W-BH2007-39

TP-07-01

140+00

142+00

BH2007-41

BH2007-43

W-BH2007-40

W-BH2007-41

W-BH2007-42

W-BH2007-43

BH2007-40

BH2007-42

STEENSBY INLET

LEGEND:

- Drillholes Completed in 2007
- Test Pits Completed in 2007
- Water Sources in 2007
- 0+00 Station marker (Km)
- River/Stream/Drainage
- Wetland

NOTES:

1. Topography provided by Eagle Mapping (2005).
2. Coordinate grid is shown in UTM (NAD 83) Zone 17 and is in metres.
3. Contours are in metres. Contour interval is 25 metres.
4. Proposed Rail alignment provided by Canarail Consultants in late 2007.

1500 0 1500 3000 4500 6000 7500

Scale Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PROPOSED RAIL ALIGNMENT
2007 SITE INVESTIGATION PLAN
(SHEET 6 OF 6)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.9

NORTH BAY ON. CREATED BY: mdennera SAVED: L:\102-00181-11\Assignment\Acad\Fig\91182, 3/31/2008 10:45:48 AM PRINTED: 3/31/2008 10:45:15 AM, 6 of 6, rjohnson

LEGEND:

- Water
- Wetland
- River/Stream/Drainage
- Drillhole Completed in 2007

NOTES:

1. Topography provided by Ealge Mapping (2005).
2. Coordinate grid is in UTM (NAD83) Zone 17 and is shown in metres.
3. Contours are in metres. Contour interval is 5m.
4. Proposed Rail Alignment provided by Canarail Consultants Inc. in late 2007.
5. No details available for 2007 Steensby Inlet Camp.

Scale 240 120 0 240 480 720 960 1200 Metres

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

2007 GEOTECHNICAL DRILLHOLES STEENSBY INLET CAMP AND PORT

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE 2.10

Knight Piésold
CONSULTING

APPENDIX A

NWB ANNUAL REPORT FORM

- Form 3 pages

NWB Annual Report **Year being reported:** 2007

License No: 2BB-MRY0710 **Issued Date:** February 20, 2007
Expiry Date: December 31, 2010

Project Name: Mary River Project

Licensee: Baffinland Iron Mines Corporation

Mailing Address: Suite 1016, 120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

Same as above

General Background Information on the Project (*optional):

Refer to Section 1.0 of the 2007 Annual Report to the Nunavut Water Board (NWB).

Licence Requirements: the licensee must provide the following information in accodance with

Part B | Select

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Various (refer to Section 2.1 of the 2007 Annual Report)

Water Quantity:

60	Quantity Allowable Domestic (cu.m)
Varies	Actual Quantity Used Domestic (cu.m)
455	Quantity Allowable Drilling (cu.m)
Varies	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- [x] Solid Waste Disposal
- [x] Sewage
- [x] Drill Waste
- [x] Greywater
- [x] Hazardous
- [ ] Other:

Additional Details:

Refer to Section 2.2 of the 2007 Annual Report

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: See Table 6.1 (as reported to the Spill Hot-line)
Date of Spill: See Table 6.1
Date of Notification to an Inspector: See Table 6.1
Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)
Refer to Table 6.1 and Section 6.0 of the 2007 Annual Report

Revisions to the Spill Contingency Plan

SCP addendum attached for Board consideration

Additional Details:
Refer to the Revision Summary Table which accompanies the revised Spill Contingency Plan

Revisions to the Abandonment and Restoration Plan

AR addendum attached for Board consideration

Additional Details:
Refer to the Revision Summary Table which accompanies the revised Abandonment and Reclamation Plan

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)
Refer to Section 9.0 of the 2007 Annual Report

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached

Additional Details:
Refer to Tables 2.2 and 2.6 of the 2007 Annual Report

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached

Additional Details:
Refer to Tables 2.5 and 2.8 of the 2007 Annual Report

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board

Additional Details: (date of request, analysis of results, data attached, etc)

Refer to Table 7.1 of the 2007 Annual Report

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

Additional sampling requested by an Inspector or the Board (See below)

Additional Details: (Attached or provided below)

Refer to Table 7.1 of the 2007 Annual Report

Any responses or follow-up actions on inspection/compliance reports

Inspection and Compliance Report received by the Licensee (Date):

Additional Details: (Dates of Report, Follow-up by the Licensee)

Refer to Table 7.1 of the 2007 Annual Report

Any additional comments or information for the Board to consider

The 2007 Annual Report provides further details on water use and waste disposal, construction activities, geochemical analysis of core, fuel storage, unauthorized discharges, inspection and compliance report concerns, updates to plans, progressive reclamation work and consultations.

Date Submitted:	March 31, 2008	
Submitted/Prepared by:	Baffinland Iron Mines Corporation/Knight Piesold Consulting	
Contact Information:	**Tel:**	(519) 397-9092 (Cheryl Wray)
	Fax:	(416) 844-0903 (Toronto)
	email:	cheryl.wray@baffinland.com

Knight Piésold
CONSULTING

APPENDIX B

ERRATA FROM NWB OCTOBER 18, 2007

- File Ref. No. 2BB-MRY0710/CI 2 pages

P.O. BOX 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᕗᑦ ᐃᒪᓕᕆᔨᒃᑯᑦ ᑲᑎᒪᔨᖏᑦ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BB-MRY0710 /C1

October 18, 2007

Mr. Rod Cooper, P.Eng.
Vice President, Operations
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, ON M4H 1T1
email: rod.cooper@baffinland.com

Subject: Notification requesting water use for domestic camp use at Milne Camp; Licence 2BB-MRY0710, Part C, Item 1

Dear Mr. Cooper;

The Nunavut Water Board ("NWB") would like to acknowledge receipt on October 10, 2007 of the above request for an alternative water source for the purposes of domestic water use for the Mary River Bulk Sampling Project at the Milne Camp. Part C, Item 1 of the Licence states that:

"The Licensee shall obtain all water for domestic purposes from Camp Lake at Monitoring Station MRY-1, Philips Creek at Monitoring Station MRY-2 and Km 99 Lake at Monitoring Station MRY-3 or as otherwise approved by the Board. Total water use for domestic purposes shall not exceed sixty (60) cubic metres per day. Water for the purposes of drilling and other associated uses, shall be obtained from sources adjacent to drill targets and is not to exceed four hundred and fifty five (455) cubic metres per day."

The request was distributed for review and comment to interested persons with a deadline for response of October 17, 2007. A technical review was carried out of the written request and submissions received. No immediate concerns were identified by interested persons during this review period and the Board hereby approves, under Motion No. 2007-30, the addition of the unnamed lake (kilometer 32 lake) for domestic water use as identified in the request.

The Licensee is reminded that the conditions of the Licence 2BB-MRY0710 apply to this additional water source, with emphasis on the conditions of Part C, with respect to the immediate impacts of the use of water.

The Licensee shall include Kilometre 32 Lake and all water obtained from this location in the requirements of Part B, Item 5(i), recording volumes for the purposes of reporting within the Annual Report, the monthly and annual quantities of freshwater obtained for use under this Licence.

The requirements of this approval letter form an integral part of Licence 2BB-MRY0710.

Should you have any further questions, please feel free to contact the undersigned at (780) 443-4406, at your earliest convenience.

Yours truly,

Original signed by:

David Hohnstein
A/Director Technical Services
Nunavut Water Board

Knight Piésold
CONSULTING

APPENDIX C

AS-BUILT REPORTS AND PHOTOGRAPHIC RECORDS

C1 MILNE INLET BULK FUEL STORAGE FACILITY
C2 MARY RIVER WASTEWATER TREATMENT FACILITY (TANKS-A-LOT)
C3 MILNE INLET WASTEWATER TREATMENT FACILITY
C4 PHOTOGRAPHIC RECORD

Knight Piésold
CONSULTING

APPENDIX C1

MILNE INLET BULK FUEL STORAGE FACILITY

- Correspondence from B.H. Martin dated December 9, 2007 40 pages
  (Reference No. 06-090)

B.H. MARTIN CONSULTANTS LTD.
CONSULTING ENGINEERS AND ARCHITECT

834 Mountjoy Street South
P.O. Box 120
Timmins, Ontario P4N 7C5
Tel. (705) 264-9413
Fax. (705) 267-2725

December 9, 2007

Derek Chubb
Vice President- Sustainable Development
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, Ontario M5H 1T1

Dear Derek,

RE:

MARY RIVER PROJECT- FUEL STORAGE FACILITY
MILNE INLET
OUR REFERENCE NO. 06-090

B. H. Martin Consultants Ltd. was retained by Baffinland Iron Mines Corporation (BIMC) to design containments for their fuel storage at their Milne Inlet site in Nunavut and subsequently compile all as-built conditions of the fuel storage facilitiy.

BACKGROUND

A total of 8,289,000 Litres of fuel will be used during the bulk sampling program. Of this approximately 8 ML is diesel fuel and the remainder is Jet “A” fuel for aviation. All fuel for the project arrives at the Milne Inlet port initially. A temporary fuel storage facility has been built to contain all the required fuel at this location. Approximately 1.6ML of this fuel will be transported by approved fuel trucks to the Mary River Camp (approximately 94 km from Milne Inlet). This fuel will be stored in another temporary storage facility at that site.

PROPOSED DESIGN OF THE FACILITIES

Figure C101 (appendix 1) show the site plan at the Milne Inlet port.

Fuel was shipped via tankers from the port of Montreal. All fuel at Milne inlet is stored in the temporary bulk storage facility consisting of fuel bladders within a lined and bermed containment. Figures C201R1 to C203R1 included in Appendix 1 show the construction details of the fuel facility at Milne Inlet. The fuel bladders are identified in NIRB’s Northern Remote Site Protocols document (Dillon, 1998) and have been used by both private and the federal government in Nunavut, Yukon and other arctic regions of the world. The fuel bladders are supplied by Raymac Industries and engineered by SEI Industries. Detailed arrangement of

the fuel bladders in the containment as well as piping arrangement is included in Appendix 2.

As shown in the related drawings in Appendix 1, each fuel storage facility consists of an earthen berm lined with a petroleum-resistant geomembrane liner (Hazgard HZ-500) that meets ULC/ORD-C58.9-1997 specifications for Underground and Aboveground flammable and combustible liquid storage tanks. The liner is then covered with approximately 300mm of granular material to protect it from damage.

The containments are designed to hold 110% of total aggregate capacity of the fuel facility as per the CCME's "Environmental Code of Practice for Aboveground and Underground Storage Tank Systems containing Petroleum and Allied Petroleum Products" and "National Fire Code of Canada" standards. As well, the containments consist of a sump for collection of precipitation. The containments floors are graded towards the sump. A mobile oil/water separator & pump arrangement (on a trailer) will be brought in to empty the sump periodically to ensure adequate space in the sump. The oil water separator is equipped with filters to separate the oil from the water. The clean water from the oil/water separator is discharged to the outside of the container (a ditch is constructed around the perimeter of the containment to divert water away from the slopes) while the oil which is collected in drums and subsequently shipped offsite for recycling.

The Milne Inlet fuel facility consists of 74 bladders, each containing 113,560 litres. Approximately 71 of the bladders are used for storage of diesel fuel while 3 bladders are used for aviation fuel.

The fuel facility is equipped with dispensers consisting of electric pumps and shut-off valves, and fuelling procedures require full time attendance at all times. Fuel stations also consist of a lined pad backfilled with granular material. The precipitation within this area will be collected in a sump and will be pumped by oil/water separator and pump and discharged in the same fashion as described above. Any fuel spills will be contained within the lined areas which can be excavated, tested and treated if necessary at the end of the bulk sampling program.

AS-CONSTRUCTED CONDITIONS

Containment construction

The containment for the fuel farm was constructed in general conformance with the design. For details on the plans and sections of the containment construction, please refer to as-constructed drawings C201 to C202 (appendix 2). The material used for the containment berms and base was brought from nearby borrow sources. The material was free of any deleterious substances and was approved

by the liner construction staff. A certificate of acceptance is included in Appendix 2 by Raymac/Layfield who is the suppliers and contractor for the lining of the containment.

The liner was installed and welded as per the design criteria as well as liner manufacturer's recommendations. The liner was a nominal 40-mil impermeable material (commercially known as Hazgard 50). Quality Assurance and Quality Control was provided by Layfield (the liner material supplier) and a QA/QC report is included in Appendix 2.

Mechanical (bladders, pipes, valves…)

All mechanical components of the fuel farm including the bladders (fuel tanks), the piping network within the containment, valves, the sump, oil/water separator, and the piping from the shore to the fuel farm was designed by SEI Industries and constructed by Raymac Inc.

As-constructed drawings of the mechanical components of the fuel farm are included in Appendix 2.

It is our understanding that the fuel farm facility was designed and built in general conformance with CCME's "Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products" as well as "National Fire Code of Canada".

The following requirements have either been followed or shall be followed by Baffinland Iron Mines Corporation in order to ensure compliance with CCME and NFC guidelines prior to the operation of the facility:

Tank Registration

Each storage tank will be registered with the Fire Marshal in December, 2007. The registration document will include the name of owner, address of owner, type of facility, location of the tanks, storage capacity of the tank, type of product stored, year of installation, ULC standard of tank (bladder), type of storage material, type of piping material, type of corrosion protection (if any), type of pumps, description of leak detection system, type of secondary containment, name of operator, name of land owner, name of installer, manufacturer of storage tanks as per CCME, item 2.4.2.

Visual Leak Detection

Baffinland conducts a daily visual leak inspection of each fuel farm tank. An inventory reconciliation plan will be devised during the bladder operation as part of the leak detection system.

Spill Contingency plan

The fuel farm operation shall comply with the guidelines set forth by the Spill Contingency Planning and Reporting Regulations. This spill Contingency Plan has been provided by BIMC to the Nunavut Water Board and a copy is available at each site.

Bladder and Product Identification

Each tank/bladder should be identified in conformance with CPPI “using the CPPI Colour-symbol system to mark equipment and vehicles for product identification”.

Fire Protection

At least 2 fire extinguishers, each having a rating of not less than 80-B:C, has been provided at the truck loading pad and at the fuel intake to the fuel farm.

Please note that in all cases, the authority having jurisdiction is as follows:

Fire Marshall
Department of Community Government & Transportation
Government of Nunavut
P.O. Box 1000, Station 700
Iqaluit, Nunavut X0A 0H0
Tel. 879-975-5310
Fax. 867-979-4221

We trust this report is satisfactory and meets your requirements. However, should you have any questions, please do not hesitate to contact the undersigned for further discussion.

Yours truly,

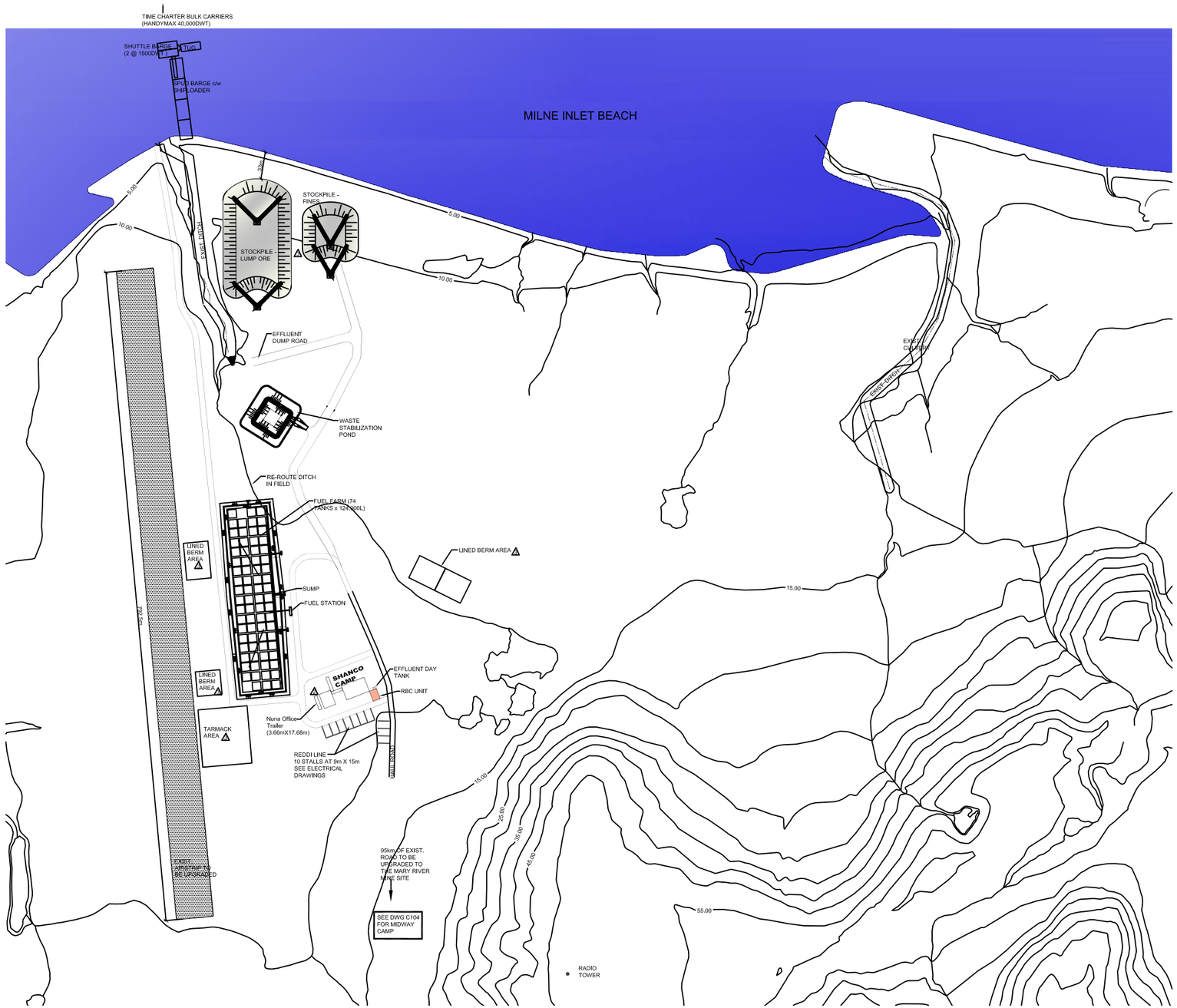
B.H. Martin Consultants Ltd.

M. G. Kord

Marz G. Kord, P. Eng., M.Sc., MBA
Manager of Engineering

➢ APPENDIX 1

DESIGN DRAWINGS



SITE BENCH MARK

AREAS:

STOCKPILE	3.9ha
FUEL FARM & GENERATOR	1.9ha
CAMP & COMPONENTS	1.8ha
AIRSTRIP FUEL STATION	0.1ha
AIRSTRIP	2.4ha

SCALE
50.0m 0 50.0m

THE POSITION OF POLE LINES , CONDUITS, WATERMAINS, SEWERS, AND OTHER UNDERGROUND AND OVERGROUND UTILITIES AND STRUCTURES IS NOT NECESSARILY SHOWN ON THIS DRAWING AND WHERE SHOWN, THE ACCURACY OF THE POSITION OF SUCH UTILITIES AND STRUCTURES IS NOT GUARANTEED. BEFORE STARTING WORK, THE CONTRACTOR SHALL INFORM HIMSELF OF ALL SUCH UTILITIES AND STRUCTURES AND SHALL ASSUME ALL LIABILITY FOR DAMAGE TO THEM.

Description	Date	No.
Revisions and Issues		
DELETED FUEL PUMPING LINE; GENERATOR REVISED STOCKPILE AREA ADDITIONAL SITE WORK: Lined Berm Areas; Tarmack Area	Oct. 23,2007	3
REVISED CAMP	July 23,2007	2
EFFLUENT DISCHARGE DELETED	July 23,2007	2
ISSUED FOR CONSTRUCTION	July 03,2007	1
ISSUED FOR REVIEW/TENDER		0

NORTH Date Printed

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Consulting Engineers and Architect
Timmins Ontario
www.bhmartin.com

ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

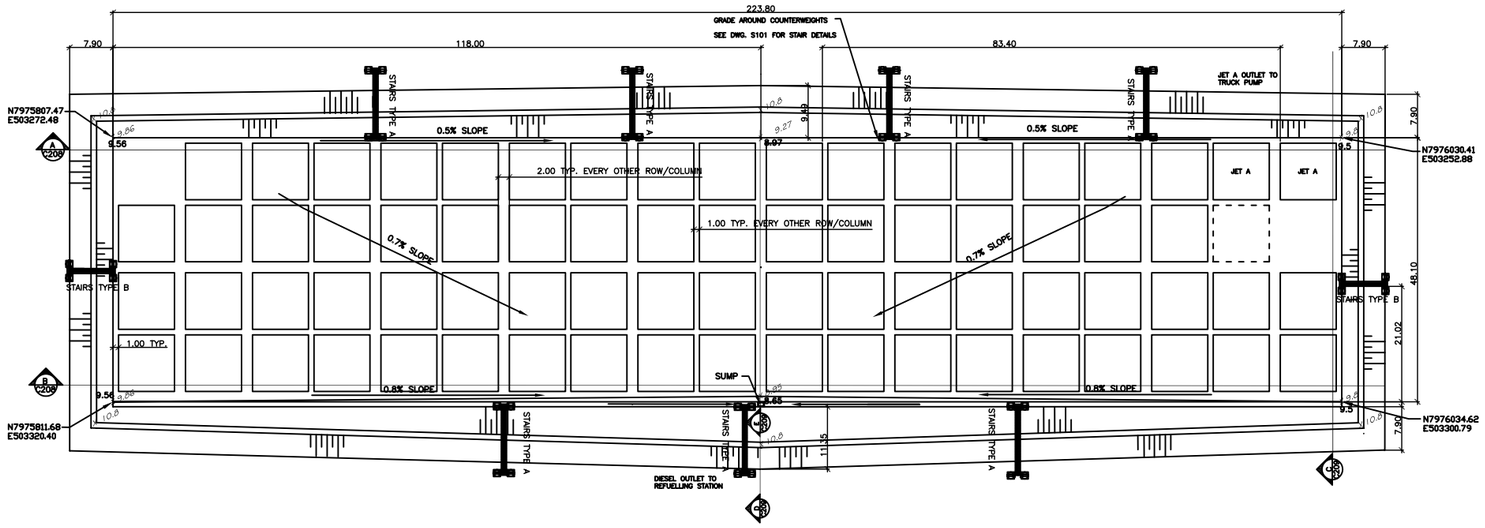
Project
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORP.
BAFFIN ISLAND NT

Drawing
OVERALL SITE PLAN
MILNE INLET

Date: JUNE 2007	CADD File Number: milne Inlet\dwg\Issue_\c101-c
Scale: 1:2500	Job Number: **06-090**
Drawn: CM	
Checked: MK	Drawing Number: **C101**
Approved: BHM	

SITE BENCH MARK

NOTE:
– CONTRACTOR TO SHAPE BASIN TO DRAIN TO SUMP AS PER PLAN.
THEN TO PLACE GEOTEXTILE MEMBRANE AND GRAVEL COVER C/W BERMS.
– 3:1 SLOPE TO BE MAINTAINED FROM TOP OF BERM TO ORIGINAL GROUND.
– OUTSIDE PERIMETER OF BERM MAY VARY DUE TO ORIGINAL GROUND ELEVATIONS.



SCALE
20m 0 20m

THE POSITION OF POLE LINES , CONDUITS, WATERMAINS, SEWERS, AND OTHER UNDERGROUND AND OVERGROUND UTILITIES AND STRUCTURES IS NOT NECESSARILY SHOWN ON THIS DRAWING AND WHERE SHOWN, THE ACCURACY OF THE POSITION OF SUCH UTILITIES AND STRUCTURES IS NOT GUARANTEED. BEFORE STARTING WORK, THE CONTRACTOR SHALL INFORM HIMSELF OF ALL SUCH UTILITIES AND STRUCTURES AND SHALL ASSUME ALL LIABILITY FOR DAMAGE TO THEM.

LEGEND:
9.5 = EXISTING ELEVATION
x9.5 = PROPOSED ELEVATION

Revisions and Issues		
Description	Date	No.
ISSUED FOR REVIEW/TENDER	June 5,2007	0
ISSUED FOR CONSTRUCTION	July 03,2007	1

NORTH Date Printed

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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

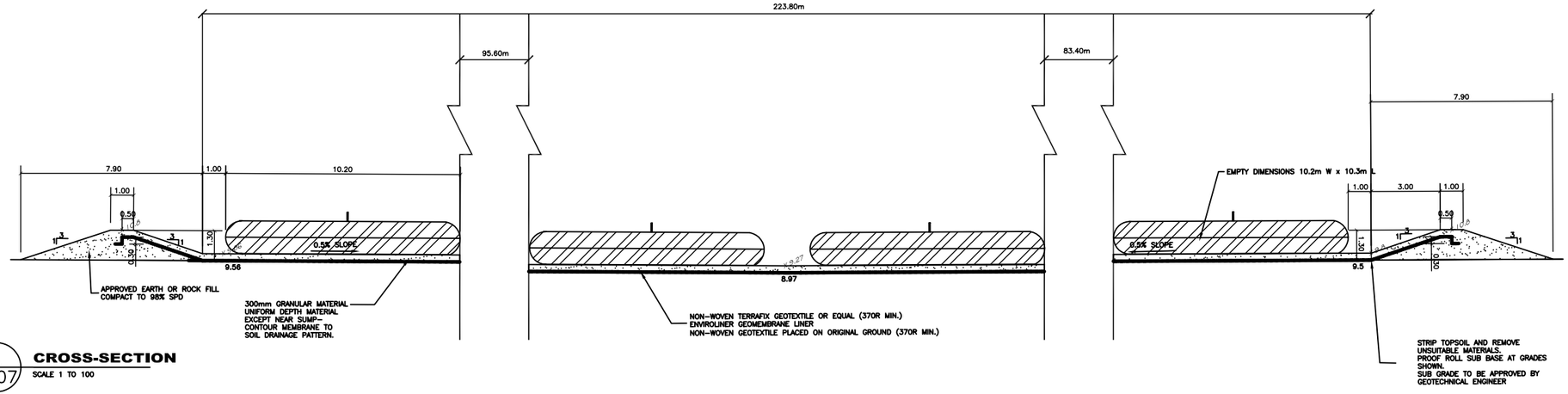
Project
BAFFINLAND IRON ORE MINES FUEL FARM
BAFFIN ISLAND NUNAVUT

Drawing
MILNE INLET SITE FUEL FARM PLAN VIEW

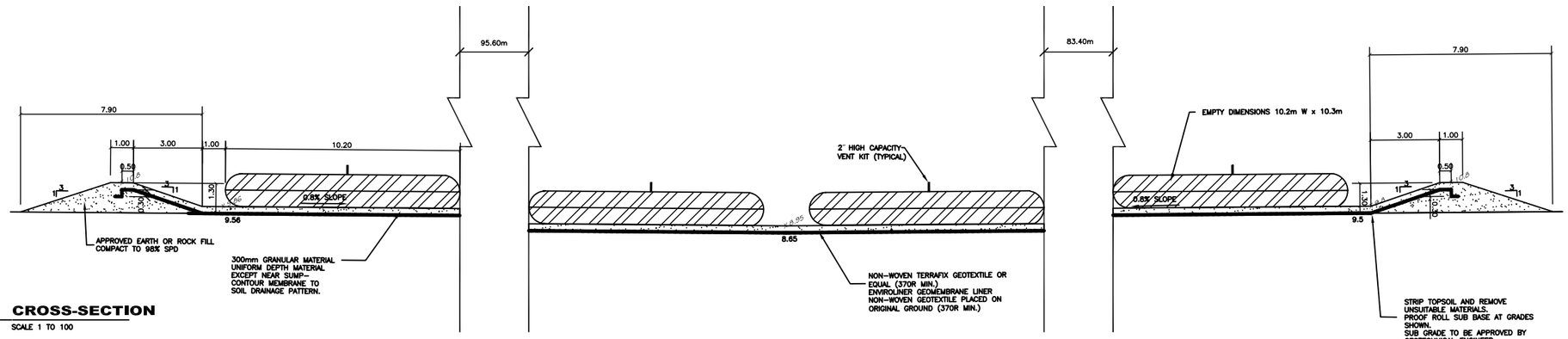
Date	CADD File Number
JUNE 2007	..\MILNE INLET\dwg\Issued\...\C201R1
Scale 1:500	Job Number **06-090**
Drawn SO	
Checked MK	Drawing Number **C201-R1**
Approved	

NOTE:
SEE DWG. S101 FOR STAIR DETAILS.

OUTSIDE PERIMETER OF BERMS IN CROSS-SECTIONS ARE BASED ON AN AVERAGE ELEVATION OF 9.5



A C207 **CROSS-SECTION**
SCALE 1 TO 100



B C207 **CROSS-SECTION**
SCALE 1 TO 100

Revisions and Issues	Date	No.
ISSUED FOR CONSTRUCTION	July 03,2007	1
ISSUED FOR REVIEW/TENDER	June 5,2007	0

NORTH Date Printed

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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

Project
BAFFINLAND IRON ORE MINES

BAFFIN ISLAND, NUNAVUT

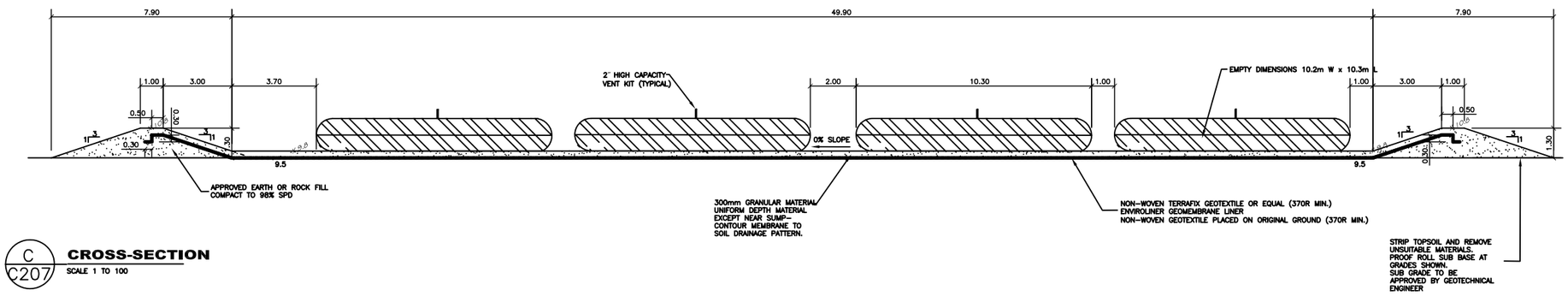
Drawing
MILNE INLET FUEL FARM SECTIONS & DETAILS 1

Date: JUNE 2007	CADD File Number: ...\MILNE\dwg\Issued\C202-R1
Scale: 1:100	Job Number: **06-090**
Drawn: SO	
Checked: MK	Drawing Number: **C202-R1**
Approved	

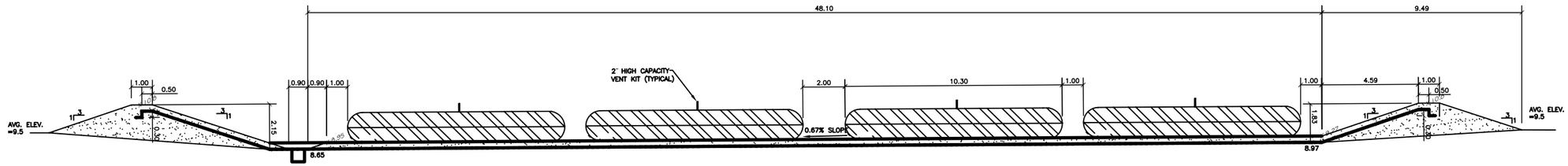
SITE BENCH MARK

NOTE:
SEE DWG. S101 FOR STAIR DETAILS.

OUTSIDE PERIMETER OF BERMS IN CROSS-SECTIONS ARE BASED ON AN AVERAGE ELEVATION OF 9.5

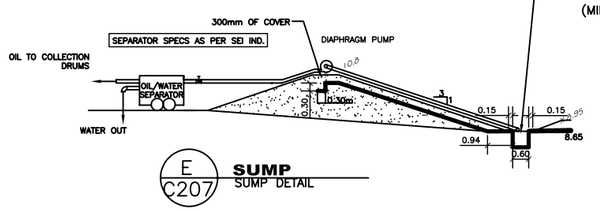


C / C207 **CROSS-SECTION**
SCALE 1 TO 100



D / C207 **CENTER CROSS-SECTION**
SCALE 1 TO 100

STEEL SUMP LINED WITH GEOMEMBRANE LINER (see Structural drawings for sump details)
AREA AROUND TOP IS TO BE FREE OF GRANULAR MATERIAL (MIN. 6").



E / C207 **SUMP**
SUMP DETAIL

SCALE
5.0m 0 5.0m

THE POSITION OF POLE LINES , CONDUITS, WATERMAINS, SEWERS, AND OTHER UNDERGROUND AND OVERGROUND UTILITIES AND STRUCTURES IS NOT NECESSARILY SHOWN ON THIS DRAWING AND WHERE SHOWN, THE ACCURACY OF THE POSITION OF SUCH UTILITIES AND STRUCTURES IS NOT GUARANTEED. BEFORE STARTING WORK, THE CONTRACTOR SHALL INFORM HIMSELF OF ALL SUCH UTILITIES AND STRUCTURES AND SHALL ASSUME ALL LIABILITY FOR DAMAGE TO THEM.

Description	Date	No.
Revisions and Issues		
ISSUED FOR CONSTRUCTION	July 03,2007	1
ISSUED FOR REVIEW/TENDER	June 5,2007	0

NORTH Date Printed

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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

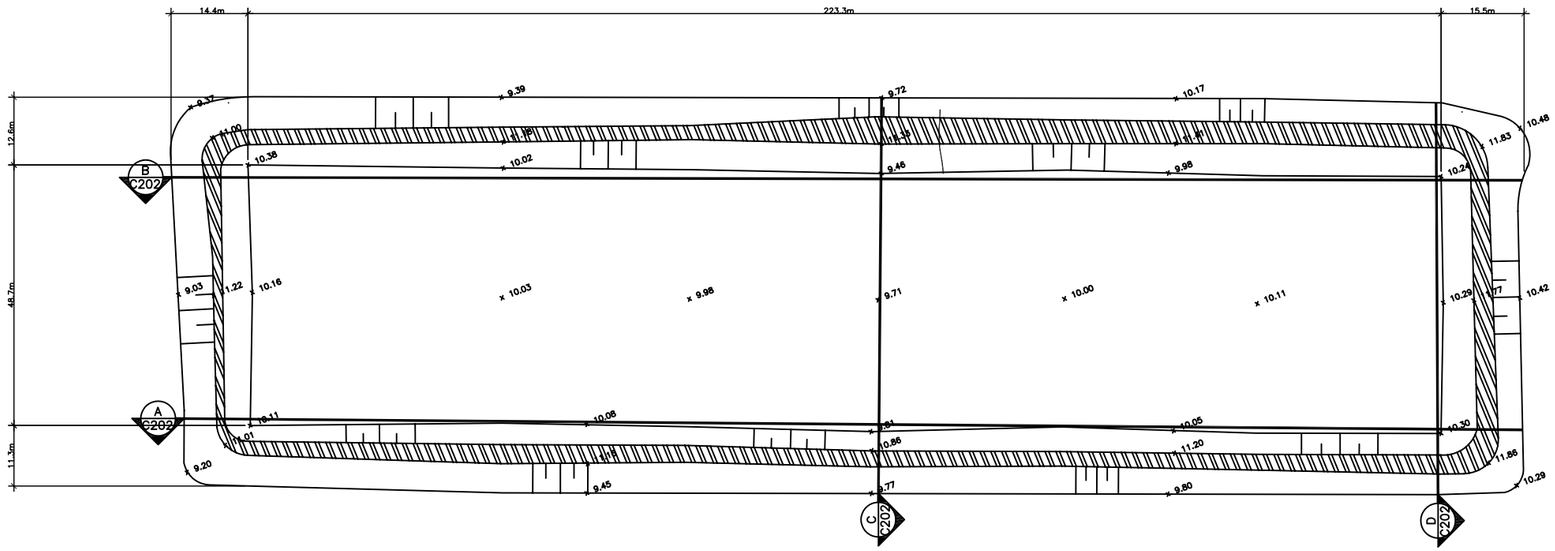
Project
BAFFINLAND IRON ORE MINES
BAFFIN ISLAND, NUNAVUT

Drawing
MILNE INLET FUEL FARM SECTION & DETAILS 2

Date: JUNE 2007	CADD File Number: ..\MILNE..\dwg\Issued..\C203-R1
Scale: 1:100	Job Number: **06-090**
Drawn: SO	
Checked: MK	Drawing Number: **C203-R1**
Approved:	

➢ APPENDIX 2

AS-CONSTRUCTED DRAWINGS
AS-CON STRUCTED REPORTS (QA/QC)



Description	Date	No.
Revisions and Issues		

NORTH Date Printed

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Timmins Ontario
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ARCHITECT STRUCTURAL/CIVIL

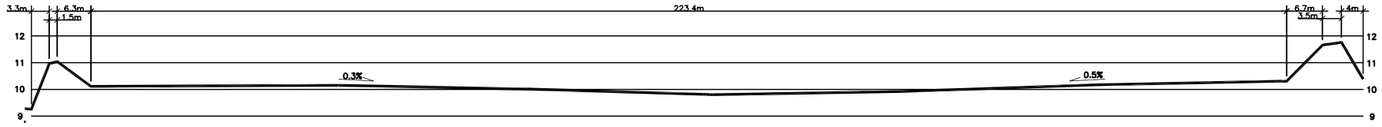
MECHANICAL ELECTRICAL

Project
Milne Inlet Project
Baffinland Iron
Mines Corp
Baffin Island Nunavut

Drawing
Milne Inlet
Fuel Farm Layout
As Built

Date	CADD File Number
Dec 2007	survey/Milne/dwg/C201
Scale 1:500	Job Number **07-039**
Drawn AB	
Checked	Drawing Number **C201**
Approved	

SECTION A
SCALE 1:500 C201



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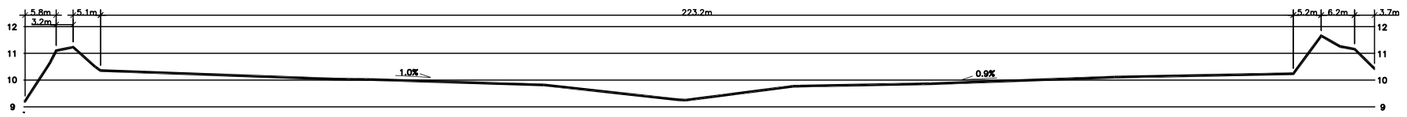

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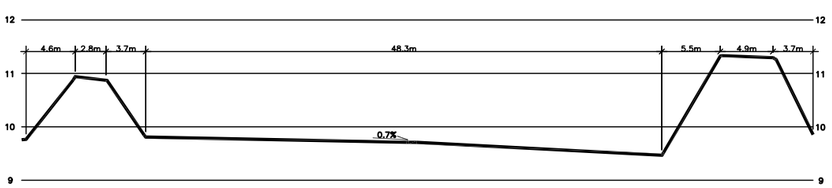
SCALE 1:250 C201



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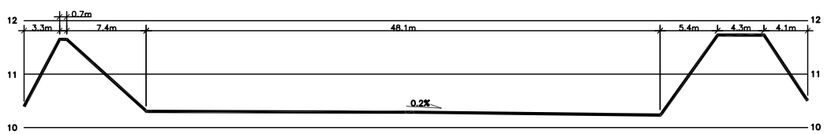

Description	Date	No.
Revisions and Issues		

NORTH Date Printed

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Consulting Engineers and Architect
Timmins Ontario
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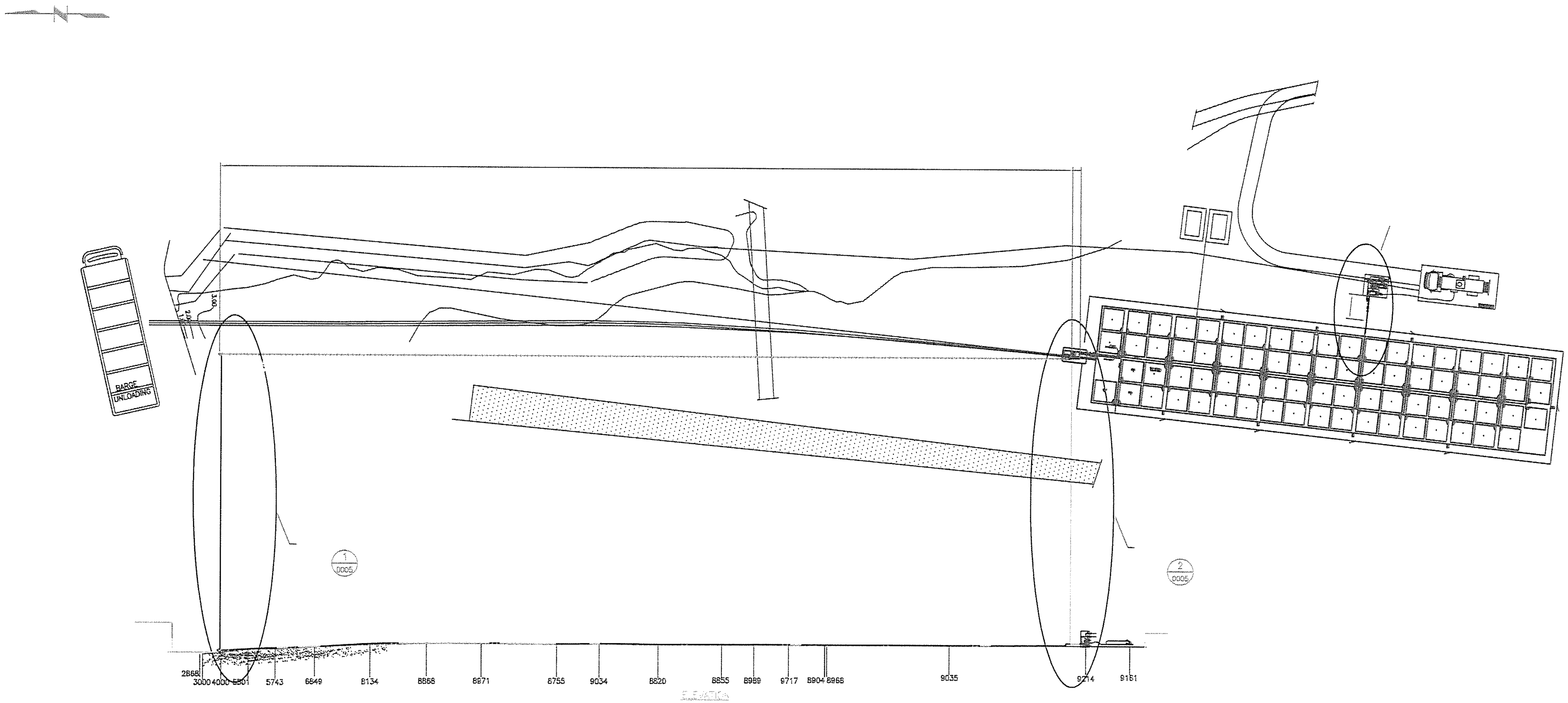
ARCHITECT STRUCTURAL/CIVIL

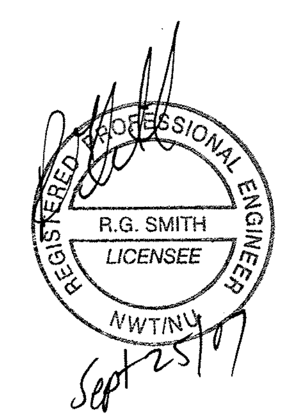
MECHANICAL ELECTRICAL

Project
MILNE INLET PROJECT
BAFFINLAND IRON MINES CORP
BAFFIN ISLAND NUNAVUT

Drawing
MILNE INLET
FUEL FARM
AS BUILT SECTIONS

Date: DEC 2007	CADD File Number: survey/Milne/dwg/C202
Scale: AS NOTED	Job Number: **07-039**
Drawn: AB	
Checked:	Drawing Number: **C202**
Approved:	





REV	DATE	DESCRIPTION	DRN	CHK	APP
1	AUG/21/07	ISSUED FOR CONSTRUCTION – UPDATED TANK FARM LAYOUT	KEL	RWB	
0	MAY/16/07	ISSUED FOR CONSTRUCTION	oMs	AM	RWB
A	MAY/02/07	ISSUED FOR CLIENT REVIEW	oMs	JW	RWB

REVISIONS

DRAWING No.	TITLE

REFERENCE DRAWINGS

VECO CANADA LTD.

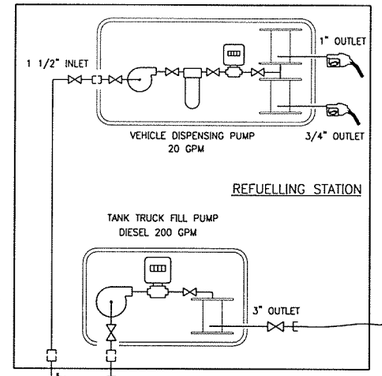
PROJECT NAME: MILNE INLET FUEL STORAGE

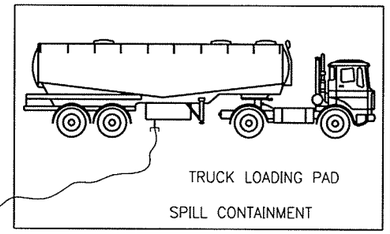
SEI INDUSTRIES
MILNE INLET FUEL STORAGE
PIPING PLAN AND ELEVATION

DRAWN: oMs
DESIGNED:
CHECKED: RWB
APPROVED: RWB
PROJECT NO.: 3630-0100
DRAWING NUMBER: 36300100-P-M-0004
SCALE: 1 : 1000
DATE: APR/04/07
SHEET: 1
REV: 1

LEGEND

- GATE VALVE
- CHECK VALVE
- REDUCER
- QUICK COUPLER ADAPTOR (KAMLOK)
- HOSE
- PG – PRESSURE GAGE
- PIG SIG PIG INDICATOR

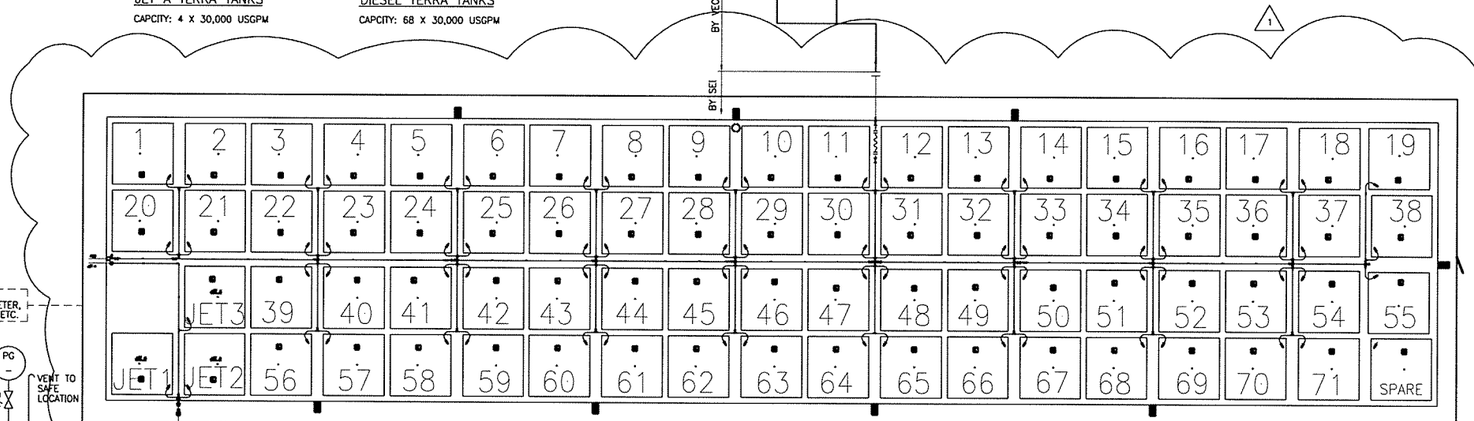


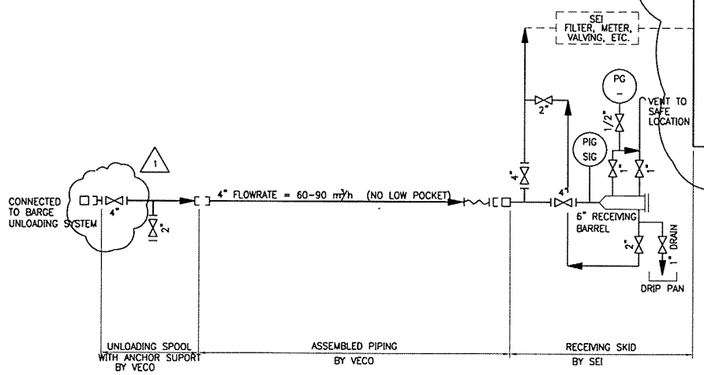


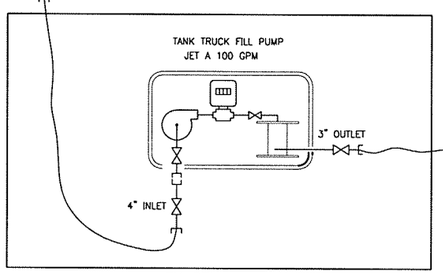
JET A TERRA TANKS
CAPCITY: 4 X 30,000 USGPM

DIESEL TERRA TANKS
CAPCITY: 68 X 30,000 USGPM

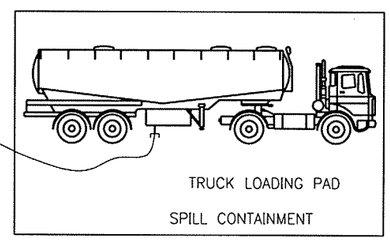
BY VECO



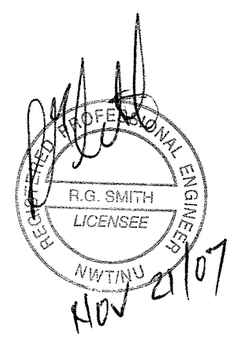




BY SEI



BY SEI



DRAWING No.	TITLE
-	-
REFERENCE DRAWINGS	

REV	DATE	DESCRIPTION	DRN	CHK	APP
REVISIONS					

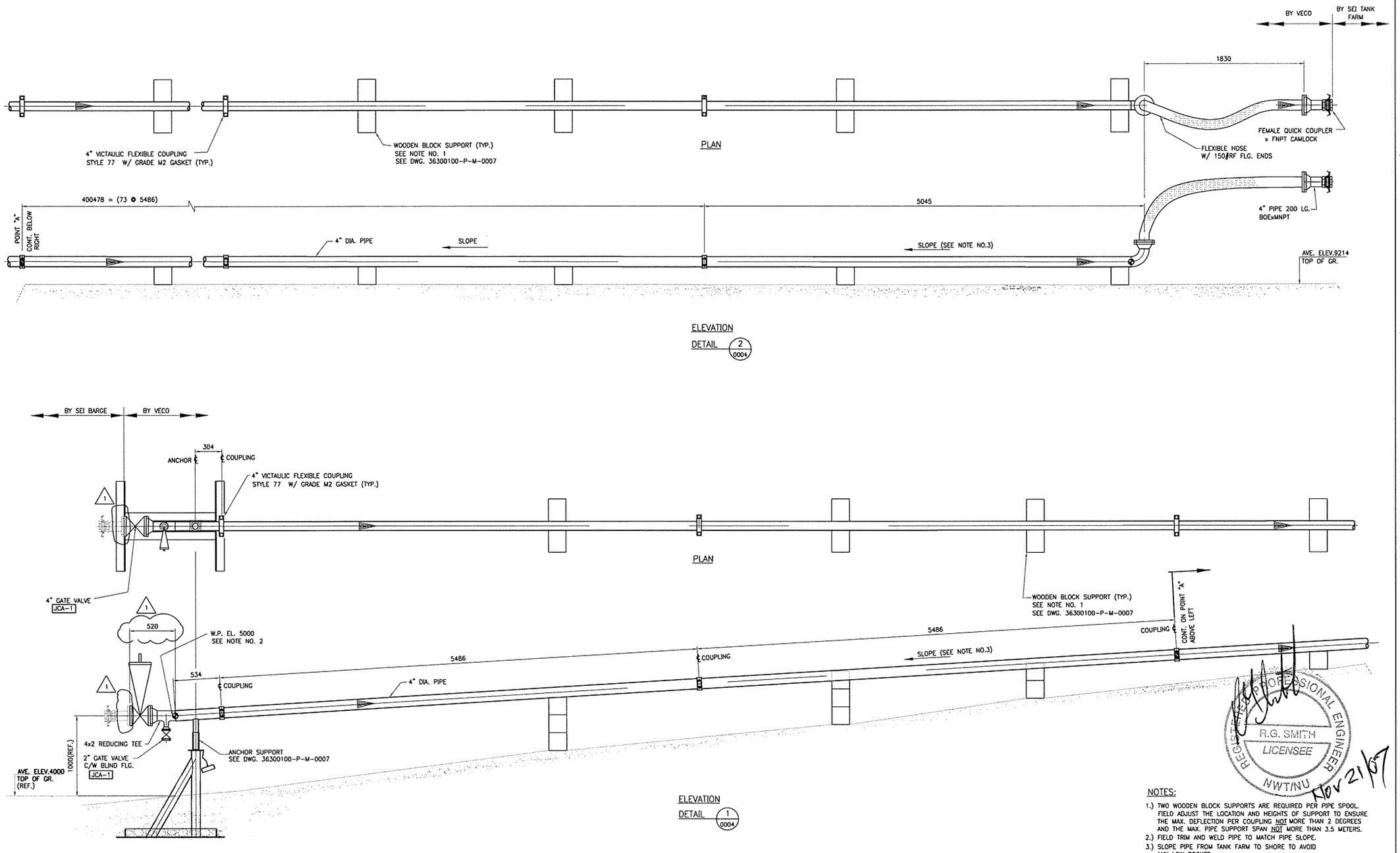
REV	DATE	DESCRIPTION	DRN	CHK	APP
1	2007/11/19	ISSUED FOR FINAL RECORD (AS BUILT INFO ADDED)	cMg		RB
0	2007/05/18	ISSUED FOR CONSTRUCTION	JOW		RB
A	2007/05/04	ISSUED FOR CLIENT REVIEW	JOW		RB
REVISIONS					

VECO CANADA LTD.

PROJECT NAME: MILNE INLET FUEL STORAGE

DRAWN: JOW	SEI INDUSTRIES MILNE INLET FUEL STORAGE PROCESS FLOW DIAGRAM	SCALE: NONE
DESIGNED: JOW		DATE: APR/09/07
CHECKED: RWB		SHEET: 1
APPROVED: RWB	PROJECT NO.: 3630-0100	DRAWING NUMBER: 36300100-P-B-0003
		REV: 1

REV: 20-NOV-07 17:22 PLOT: 20-NOV-07 17:23 FILE: N:\SEI INDUSTRIES LTD. (0036307)\0100_MILNEINLETFUELSTOR\CAD\SOPPING\FAB\36300100-P-B-0003.DWG BY: AS



NOTES:

1.) TWO WOODEN BLOCK SUPPORTS ARE REQUIRED PER PIPE SPOOL. FIELD ADJUST THE LOCATION AND HEIGHTS OF SUPPORT TO ENSURE THE MAX. DEFLECTION PER COUPLING NOT MORE THAN 2 DEGREES AND THE MAX. PIPE SUPPORT SPAN NOT MORE THAN 3.5 METERS.
2.) FIELD TRIM AND WELD PIPE TO MATCH PIPE SLOPE.
3.) SLOPE PIPE FROM TANK FARM TO SHORE TO AVOID ANY LOW POCKET.

DRAWING No.	TITLE
-	-

REFERENCE DRAWINGS

REV	DATE	DESCRIPTION	DRN	CHK	APP

REVISIONS

REV	DATE	DESCRIPTION	DRN	CHK	APP
1	NOV/19/07	ISSUED FOR FINAL RECORD (AS BUILT INFO ADDED)	aMs	RWB	RWB
0	MAY/18/07	ISSUED FOR CONSTRUCTION	aMs	AM	RWB
A	MAY/02/07	ISSUED FOR CLIENT REVIEW	aMs	JW	RWB

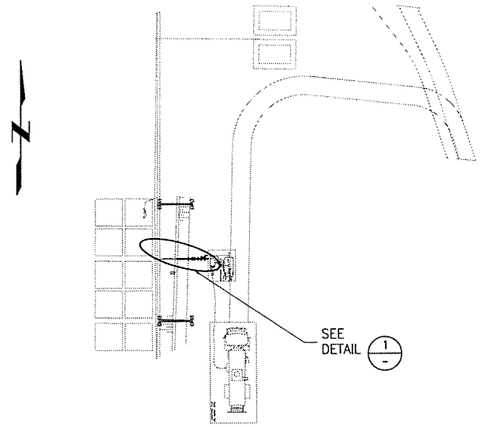
REVISIONS

VECO CANADA LTD.

PROJECT NAME	MILNE INLET FUEL STORAGE
DRAWN	aMs
DESIGNED	
CHECKED	RWB
APPROVED	RWB
PROJECT NO.	3630-0100
DRAWING NUMBER	36300100-P-M-0005
SCALE	1 : 20
DATE	APR/04/07
SHEET	1
REV	1

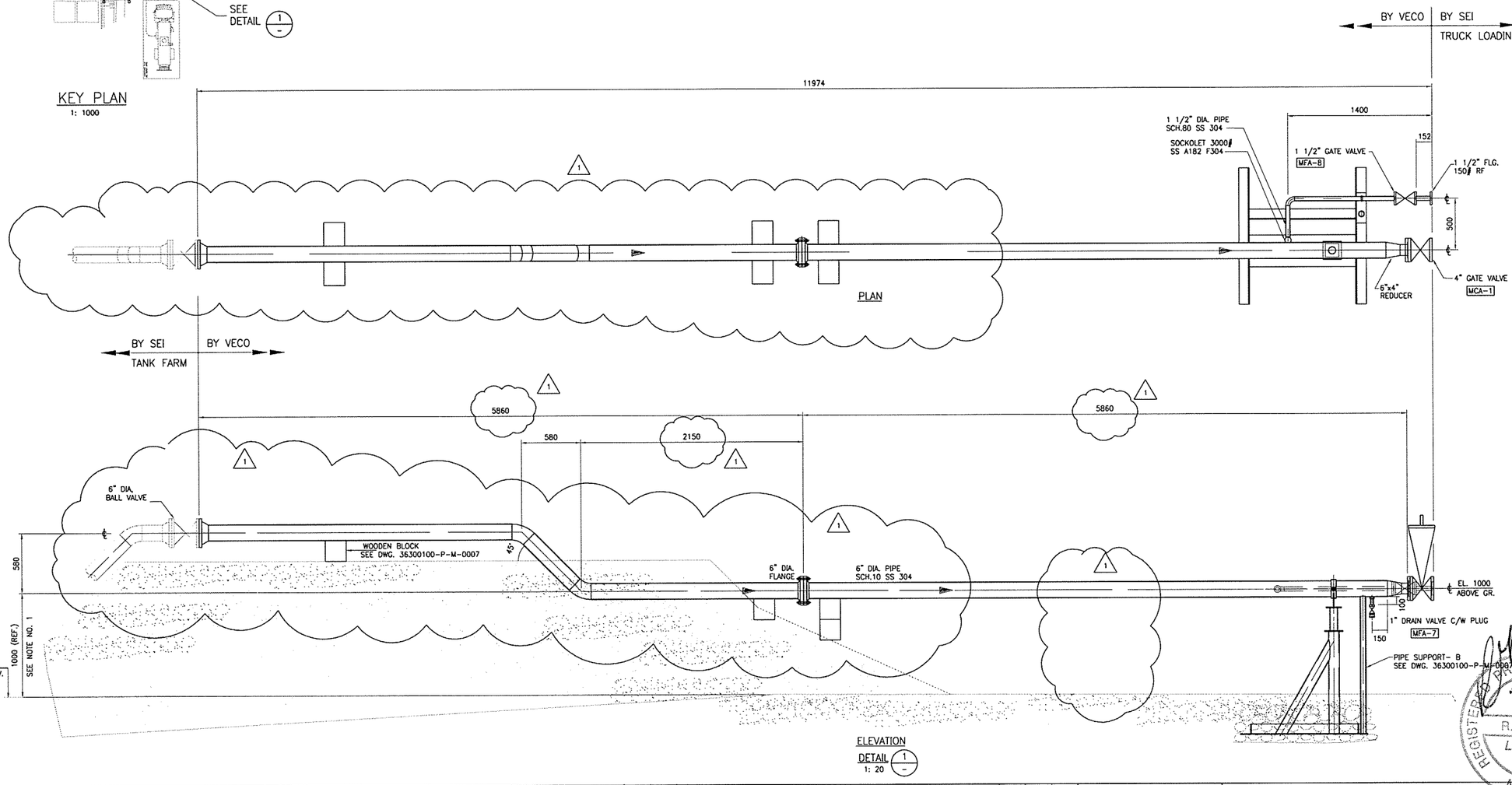
SEI INDUSTRIES
MILNE INLET FUEL STORAGE
PIPING DETAILS - BARGE UNLOADING

REV: 20-NOV-07 17:30 PLOT: 20-NOV-07 17:30 FILE: N:\SEI INDUSTRIES LTD. (003630)\0100_MILNE\MILLETTUE\LSTOR\CAD\50PIPING\IFAB\36300100-P-M-0005.DWG BY: AS



KEY PLAN
1: 1000

NOTE
1.) PIPE LINE ℄ TO BE APPROX. 1 METER ABOVE GRADE.



ELEVATION
DETAIL 1
1: 20

REGISTERED PROFESSIONAL ENGINEER
R.G. SMITH
LICENSEE
NWT/NU
NOV 22/07

DRAWING No.	TITLE
	REFERENCE DRAWINGS

REV	DATE	DESCRIPTION	DRN	CHK	APP
–	–	–	–		

REVISIONS

REV	DATE	DESCRIPTION	DRN	CHK	APP
1	NOV/19/07	ISSUED FOR FINAL RECORD (AS BUILT INFO ADDED)	oMs	RWB	RWB
0	MAY/18/07	ISSUED FOR CONSTRUCTION	oMs	AM	RWB
A	MAY/02/07	ISSUED FOR CLIENT REVIEW	oMs	JW	RWB

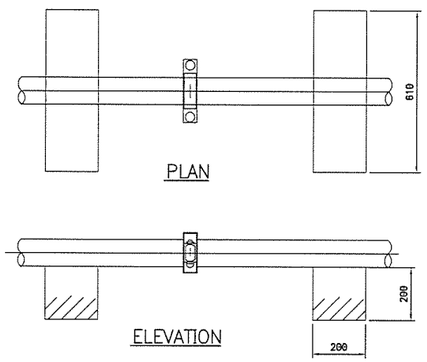
REVISIONS

VECO CANADA LTD.

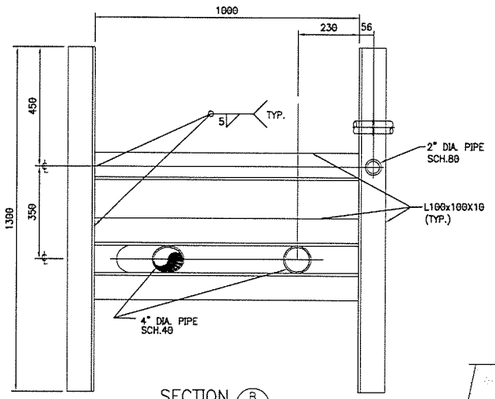
PROJECT NAME	MILNE INLET FUEL STORAGE
DRAWN	oMs
DESIGNED	
CHECKED	RWB
APPROVED	RWB
PROJECT NO.	3630-0100
DRAWING NUMBER	36300100-P-M-0006
SCALE	1 : 20
DATE	APR/19/07
SHEET	1
REV	1

SEI INDUSTRIES
MILNE INLET FUEL STORAGE
PIPING DETAILS-TRUCK LOADING

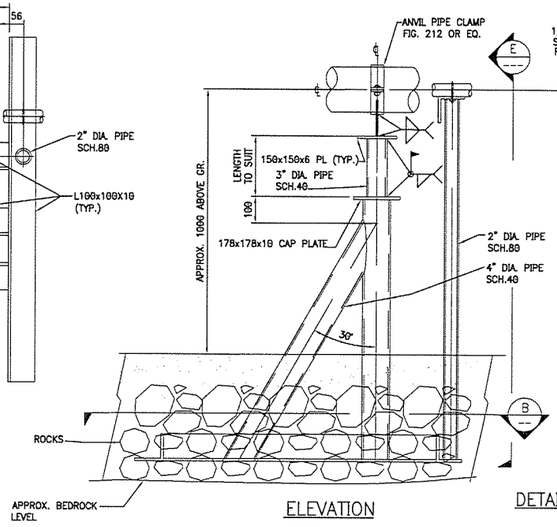
RDV: 20-NOV-07 17:17 PLOT: 20-NOV-07 17:17 FILE: N:\SEI INDUSTRIES LTD. (003630)\0100_MILNEINLETFUELSTOR\CAD\50PIPING\[FAB]\36300100-P-M-0006.DWG BY: AS



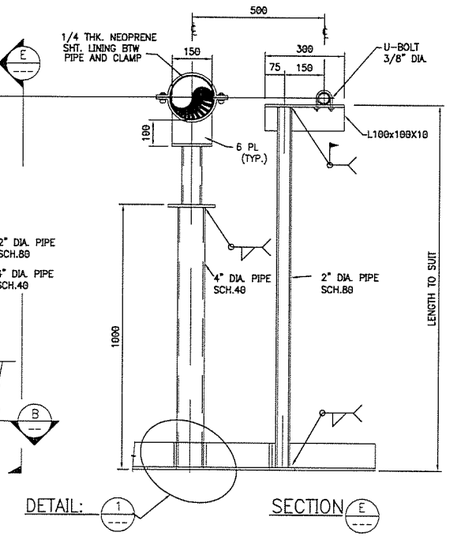
WOODEN BLOCK PIPE SUPPORT
SCALE: 1:10
(REQ.- 152)



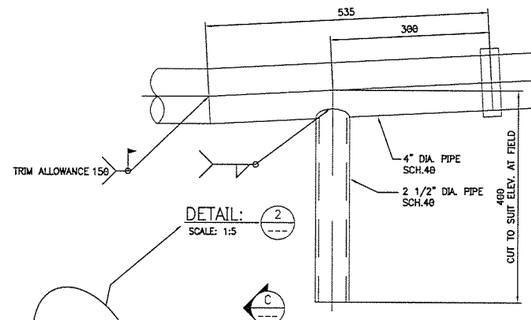
SECTION B
SCALE: 1:10



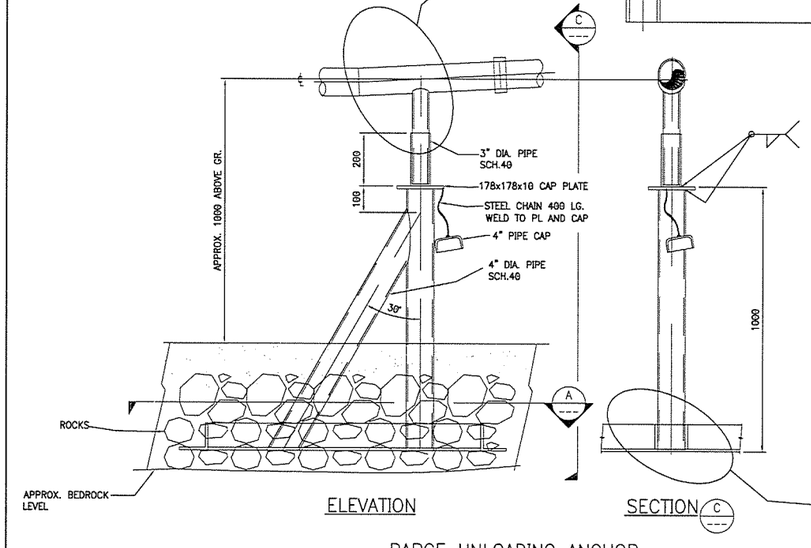
ELEVATION



TRUCK LOADING PIPE SUPPORT- B
SCALE: 1:10
(REQ.- 1)

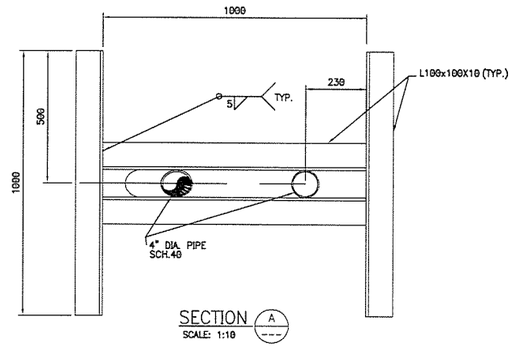


DETAIL: 2
SCALE: 1:5

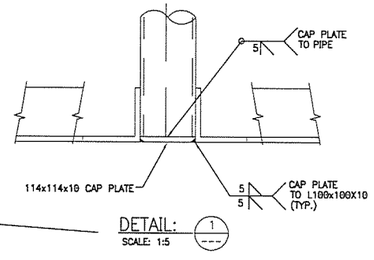


ELEVATION

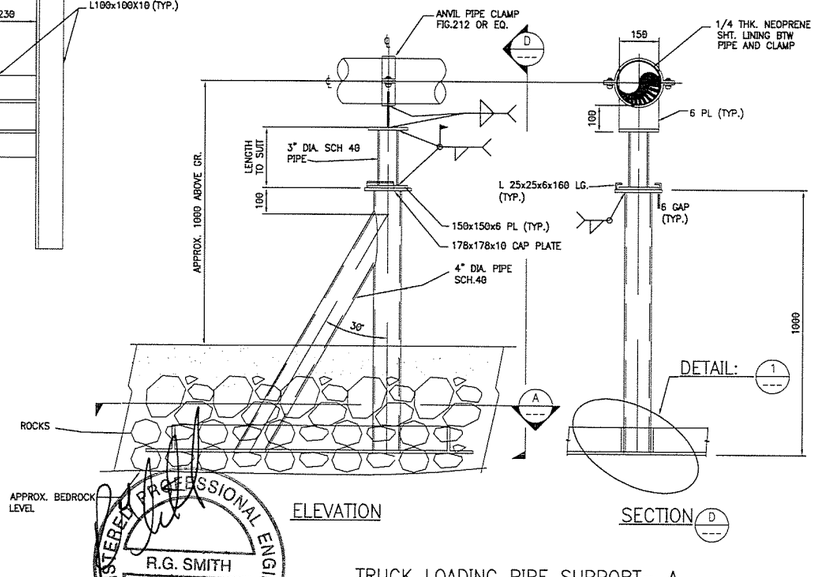
BARGE UNLOADING ANCHOR
SCALE: 1:10
(REQD.- 1)



SECTION A
SCALE: 1:10



DETAIL: 1
SCALE: 1:5



TRUCK LOADING PIPE SUPPORT- A
SCALE: 1:10
(REQ.- 2)

REGISTERED PROFESSIONAL ENGINEER
R.G. SMITH
LICENSEE
NWTNU
Sept 25/07

VECO CANADA LTD.

DRAWING No.	TITLE	REV	DATE	DESCRIPTION	DRN	CHK	APP
REFERENCE DRAWINGS				REVISIONS			

REV	DATE	DESCRIPTION	DRN	CHK	APP
0	MAY/18/07	ISSUED FOR CONSTRUCTION	aMs	AM	RWB
A	MAY/02/07	ISSUED FOR CLIENT REVIEW	aMs	JW	RWB
REVISIONS					

PROJECT NAME: MILNE INLET FUEL STORAGE

SEI INDUSTRIES
MILNE INLET FUEL STORAGE
PIPE SUPPORT DETAILS

DRAWN	aMs
DESIGNED	
CHECKED	RWB
APPROVED	RWB
SCALE	AS SHOWN
DATE	APR/30/07
SHEET	1
PROJECT NO.	3630-0100
DRAWING NUMBER	36300100-P-M-0007
REV	0

REV: 18-MAY-07 12:27 PLOT: 18-MAY-07 13:33 FILE: N:\SEI INDUSTRIES LTD. (893630)\0100_MILNEINLETFUELSTOR\CAD\SUPPING\36300100-P-M-0007.DWG BY: JW

Layfield Environmental Systems Ltd.

Project Completion QA/QC Package
for

Raymac Environmental Services Inc.

Baffinland Fuel Farms

Mary River, and Milne Inlet, Nu

Supply and Install of Hazgard 500 and LP 16 Geotextile

Prepared By: Jesse Langmo

Reviewed By: Fred Cross

Date Submitted: November 28, 2007

Layfield Environmental Systems Ltd.

Table of Contents

for

Raymac Environmental Services Inc.

Install of Haz 500 and LP 16 Geotextile

Baffin Island, Nu

Milne Inlet

Mary River

LAYFIELD

LAYFIELD

CERTIFICATE OF ACCEPTANCE OF SOIL SUBGRADE SURFACE

PROJECT NAME: Fuel Farm
PROJECT NUMBER: 07C-015
OWNER: Baffinlands
LOCATION: Milne Inlet

I, the undersigned, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the soil subgrade described below, and found it to be an acceptable surface on which to install geomembrane.

This certification is based on observations of the surface of the subgrade only. No subterranean inspections or tests have been performed by Layfield Environmental Systems, and LESL makes no representations or warranties regarding conditions which may exist below the surface of the subgrade. Layfield Environmental Systems accepts no responsibility for conformance of the subgrade to this project's specifications.

The soil subgrade accepted on this date refers to its present condition. Any changes in the subgrade condition that result from the effects of inclement weather and/or other forces beyond the control of Layfield Environmental Systems and remedial work to correct the resulting deficiencies, will be the direct responsibility of the General Contractor.

Area Being Accepted: Area under panels A-1 to A-18, panels B1 to B4. Well compacted surface, some rock. Used LP-16 as an underlay

LAYFIELD ENVIRONMENTAL SYSTEMS REPRESENTATIVE:

Date: August 19, 2007
Signature: [signature]
Name: Allan McKinnon
Title: Project Supervisor

OWNERS REPRESENTATIVE:

Date: Aug 20/07
Signature: [signature]
Name: Jeff Bush
Title: Mine Manager
Company: Baffinland Iron Mines

CERTIFICATE OF FINAL INSPECTION AND ACCEPTANCE

PROJECT NAME: Fuel Farm
PROJECT NUMBER: 07C-015 **DATE:** August 19, 2007
OWNER: Baffinlands
LOCATION: Milne Inlet

Scope of Installation(s): **THE WORK**
Installed, welded, repaired, tested approx 15,916 m^2 of Hazgard 500. Installed approx. 346,000 sq ft. of LP-16 as an underlay + overlay. Installed 1 sump @ toe.

Part 1 – LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

I, Allan McKinnon, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the installations (as outlined above), and have found the Work to be complete and free of defects and declare that the Work was completed in accordance with the project specifications, Layfield Environmental Systems' QC program and the terms and conditions of the contract.

Layfield Environmental Systems Representative:

Name: Allan McKinnon
Title: Project Supervisor
Date: August 19, 2007 **Signature:** Allan

Part 2 – OWNER (or Representative)

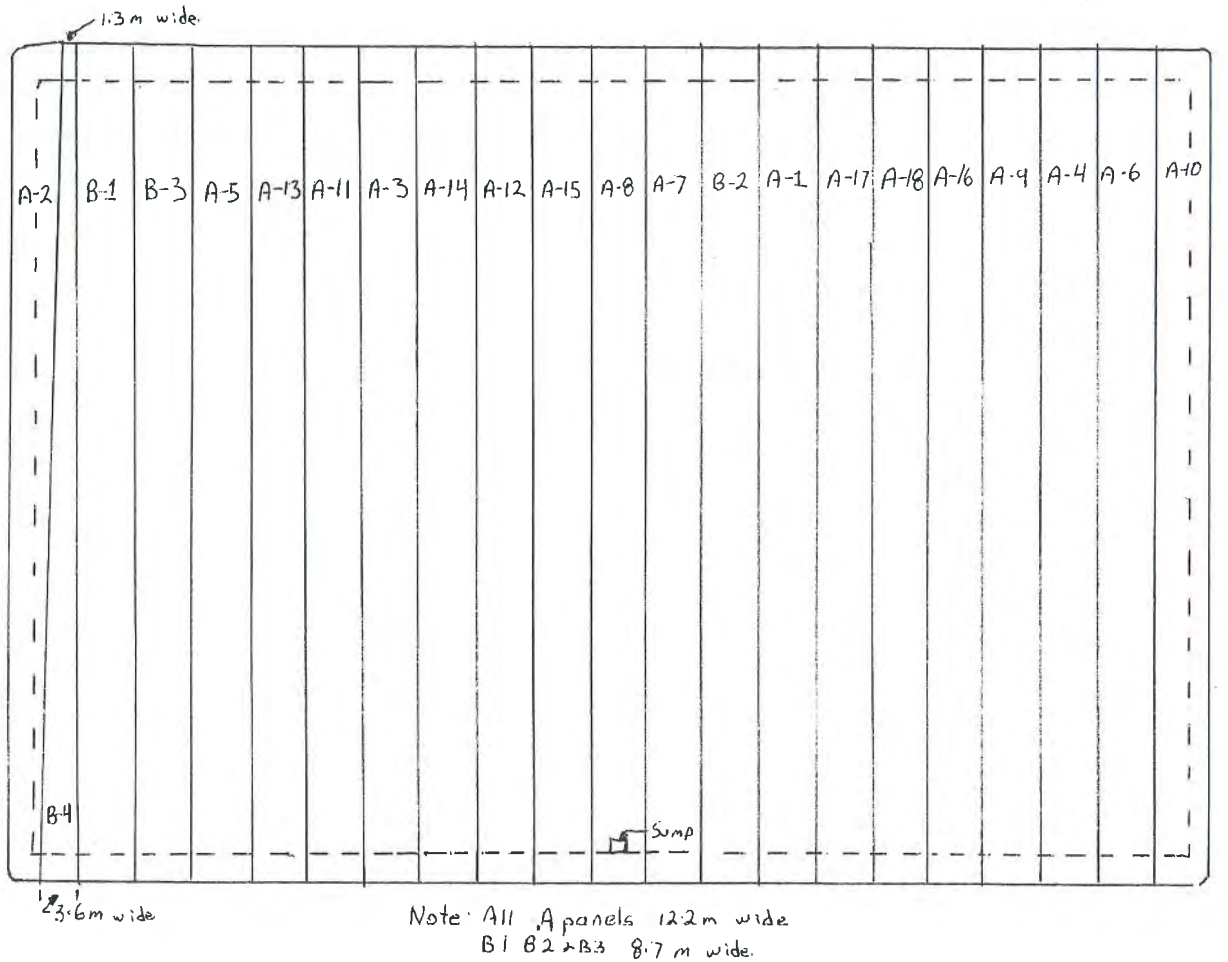
I, Jeff Bush, a duly appointed representative of Baffinland Iron Mines, do hereby take over and accept the installation(s) described above, and confirm that the work has been completed in accordance with the project specifications and the terms of the conditions of the contract.

I have evaluated and measured the work together with the Layfield Environmental Systems representative, and agree that the measurements shown are both true and correct, and that the installation has met our approval.

Owners Representative:

Name: Jeff Bush
Title: Mine Manager
Company: Baffinland Iron Mines
Date: Aug 20/07 **Signature:** JBush

Comments:



Note: All A panels 12.2m wide
B1 B2 & B3 8.7m wide.

N

Checklist

1. North Arrow ? _____
2. Repair Numbers & Locations ? _____
3. Site Dimensions ? _____
4. Slope Lengths ? _____
5. Title Blocks Completed ? _____
6. Cert. of Subgrade Acceptance ? _____
7. Cert. of Final Acceptance ? _____

Notes:

1) Seam numbers shown on testing log sheets represent the adjacent panel numbers.

LEGEND

- —— —— Change in Grade
- ———— Liner Field Seam
- - - - - - - Anchor Trench
- P3 Panel Number
- ⊗ Pipe Penetration
- R2 Repair Number
- △ Patch
- ××× Extrusion Bead (or Weld)

LAYFIELD PLASTICS

Project Name, Client, Location, Mat'l type, etc.
Raymac
Baffinlands
Milne Inlet
Fuel Farm
Hazgard 500

SCALE: N.T.S.		PROJECT No.
DWG: 1 OF 1		07C-015
DWN: AM	CHKD:	APPD:
DATE: Sept. 9, 2007		

LAYFIELD GEOSYNTHETICS INVENTORY LOG

PROJECT NUMBER: 07C-015
PROJECT TITLE: Fuel Farm
OWNER: Baffinlands
CONTRACTOR:
LOCATION: Milne Inlet
SHEET NUMBER: 1 of 1

MATERIAL TYPE: (GEOMEMBRANE) GEONET (GEOTEXTILE) OTHER
DATE OF ARRIVAL:
DATE OF INVENTORY: August 10, 2007
UNLOADING METHOD:
INVENTORY BY: ASM & A.G.
PRODUCT TYPE: LP16 & Hazgard500
CONDITION IN TRUCK:
MATERIAL MANUFACTURER:

Panel / Roll Number	Material Dimensions			QC Certificate Available	Conf Sample Removed	Other	Remarks
	Thickness or Weight	Length	Width				
4 panels Hazgard500		67.2m	8.7m	Yes	No		
18 panels Hazgard500		67.2m	12.2m	Yes	No		
172 rolls LP-16		150'	15'		No		
1,000 sandbags							

SUBMITTED BY: ASM
DATE: August 10, 2007

LS FORM 1 LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Farm.

OWNER: Baffinlands **CONTRACTOR:**

LOCATION: Milne Inlet **SHEET NUMBER:** 1 of 1

✓ **TF - # FUSION** _____ **TX - # = EXTRUSION** _____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE / STRENGTH	OUTSIDE PEEL MODE / STRENGTH	SHEAR MODE / STRENGTH			
TF-1	1605 Aug.14	#9	A.G.	+9°	60%		420°	38 / 133 / 151 42 / 146 / 136	/ / / + + / / /	132 / / 141	P	AM.	
TF-2	1845 Aug.15	#9	A.G.	+6°	60%		420°	42 / 137 / 149 39 / 141 / 150	/ / / + + / / /	/ 138 146 /	P	AM	
TF-3	1215 Aug.16	#9	A.G.	+9°	60%		420°	40 / 136 / 134 35 / 143 / 139	/ / / + + / / /	135 / / 139	P	A.M	
TF-4	0930 Aug.17	#9	A.G.	+8°			420	40 / 141 / 138 35 / 139 / 132	/ / / + + / / /	138 / / 142	P	AM.	
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			
								/ / / / / / / /	/ / / / / / / /	/			

LS FORM 3 LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY: A.S.M.
DATE: Sept 1, 2007

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-015 PROJECT TITLE: Fuel Farm

OWNER: Baffinlands CONTACTOR:

LOCATION: Milne Inlet

PASSING TRIAL SEAMS

✓ FUSION

_____ EXTRUSION

_____ SOLVENT

NO.	TIME	TECH ID
TF1	1605	A.G.

SHEET NUMBER: 1 of 4

DATE: August 14, 2007

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
A10/A6	NEOS	-SEOS	1915	+8°	A.G.	60%	420° -	-	61.87m		AM		Aug. 14	A.M.
A6/A4	NEOS	-SEOS	1845	+8°	A.G.	60%	420° -	-	61.26m		AM		Aug 14	A.M
A4/A9	NEOS	-SEOS	1720	+9°	A.G.	60%	420° -	-	61.57m		AM		Aug. 14	A.M
A9/A16	NEOS	-SEOS	1655	+9°	A.G.	60%	420° -	-	61.25m		AM		Aug 14	AM
A16/A-18	NEOS	-SEOS	1630	+9°	A.G.	60%	420° -	-	61.26m		AM		Aug. 14	AM
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
							DAILY TOTAL		307.21m					

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: A.S.M

DATE: Sept 1, 2007

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Farm

OWNER: Baffinlands **CONTACTOR:**

LOCATION: Milne Inlet

PASSING TRIAL SEAMS

	NO.	TIME	TECH ID
✓ FUSION	TF-2	1045	A.G.
EXTRUSION			
SOLVENT			

SHEET NUMBER: 2 of 4

DATE: August 15, 2007

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
A15/A8	SEOS	NEOS	1415	+6°	AG	60%	420° -	-	64.9 m		AM		Aug.15	AM
A8/A7	NEOS	SEOS	1350	+6°	AG	60%	420° -	-	63.7m		AM		Aug.15	AM
A7/B2	NEOS	SEOS	1320	+6°	A.G.	60%	420° -	-	63 m		AM		Aug.15	AM
B2/A1	NEOS	SEOS	1251	+6°	AG	60%	420° -	-	62.48m		AM		Aug.15	AM
A1/A17	NEOS	SEOS	1229	+6°	AG	60%	420° -	-	61.57m		AM		Aug.15	AM
A17/A18	NEOS	SEOS	1100	+6°	AG	60%	420° -	-	60.66m		AM		Aug.15	AM
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
						DAILY TOTAL			376.31m					

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: ASM

DATE: August 16, 2007

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Farm

OWNER: Baffinlands **CONTACTOR:**

LOCATION: Milne Inlet

PASSING TRIAL SEAMS

	NO.	TIME	TECH ID
✓ FUSION	TF-3	1215	A.G.
EXTRUSION			
SOLVENT			

SHEET NUMBER: 3 of 4

DATE: August 16, 2007

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
A15/A12	SEOS	-NEOS	1232	+9°	AG	60%	420°	-	63.1 m		AM		Aug.16	AM
A12/A14	SEOS	-NEOS	1300	+9°	AG	60%	420°	-	62.18m		AM		Aug.16	A.M
A14/A3	SEOS	-NEOS	1325	+9°	AG	60%	420°	-	62.79m		AM		Aug.16	A.M
A3 /A11	SEOS	-NEOS	1400	+10°C	A.G.	60%	420°	-	63.4m		AM		Aug 16	AM
A11/A13	SEOS	-NEOS	1432	+10°C	A.G.	60%	420°	-	63.4m		AM		Aug.16	A.M
A13 /A5	SEOS	-NEOS	1535	+10°C	AG	60%	420°	-	63.7m		AM		Aug.16	A.M
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
							DAILY TOTAL		378.57m					

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: ASM

DATE: Aug. 16, 2007

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Farm

OWNER: Baffinlands **CONTACTOR:**

LOCATION: Milne Inlet

PASSING TRIAL SEAMS

	NO.	TIME	TECH ID
✓ FUSION	TF-4	0930	AG
EXTRUSION			
SOLVENT			

SHEET NUMBER: 4of4

DATE: Aug. 17, 2007

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
A5/B3	SEOS	-NEOS	0940	+8°C	AG	60%	420°	-	63.7m		AM		Aug 17	AM
B3/B1	SEOS	-NEOS	1015	+8°C	AG	60%	420°	-	62.9m		AM		Aug 17	AM
B1/B4	SEOS	-NEOS	1255	+9°C	AG	60%	420°	-	63.9m		AM		Aug 17	AM
B4/A2	SEOS	-NEOS	1045	+8°C	AG	60%	420°	-	63.8m		AM		Aug 17	AM
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
								DAILY TOTAL	254.3m					

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: Sept. 1, 2007

DATE: ASM.

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE VACUUM / AIR LANCE TEST LOG

PROJECT NUMBER: 07c-015 **PROJECT TITLE:** Fuel Farm

OWNER: Baffinlands **CONTRACTOR:**

LOCATION: Milne Inlet **DATE:** Aug 14-17, 2007

VACUUM BOX _____ **AIR LANCE** ✓ **SHEET NUMBER:** 1 of 2

SEAMS								REPAIRS					
SEAM NUMBER	SEAM SECTION * FROM TO	TEST DATE	TECH ID	DEFECTS **	SEAM COMPLETE NO YES	CHK'D BY	REMARKS **	DEFECT CODE	TEST DATE	TECH ID	DEFECTS **	CHK'D BY	REMARKS **
A10-A6	NEOS - SEOS	8-14	AM		✓	AM		1A	8-14	AM		AM	
A6-A4	SEOS - NEOS	8-14	AM		✓	AM		1B	8-14	AM		AM	
A4-A9	NEOS - SEOS	8-14	AM		✓	AM		1C	8-15	AM		AM	
A9-A16	NEOS - SEOS	8-14	AM		✓	AM		1D	8-15	AM		AM	
A16-A18	SEOS - NEOS	8-14	AM		✓	AM		1E	8-15	AG		AM	
A15-A8	NEOS - SEOS	8-15	AM		✓	AM		1F	8-15	AG		AM	
A8-A7	NEOS - SEOS	8-15	AM		✓	AM		1G	8-16	AM		AM	
A7-B2	SEOS - NEOS	8-15	AM		✓	AM		1H	8-16	AM		AM	
B2-A1	NEOS - SEOS	8-15	AM		✓	AM		1I	8-17	AM		AM	
A1-A17	NEOS - SEOS	8-15	AM		✓	AM							
A17-A18	SEOS - NEOS	8-15	AM		✓	AM							
A15-A12	SEOS - NEOS	8-16	AM		✓	AM							
A12-A14	SEOS - NEOS	8-16	AM		✓	AM							
A14-A3	SEOS - NEOS	8-16	AM		✓	AM							
A3-A11	SEOS - NEOS	8-16	AM		✓	AM							
A11-A13	SEOS - NEOS	8-16	AM		✓	AM							
A13-A5	SEOS - NEOS	8-16	AM		✓	AM							
A5-B3	SEOS - NEOS	8-17	AM		✓	AM							
B3-B1	NEOS SEOS	8-17	AM		✓	AM							
B1-B4	SEOS - NEOS	8-17	AM		✓	AM							

* REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR NUMBER. OR A POINT LOCATION ON THE SEAM

** RECORD QUANTITY OF LEAKS DETECTED AND REFERENCE NEW DEFECT CODE IN REMARKS

SUBMITTED BY: ASM

DATE: Aug 18, 2007

LAYFIELD

GEOMEMBRANE VACUUM / AIR LANCE TEST LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Form

OWNER: Baffinlands **CONTRACTOR:**

LOCATION: Milne Inlet **DATE:** August 17, 2007

VACUUM BOX _____ **AIR LANCE** ✓ **SHEET NUMBER:** 2 of 2

SEAMS									REPAIRS					
SEAM NUMBER	SEAM SECTION * FROM - TO	TEST DATE	TECH ID	DEFECTS **	SEAM COMPLETE NO	SEAM COMPLETE YES	CHK'D BY	REMARKS **	DEFECT CODE	TEST DATE	TECH ID	DEFECTS **	CHK'D BY	REMARKS **
B4-A2	SEOS - NEOS	8-17	AM			✓	AM							
	-													
	-													
	-													
	-													
	-													
	-													
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	-													
	-													

* REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR NUMBER. OR A POINT LOCATION ON THE SEAM

** RECORD QUANTITY OF LEAKS DETECTED AND REFERENCE NEW DEFECT CODE IN REMARKS

SUBMITTED BY: ASM

DATE: Aug. 18, 2007

LS FORM 6

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE DEFECT / REPAIR LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Fuel Farm

OWNER: Baffinlands **CONTRACTOR:**

LOCATION: Milne Inlet **SHEET NUMBER:** 1 of 1

DEFECT CODE	LOG DATE	DEFECT LOCATION		DEFECT TYPE	REPAIR TYPE	WELD TECH.	REPAIR DATE	REMARKS **	TEST DATE	CHECKED BY
		SEAM OR PANEL NO.	DEFECT LOCATION DESCRIPTION							
1A	8-14	SA4-A9	26.2 m from NEOS	BO.	P	A.M	8-14		8-14	A.M
1B	8-14	SA4-A9	31 m from NEOS	T	P	AM	8-14		8-14	A.M
1C	8-15	Panel A8	North toe	Sump		AM	8-15		8-15	AM
1D	8-15	Seam A8	18.3m from SEOS	T	P	AM	8-15		8-15	AM
1E	8-15	Seam A8-A15	34.6m from SEOS	T	P	A.G	8-15		8-15	A.G.
1F	8-15	Seam A8-A15	North crest	T	P	A.G.	8-15		8-15	A.G.
1G	8-16	Seam A3-A11	25.8m from SEOS	T	P	A.M.	8-16		8-16	AM
1H	8-16	Seam A3-A11	52m from SEOS	T	P	AM	8-16		8-16	AM
1I	8-17	Seam B1-B4	30.1m from SEOS	T	P	AM	8-17		8-17	AM

DEFECT TYPE: AD - ANIMAL RELATED DAMAGE; B - UNDISPERSED RESIN BEAD; BO - FUSION WELDER BURN; BS - BOOT/SKIRT FROM FML PENETRATION; CO - CHANGE OF OVERLAP; CR - CREASE; D - INSTALLATION DAMAGE; DS-# - DESTRUCTIVE TEST NUMBER; EE - EARTHWORK EQUIPMENT DAMAGE; EXT - EXTENSION; FM - FISHMOUTH; FS - FAILED SEAM LENGTH; FTS - FIELD TEST STRIP; HT - HEAT TACK BURN; IO - INSUFFICIENT OVERLAP (UNDER SPEC.); MD - MANUFACTURER/DELIVERY DAMAGE; PT - PRESSURE TEST CUT; SI - SOIL SURFACE IRREGULARITY; SL - SLAG ON TEXTURED SHEET; T - THREE PANEL INTERSECTION; VL - VACUUM TEST LEAK; WR - WRINKLE; WS - WELDER RESTART; OTHER:_____

REPAIR TYPE: P - PATCH, C - CAP, RS - RECONSTRUCTED SEAM, G&W - GRIND/WELD

PASSING TRIAL SEAMS		
NO.	TIME	TECH ID.

** COLUMNS TO BE USED BY THE PROJECT SUPERVISOR OR LEAD TECHNICIAN ONLY.

SUBMITTED BY: ASM

DATE: Sept. 1, 2007

LPL FORM 7 LAYFIELD ENVIRONMENTAL SYSTEMS

TRACEABILITY REQUIRED

LAYFIELD

SHOP QC

Job Desc.	Baffinland Mary River Panel B r		
Customer:	Raymac Environmental		
Sales Person:	frc	Date:	8-Aug-07
Material Type:	HAZGARD 500 Red 71"		
Prod Code:	0		
Fab Code:	03LMHZ50		
Length	**126.3**	Width	**60.4**

Special Fabrication Instructions / Description of Operations/Procedures

In-Process Inspection	#1	#2	#3	Completed	

Roll Tag #	#	Piece #	Liner# / Panels	Quantity
5251691	V59483	11	1-1+50'	1+50'
5251690	V59483	10	1 - +76 + 4	76
5251689	V59483	9	1 - 4 + 100' of half panel	
10508	V59483	#4	1 - 26' of ½ panel	
5251689	V59483	# 9	2 - 100' of ½ panel	
5251689	V59483	# 4	2 - 26' of ½ panel	
5251689	V59483	# 4	2 - 4 + 26'	
5251689	V59483	# 3	2 - 100' +	
5466692	295315	# 2	60'	

Repairs: Spliced panel #2, seam/liner #1 37' from start
half panel spliced 26' from start liners 1+2
splice panel #5 liner #2 26' from start
Panel 10 spliced at 60ft

Mach:	PFS	Speed:	Temp:	Splice:
	3	60	850	

4939163 Shear (Seam #) 93375 # 49 Peel (Seam #) 60'

Liner #		1	6	10	10	10	1 L	R	6 L	R	10 L	R	10 L	R	10 L	R
2054050	1	181	151	145			57	54	41	35	27	46				
0	2	156	148	173			35	49	34	46	36	46				
0																
0																
0																
0																
0																
0																
0																
0																

Tech/Date (Seam #)

1	6	10	10	10
KC.				

date entered Aug 11/07

Inspections	#1	#2	#3	Final
	Donna Schneider Aug 9.07	Aug 11/07		

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483 - E22443 Edm (HZ 500)
ROLLS 1-26
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40.5	ASTM D5199
Tensile (lbs.)	222 x 200	ASTM D751
Tear Resistance (lbs.)	95.7 x 73.4	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

PASS

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483
ROLLS 27-45
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40.5	ASTM D5199
Tensile (lbs.)	245 x 213	ASTM D751
Tear Resistance (lbs.)	94.4 x 91.6	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483
ROLLS 46LR
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40	ASTM D5199
Tensile (lbs.)	239 x 212	ASTM D751
Tear Resistance (lbs.)	78.1 x 60.0	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375 - E22442 (#7500)
ROLLS 1-26
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	41.5	ASTM D5199
Tensile (lbs.)	233 x 219	ASTM D751
Tear Resistance (lbs.)	78.5 x 62.1	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

PASSED
I.K

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375
ROLLS 27-48
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	40	ASTM D5199
Tensile (lbs.)	250 x 226	ASTM D751
Tear Resistance (lbs.)	79.8 x 55.9	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.8 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375
ROLLS 49LR
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	40.1	ASTM D5199
Tensile (lbs.)	247 x 212	ASTM D751
Tear Resistance (lbs.)	78.7 x 58.2	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

LAYFIELD

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.
11603 – 180 Street Edmonton, Alberta T5S 2H6 Canada

Phone: (780) 453-6731
Fax: (780) 452-9495
Toll Free: 1 800 840-2884

Web: www.layfieldgroup.com
E-Mail: edm@layfieldgroup.com

INSTALLATION WARRANTY

Customer Reference No. PO# 201738
Layfield Reference No. : 07C-015

LAYFIELD ENVIRONMENTAL SYSTEMS LTD. (LAYFIELD) hereby warrants to Baffinland Iron Mines Corp. ; (the Customer) that the work performed by LAYFIELD on the Installation described as Milne Inlet, Mary River Fuel Farms – Hazgard 500 will:

1. Meet the field seam specifications set out in the contract between LAYFIELD and the Customer (as amended by LAYFIELD's quotation), all workmanship to meet the requirements of LAYFIELD's Field Installation Quality Assurance program, and be free of defects at the time of completion of the Installation; and

2. Be free of installation defects from the date of the completion of the Installation (as identified on the Layfield Certificate of Final Inspection and Acceptance), for a period of 1 year so long as the completed Installation is used for the purposes and in the manner for which the Installation was designed.

Should damage or defects within the scope of the aforesaid warranties occur, LAYFIELD shall repair the damage or defects, PROVIDED THAT the area to be repaired must first be made ready by the Customer and be in a clean, dry, unencumbered condition, free from all water, soil, sludge, residuals, and liquids of any kind.

To enable LAYFIELD to investigate and determine the cause of any alleged damage or defect, notice and details of any claim hereunder must be presented in writing to LAYFIELD within thirty (30) days after the alleged damage or defect was first noticed or observed. Failure to provide such notice and details shall invalidate all warranties provided hereunder.

The liability of LAYFIELD under the aforesaid warranties are subject to the following conditions:

a. LAYFIELD's only obligation shall be to repair or replace any defective workmanship and in no event shall LAYFIELD be liable for any amount in excess of the cost of the Installation;

b. No allowance will be made for repairs, replacements or alterations made by the Customer unless with the prior written consent of LAYFIELD;

c. The warranties hereunder extend only to the Customer and are not transferable;

d. The warranties hereunder shall not apply to any damage or defects resulting from misuse, mechanical abuse by machinery, equipment or persons, excessive pressures or stresses, exposure of the completed Installation of harmful chemicals, unusual weather conditions, casualty catastrophe such as (but not limited to) earthquake, flood, hail, tornado, or any other act of God;

e. Under no circumstances shall LAYFIELD be liable for any special, direct, indirect, or consequential damages including the loss of use of the Installation howsoever caused;

f. All liner materials provided for the Installation are covered by a separate warranty provided by Canadian General-Tower Limited , and LAYFIELD shall not be liable for material failure claims hereunder;

g. The warranties hereunder are given in lieu of all other warranties, express, implied, statutory, or otherwise, and the Customer expressly waives all other warranties and claims whatsoever except those specifically given herein, and the Customer acknowledges that the warranties hereunder are accepted in preference to and to the exclusion of any or all other warranties; and

h. An Installation Warranty will not be provided for lining projects unless the installation is completed by LAYFIELD personnel or designated LAYFIELD subcontractors.

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

Al McRae, Director or Construction Operations

Knight Piésold
CONSULTING

APPENDIX C2

MARY RIVER WASTEWATER TREATMENT FACILITY (TANKS-A-LOT)

- Correspondence from B.H. Martin dated January 7, 2007 31 pages
  (Reference No. 06-090)

B.H. MARTIN CONSULTANTS LTD.
CONSULTING ENGINEERS AND ARCHITECT

834 Mountjoy Street South
P.O. Box 120
Timmins, Ontario P4N 7C5
Tel. (705) 264-9413
Fax. (705) 267-2725

January 7, 2007

Cheryl Wray
Environmental Superintendent
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Cheryl,

RE:

MARY RIVER PROJECT
TANKS-A-LOT SEWAGE TREATMENT AND DISCHARGE
AS-CONSTRUCTED REPORT
OUR REFERENCE NO. 06-090

B.H. Martin Consultants was retained by Baffinland Iron Mines Inc. to design the sewage works for their Exploration camp at Mary River Mine site in Nunavut and to complete the as-constructed reports.

The site is located approximately 160km south of Pond Inlet, in the north-eastern section of Baffin Island. Approximate distances from the project site to other communities in the region are 270 km to Arctic Bay, and 415 km to Clyde River.

Presently the site consists of a 100-person camp of predominantly Weatherhaven^{TM} tents, two steel Quonset huts as maintenance facilities, and numerous small wooden outbuildings, situated approximately 200 meters from the shore of Camp Lake.

A Rotating Biological Contactor (RBC System) Sewage Treatment is being constructed for the camp for sewage treatment for the duration of the bulk sampling program. In the meantime, temporary measures were needed for sewage treatment while waiting for the RBC system to be constructed and while exploration is being performed on site.

As-Constructed Conditions

The Owner installed and commissioned a wastewater treatment system (Norweco – Singulair Model 960 Treatment System from Tanks-A-Lot) capable of handling sewage of 460 BOD_5/490 TSS for 50 people generating 227 litres of sewage per day on October 7, 2007. No non-domestic waste or stormwater has been directed to the treatment system. The sewage for the population of more than 50 is by-passed to a Polishing/Waste Stabilization Pond (PWSP) approximately 500 meters from the camp. A schematic of the Tanks-A-Lot Treatment system is included in Appendix 1.

BIMC also constructed the Polishing/Waste Stabilization Pond (PWSP) prior to the commissioning of the Tanks-A-Lot system in order to store the system effluents. The Pond was designed to have a capacity of 3,521 Cubic Meters. Based on the recent survey of the pond, as set out on drawings included in Appendix 1, the installed pond has a capacity of 2,510 Cubic Meters. The pond was lined with the specified liner of EL 6040. The installation of the pond underlying material and the liner installation have been certified by Layfield Industries. The Treatment System as-constructed drawings and the QA/QC report from Layfield is attached to Appendix 1. Photos of the Tanks-A-Lot System are included in Appendix 2.

Since the commissioning of the Tanks-A-Lot System and the Polishing/Waste Stabilization Pond (PWSP) on October 7, 2007 up until December 25, 2007 (80 days) the maximum number of personnel at the site has reached 65 persons. This number was maintained during the Christmas 2007 holidays and is expected to ramp up to 120 people by February 1, 2008. Maximum sewage generation has been measured to be approximately 200 litres per capita per day (200 lpcd) with an average estimated loading of 460 BOD_5 and 490 TSS. This volume of 1,040 (65 persons at 200 lpcd for 80 days) represents the volume of effluent currently stored within the PWSP leaving the available capacity within the constructed PWSP to be 1,470 Cubic Meters.

As discussed in our design Waste Water Management Plan submitted to the NWB, an RBC system capable of handling sewage effluent for 150 people is planned to be constructed as soon as it arrives at the Mary River Site. The RBC system arrived at the Mary River site shortly before Christmas Holidays and is currently being installed and is scheduled for commissioning in January of 2008. Assuming that it takes 21 days for the RBC system to become fully operational, The Tanks-A-Lot system and the PWSP are expected to cease operation after that time. Below is a summary of the volumes of effluent within the PWSP prior to and after the RBC start-up:

Total volume of As-Constructed PWSP (C.M)	**2,510**
Max. no. of people at the site from Oct.7 to Dec. 25, 07	65
Max. Volume of sewage generated per day per person	200
Number of days from commisioning day to Dec. 25, 2007	80.00
Maximum Volume of effluents sent to PWSP before holidays	**1,040.00**
No. of People at the camp (from Dec. 25 to Jan. 7, 08)	65
No. of days from Dec. 25, 2007 to Jan. 7, 2008	13
Max. Volume of sewage generated per day per person	200
Volume of effluent sent to PWSP during the holidays	**169**
Avg. No. of people at camp by the time RBC is fully operational	90
***We have assumed that the 65 people will return immediately after the holidays and then will ramp to 120**	
No. of days from January 7 to RBC operation	30
Max. Volume of sewage generated per day per person	200
Maximum Effluents to be sent to PWSP from Jan. 7 to RBC full operation	**540.0**

Total Estimated Maximum Volume of Effluents in the PWSP by RBC full operation	**1,749.00**
Available capacity within PWSP after the expected RBC full operation	**761**
Equivalent no. of days at 200 lpcd at 120 people	31

Effluent in the PWSP will be tested during the summer and, depending on the test results; the effluent will be either discharged to Sheardown Lake in late summer of 2008 or retained for discharge at a later date depending on the quality of the effluent.

It is currently planned to retain the sewage in the PWSP for at least 12 months. Upon confirmation of acceptable BOD_5, TSS and E.Coli levels, the PWSP shall be discharged in the spring/summer of 2008 via a 75mm forcemain into Sheardown Lake or shall be returned to RBC system for re-treatment prior to discharge to Sheardown Lake.

Prior to the PWSP being discharged to Sheardown Lake, phosphorus removal will be performed by batch dosage of alum prior to discharge to the lake. Assuming that raw sewage contains 7 mg/L of phosphorus and that 15 mg of alum is required to treat 1 mg of phosphorus, 105 mg of alum will be required to treat every litre of sewage. The sampling for Phosphorus level within the pond is planned for spring 2008.

Yours truly,

B.H. Martin Consultants Ltd.

F. G. Kord

REGISTERED PROFESSIONAL ENGINEER
F. Kordigharabhorlao
LICENSEE
Jan. 11/08
NWT/NU

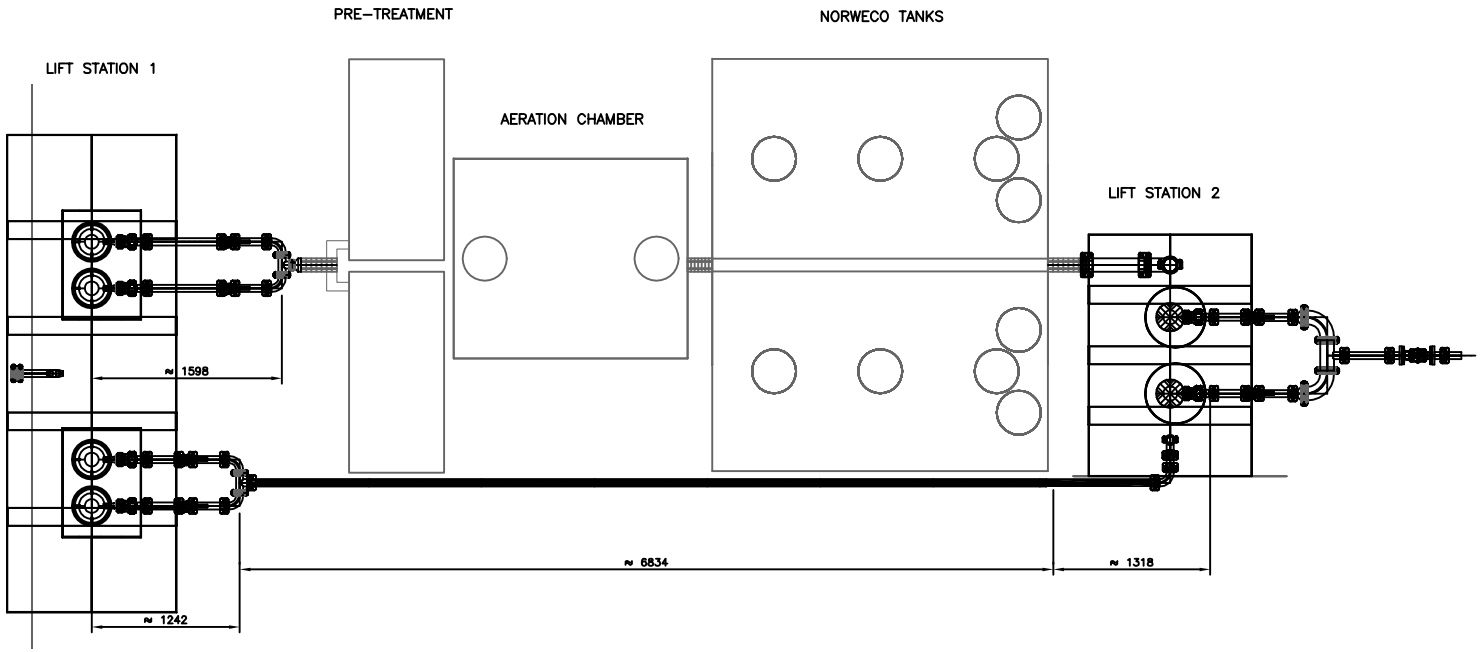
Marz G. Kord, P. Eng., M.Sc., MBA
Manager of Engineering
Mk/

➢ APPENDIX 1

- **AS-CONSTRUCTED SCHEMATICS AND PLAN**
- **PWSP PLAN AND SECTIONS**
- **PWSP LINER QA/QC REPORT FROM LAYFIELD**

TANKS A LOT SEWAGE TREAMENT SYSTEM

SCALE 1:50



Description	Date	No.
Revisions and Issues		

NORTH

Date Printed

B.H. MARTIN CONSULTANTS LTD.
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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

Project

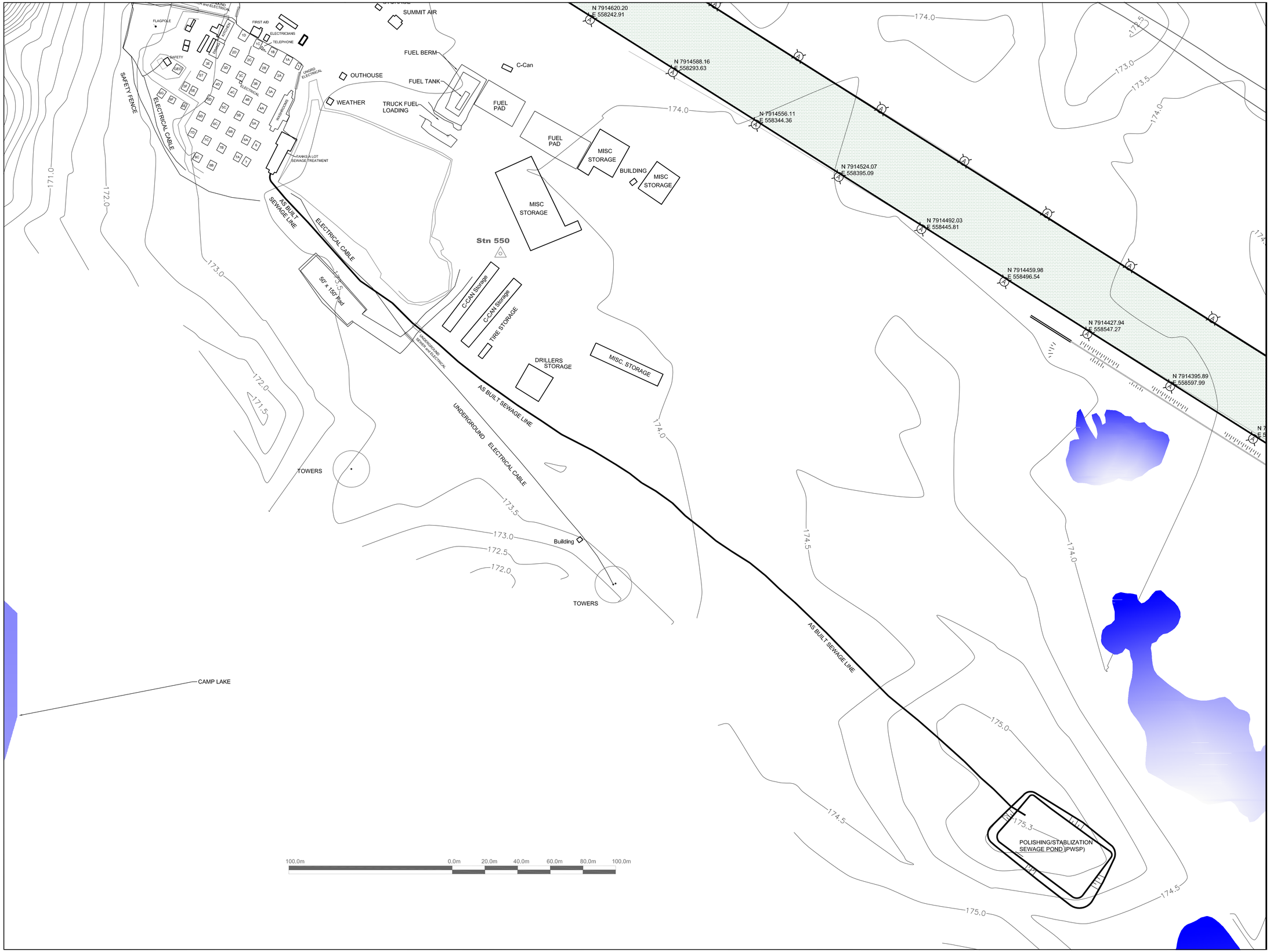
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORP

BAFFIN ISLAND ONTARIO

Drawing

TANKS A LOT AS BUILT SCHEMATIC

Date	CADD File Number
JAN 2008	rpt/sewtreataug07/asbuilt
Scale 1:50	Job Number **06-090**
Drawn	
Checked	Drawing Number **SK-1**
Approved	



Description	Date	No.
Revisions and Issues		

NORTH

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ARCHITECT

STRUCTURAL/CIVIL

MECHANICAL

ELECTRICAL

Project

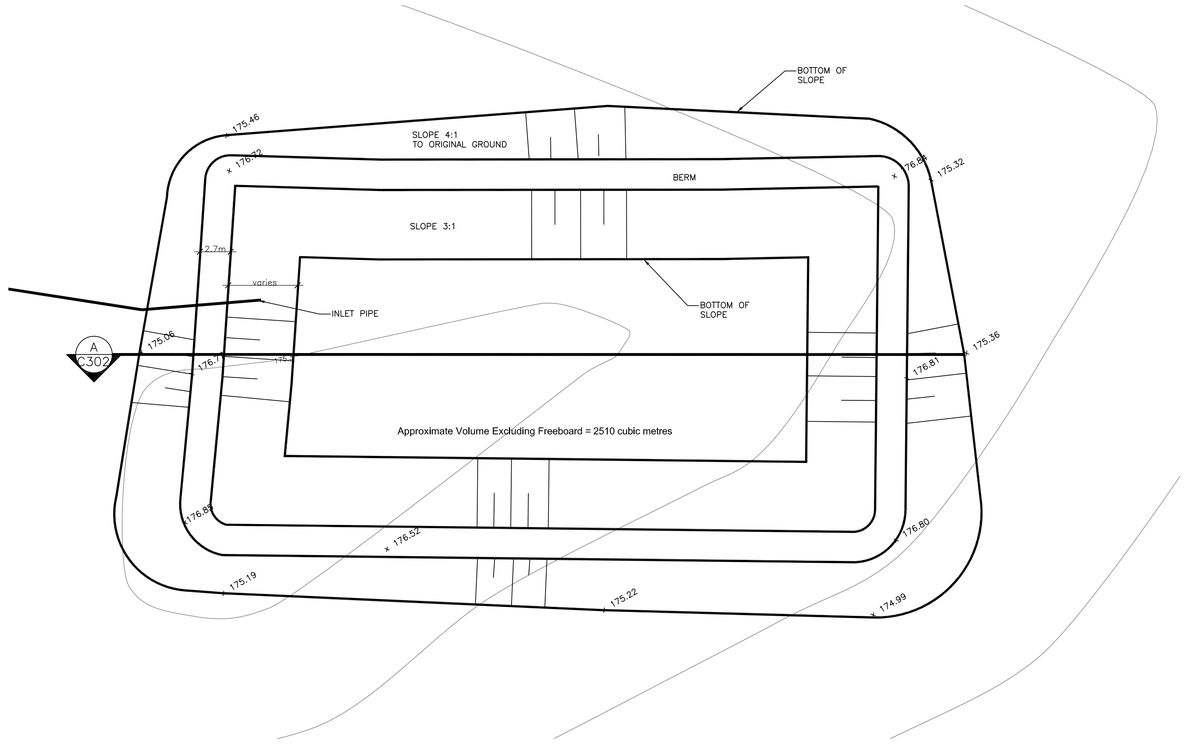
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORP

BAFIIN ISLAND NUNAVUT

Drawing

MARY RIVER
CAMP SITE
AS CONSTRUCTED LAYOUT

Date	CADD File Number
JAN 2008	survey/sewage as built
Scale 1:1000	Job Number **07-039**
Drawn AB	
Checked	Drawing Number **C301**
Approved	

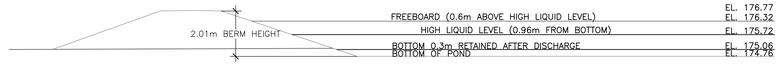


LAGOON PLAN VIEW
SCALE 1:250

SCALE
10m 0 10m

TYPICAL LAGOON BERM
SCALE 1:125

TYPICAL LAGOON BERM ELEVATIONS
SCALE 1:125



SCALE
5m 0 5m

Description	Date	No.
Revisions and Issues		

NORTH Date Printed

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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

Project
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORPORATION
BAFFIN ISLAND NUNAVUT

Drawing
AS BUILT
POLISHING POND
PLAN AND SECTIONS

Date: JAN 2008	CADD File Number: survey/maryriver/c302
Scale: AS NOTED	Job Number: **07-039**
Drawn: AB	
Checked:	Drawing Number: **C302**
Approved:	

LAYFIELD

TRANSMITTAL

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.
11603-180 Street NW, Edmonton, AB T5S 2H6

To : Baffinland Iron Mines Corp.
1016 - 120 Adelaide Street West
Toronto, ON M5H-1T1

Date : October 22/ 2007

Attn. : David Alexander(416)364-8820

Project : Baffinlands Polishing Pond

Re : QA/QC

Please find the following documentation enclosed:

Copies	Pages	Description
3	Booklets	Qa/Qc Baffinlands Polishing Pond

_____ For approval and/or comments

_____ For your information & use

__X__ For your files

_____ Approved or approved as noted

_____ Not approved Re-submit

_____ Revised

Remarks :
Please sign and return the original five year warranty A.S.A.P enclosed in this package.

Copy to :

Signed : _____
Amritpal Hunjan

_____
(Signed as received)

Please sign as received and return a copy via fax (780) 452-9495

LS-03-QF-011

Layfield Environmental Systems Ltd.

Project Completion QA/QC Package
for

Baffinlands

Polishing Pond

Mary River, NWT

Supply and Install of EL 6040

Prepared By: Amritpal Hunjan

Reviewed By: Greg Van Petten

Date Submitted: September 4, 2007

Layfield Environmental Systems Ltd.

Table of Contents

for

Baffinlands

Supply and Install of EL 6040

Marry River, NWT

New Construction

Layfield Environmental Systems Ltd.

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for

Baffinlands

Supply and Install of EL 6040

Marry River, NWT

New Construction

CERTIFICATE OF ACCEPTANCE OF SOIL SUBGRADE SURFACE

PROJECT NAME: Polishing Pond
PROJECT NUMBER: 07C-046
OWNER: Baffinlands
LOCATION: Mary River

I, the undersigned, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the soil subgrade described below, and found it to be an acceptable surface on which to install geomembrane.

This certification is based on observations of the surface of the subgrade only. No subterranean inspections or tests have been performed by Layfield Environmental Systems, and LESL makes no representations or warranties regarding conditions which may exist below the surface of the subgrade. Layfield Environmental Systems accepts no responsibility for conformance of the subgrade to this project's specifications.

The soil subgrade accepted on this date refers to its present condition. Any changes in the subgrade condition that result from the effects of inclement weather and/or other forces beyond the control of Layfield Environmental Systems and remedial work to correct the resulting deficiencies, will be the direct responsibility of the General Contractor.

Area Being Accepted: Area under Panels 1, 2, 3 & 4. Uncompacted sand with rock, subject to sluffing. Used LP-16 as an underlay

LAYFIELD ENVIRONMENTAL SYSTEMS REPRESENTATIVE:

Date: August 30, 2007
Signature:
Name: Allan McKinnon
Title: Project Supervisor

OWNERS REPRESENTATIVE:

Date: Aug 30 / 2007
Signature:
Name: ROLAND LANDRY
Title: PROJECT MANAGER
Company: BAFFINLAND IRON MINES

LS-10-QF-009

CERTIFICATE OF FINAL INSPECTION AND ACCEPTANCE

PROJECT NAME: Polishing Pond
PROJECT NUMBER: 07C2046 **DATE:** August 30 2007
OWNER: Baffinlands
LOCATION: Mary River.

Scope of Installation(s): **THE WORK**
Installed approx 2690 sq. metres of LP-16 as an underlay. Installed, welded, repaired/tested approx 3,659 sq metres of E.L. 6040.

Part 1 – LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

I, Allan McKinnon, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the installations (as outlined above), and have found the Work to be complete and free of defects and declare that the Work was completed in accordance with the project specifications, Layfield Environmental Systems' QC program and the terms and conditions of the contract.

Layfield Environmental Systems Representative:
Name: Allan McKinnon
Title: Project Supervisor
Date: August 30, 2007 **Signature:**

Part 2 – OWNER (or Representative)

I, Roland Landry, a duly appointed representative of BAFFINLAND IRON MINES, do hereby take over and accept the installation(s) described above, and confirm that the work has been completed in accordance with the project specifications and the terms of the conditions of the contract.

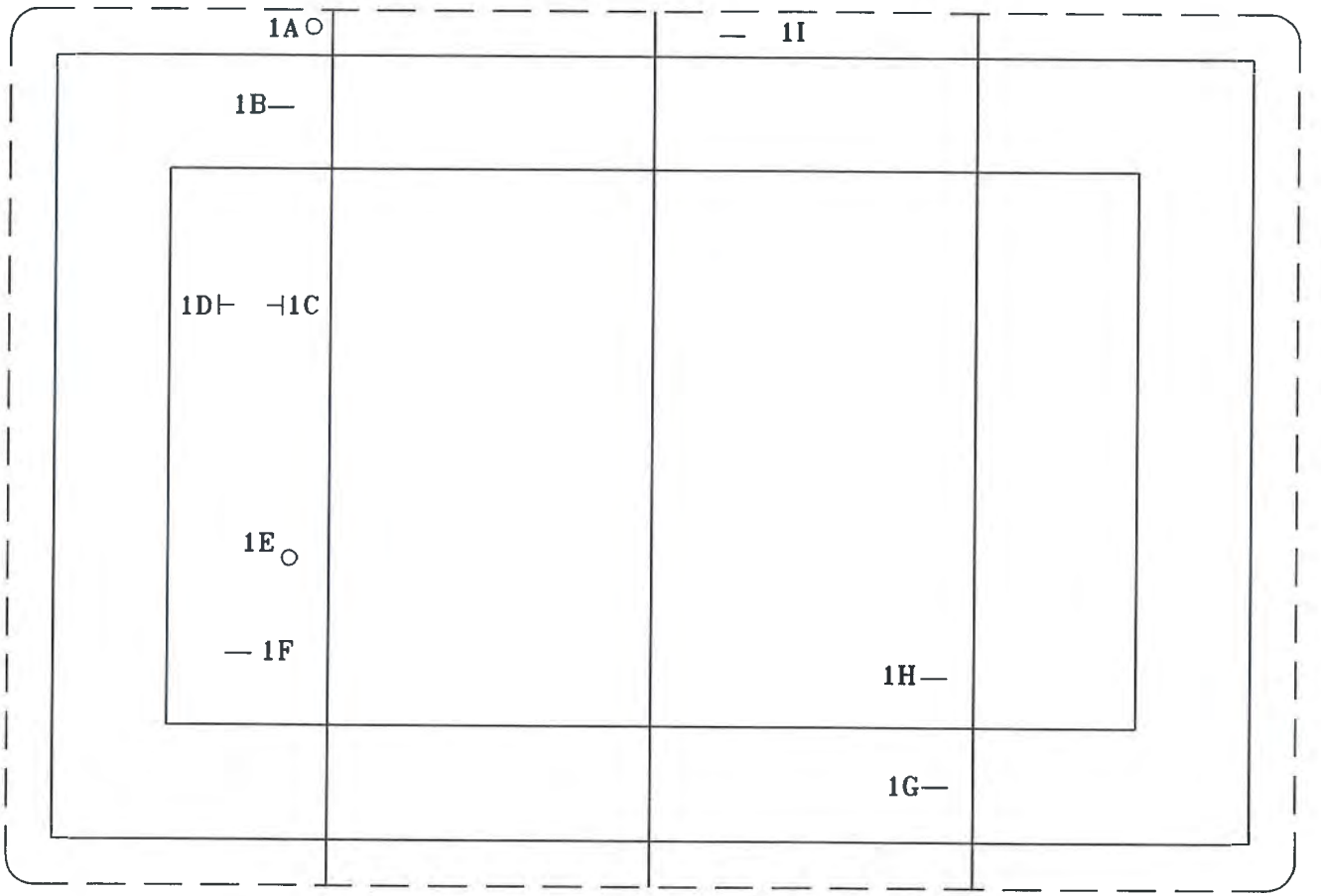
I have evaluated and measured the work together with the Layfield Environmental Systems representative, and agree that the measurements shown are both true and correct, and that the installation has met our approval.

Owners Representative:
Name: ROLAND LANDRY
Title: PROJ. MANAGER
Company: BAFFINLANDS IRON MINES
Date: Aug 30/07 **Signature:**

Comments: Informed Baffinlands on how to fill anchor tronch and to leave slack in liner

LS-10-QF-010

No.	REVISIONS	DATE (MM/DD/YY)	BY
1	AS-BUILT REVISED	09/20/07	AH



⊢ T WELDS

○ MANUFACTURER/DELIVERY DAMAGE

— INSTALLATION DAMAGE

LAYFIELD
ENVIRONMENTAL SYSTEMS LTD.

POLISHING POND
EL 6040
AS-BUILT
BAFFINLAND
MARY RIVER, NWT

Quote No.	PROJECT No.
P8055	07C-046

DWG: 0F 1	SCALE : N.T.S.	
DWN: AH	CHKD:	APP'D:
DATE: 09/20/07	REVISION: 0	

GEOSYNTHETICS INVENTORY LOG

PROJECT NUMBER: 076-046
PROJECT TITLE: Mary River Polishing Pond
OWNER: Baffin land
CONTRACTOR: Raymac
LOCATION: Mary River
SHEET NUMBER: 1

MATERIAL TYPE: (GEOMEMBRANE) GEONET GEOTEXTILE OTHER
DATE OF ARRIVAL: Aug 19/07
DATE OF INVENTORY:
UNLOADING METHOD: Fork lift
INVENTORY BY: Adam Gandy
PRODUCT TYPE: Enviro liner
CONDITION IN TRUCK:
MATERIAL MANUFACTURER: Layfield

Panel / Roll Number	Material Dimensions			QC Certificate Available Y / N	Conf. Sample Removed Y / N	Other	Remarks
	Length	Width	Thickness or Weight				
1	53.4m	18.29m	40 mil			203795	
2	53.4m	18.29m	40 mil			203795	
3	53.5m	18.29m	40 mil			"	
4	53.4m	18.29m	40 mil			"	
5	53.4m	18.29m	40 mil			"	

SUBMITTED BY:

DATE:

LPL FORM 1

LAYFIELD PLASTICS (1978) LTD.

GEOMEMBRANE DEPLOYMENT LOG

PROJECT NUMBER: 07C-046 PROJECT TITLE: Polishing Pond
OWNER: Baffin land CONTRACTOR: _____
LOCATION: Mary River

GEOMEMBRANE: SECONDARY (PRIMARY) CLOSURE OTHER _____
SUBGRADE CONDITION (SURFACE COMPACTION, (PROTRUSIONS), DESICCATION, EXCESSIVE MOISTURE):

REMARKS: _____ DATE: _____
SHEET NUMBER: 1

DEPLOYMENT EQUIPMENT: _____

DESCRIPTION	PANEL LOCATION REFERENCE NUMBER	PANEL LOCATION REFERENCE NUMBER	PANEL LOCATION REFERENCE NUMBER
PANEL/ROLL NUMBER	1	2	3
DEPLOYED LENGTH			
AMBIENT AIR TEMP.			
VISUAL OBSERVATION			
OBSERVED OVERLAP	4"	4"	4"
CHECKED BY			
ADJACENT PANEL	N = E = S = W = 2	N = E = 1 S = W = 3	N = E = 2 S = W = 4
MEASURED THICKNESS	LEAD / L SIDE / R SIDE / TRAIL	LEAD / L SIDE / R SIDE / TRAIL	LEAD / L SIDE / R SIDE / TRAIL

DESCRIPTION	PANEL LOCATION REFERENCE NUMBER	PANEL LOCATION REFERENCE NUMBER	PANEL LOCATION REFERENCE NUMBER
PANEL/ROLL NUMBER	4		
DEPLOYED LENGTH			
AMBIENT AIR TEMP.			
VISUAL OBSERVATION			
OBSERVED OVERLAP	4"		
CHECKED BY			
ADJACENT PANEL	N = E = 3 S = W =	N = E = S = W =	N = E = S = W =
MEASURED THICKNESS	LEAD / L SIDE / R SIDE / TRAIL	LEAD / L SIDE / R SIDE / TRAIL	LEAD / L SIDE / R SIDE / TRAIL

SUBMITTED BY: _____

DATE: _____

LPL FORM 2 (OPTIONAL) **LAYFIELD PLASTICS (1978) LTD.**

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 07C-046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:**

LOCATION: Mary River **SHEET NUMBER:** 3

✓ **TF - # FUSION** _____ **TX - # = EXTRUSION** _____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE ---------- STRENGTH	OUTSIDE PEEL MODE ---------- STRENGTH	SHEAR MODE ---------- STRENGTH			
1	12:30 Aug 30/07	9	AG	10°C	60%		420°C	61/60/62/62/65	63/63/61/61/65	80/77	Pass	AG	
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LS FORM 3

LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY: _____
DATE: Aug 30/07

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 07C-046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:** _____

LOCATION: Mary River **SHEET NUMBER:** 1

✓ **TF - # FUSION** _____ **TX - # = EXTRUSION** _____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE / STRENGTH	OUTSIDE PEEL MODE / STRENGTH	SHEAR MODE / STRENGTH			
1	15:00 Aug 29/07	#9	AG	10°C	60%		420°C	70/64/65/70/68	60/71/66/66/65	74/79	Pass	AG	
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LS FORM 3

LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY: _____

DATE: Aug 30/07

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 076-046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:**

LOCATION: Mary River **SHEET NUMBER:** 2

____ **TF - # FUSION** _✓_ **TX - # = EXTRUSION** ____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE / STRENGTH	OUTSIDE PEEL MODE / STRENGTH	SHEAR MODE / STRENGTH			
1	18:45 Aug 29/07	Dem 1	AM	10° C	235° C		235°C	60/58/61/59/66	/ / / /	74 / 81	Pass	AG	
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LS FORM 3

LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY:

DATE: Aug 30/07

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 07C-046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:** _____

LOCATION: Mary River **SHEET NUMBER:** 4

_____ **TF - # FUSION** ✓ **TX - # = EXTRUSION** _____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE ---------- STRENGTH	OUTSIDE PEEL MODE ---------- STRENGTH	SHEAR MODE ---------- STRENGTH			
1	15:45 Aug 30/07	Dem 1	AM	10°C	235°C		235°C	66/63/60/60/61	/ / / /	81 / 81			
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LS FORM 3

LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY: _____

DATE: Aug 30/07

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-046
OWNER: Baffinland
LOCATION: Mary River

PROJECT TITLE: Polishing Pond
CONTRACTOR:

PASSING TRIAL SEAMS

✓ FUSION
_____ EXTRUSION
_____ SOLVENT

NO.	TIME	TECH ID
1	12:30	AG

SHEET NUMBER: 2
DATE: Aug 30/07

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES: DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES: DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE: TEST DATE	NON-DESTRUCTIVE: CHECKED BY
2/3	SOES	NOES	12:45PM	10°c	AG	60%	420°C	-	38.72m		AG		Aug 30/07	AG
3/4	SEOS	NEOS	1:30PM	10°c	AG	60%	420°C	-	36.84m		AG		Aug 30/07	AG
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
							DAILY TOTAL							

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: _____
DATE: _____

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-046 **PROJECT TITLE:** Mary River Polishing Pond

OWNER: Baffinland **CONTRACTOR:** Rayinac

LOCATION: Mary River

PASSING TRIAL SEAMS

✓ FUSION

_____ EXTRUSION

_____ SOLVENT

NO.	TIME	TECH ID
1	15:30	AG

SHEET NUMBER: 1

DATE: Aug 29/07

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
1/2	S	N	4:00PM		AG	60%	420°C	-	38.72m		AG		Aug 29/07	AG
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
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/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
							DAILY TOTAL							

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: _____

DATE: _____

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE VACUUM / AIR LANCE TEST LOG

PROJECT NUMBER: 07C-046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:**

LOCATION: Mary River **DATE:** Aug 30/07

VACUUM BOX ✓ **AIR LANCE** _____ **SHEET NUMBER:** 1

SEAMS								REPAIRS					
SEAM NUMBER	SEAM SECTION * FROM TO	TEST DATE	TECH ID	DEFECTS **	SEAM COMPLETE NO YES	CHK'D BY	REMARKS **	DEFECT CODE	TEST DATE	TECH ID	DEFECTS **	CHK'D BY	REMARKS **
1-2	WEOS - SEOS	Aug 29	AG.		✓	Am		A1	Aug 30/07	AG		AG	
2-3	WEOS - SEOS	Aug 30	A.G.		✓	Am		B1	Aug 30/07	AG		AG	
3-4	SEOS - WEOS	Aug 30	A.G.		✓	Am		C1	Aug 30/07	AG		AG	
	-							D1	Aug 30/07	AG		AG	
	-							E1	Aug 30/07	AG		AG	
	-							F1	Aug 30/07	AG		AG	
	-							G1	Aug 30/07	AG		AG	
	-							H1	Aug 30/07	AG		AG	
	-							I1	Aug 30/07	AG		AG	
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* REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR NUMBER, OR A POINT LOCATION ON THE SEAM

** RECORD QUANTITY OF LEAKS DETECTED AND REFERENCE NEW DEFECT CODE IN REMARKS

LS FORM 6

LAYFIELD ENVIRONMENTAL SYSTEMS

SUBMITTED BY: _____

DATE: _____

LAYFIELD

GEOMEMBRANE DEFECT / REPAIR LOG

PROJECT NUMBER: 07C - 046 **PROJECT TITLE:** Polishing Pond

OWNER: Baffinland **CONTRACTOR:**

LOCATION: Mary River **SHEET NUMBER:** 1

DEFECT CODE	LOG DATE	DEFECT LOCATION		DEFECT TYPE	REPAIR TYPE	WELD TECH.	REPAIR DATE	REMARKS **	TEST DATE	CHECKED BY
		SEAM OR PANEL NO.	DEFECT LOCATION DESCRIPTION							
1A	Aug 30/07	P 1	1.25m fr start .53m E	D	G & W	AM	Aug 29/07		Aug 30/07	AG
1B	Aug 30/07	P 1	2.81m fr start 1.2m E	CR	G & W	AM	Aug 29/07		Aug 30/07	AG
1C	Aug 30/07	P 1	11.24m fr start 4.06m E	T	G & W	AM	Aug 29/07		Aug 30/07	AG
1D	Aug 30/07	P 1	11.24m fr start 7.81m E	T	G & W	AM	Aug 29/07		Aug 30/07	AG
1E	Aug 30/07	P 1	19.67m fr start 1m E	D	G & W	AM	Aug 29/07		Aug 30/07	AG
1F	Aug 30/07	P 1	24.98m fr start 7.81m E	MD	G & W	AM	Aug 29/07	hOle from shop or shiping	Aug 30/07	AG
1G	Aug 30/07	S 3/4	6.56 fr start	IO	G & W	AM	Aug 30/07		Aug 30/07	AG
1H	Aug 30/07	S 3/4	9.37 fr start	CO	G & W	AM	Aug 30/07	welded over a shop seem	Aug 30/07	AG
1I	Aug 30/07	S 2/3	At End 5.62m Long	Ext	G & W	AM	Aug 30/07	Extended the Anchortrench	Aug 30/07	AG

DEFECT TYPE: AD - ANIMAL RELATED DAMAGE; B - UNDISPERSED RESIN BEAD; BO - FUSION WELDER BURN; BS - BOOT/SKIRT FROM FML PENETRATION; CO - CHANGE OF OVERLAP; CR - CREASE; D - INSTALLATION DAMAGE; DS-# - DESTRUCTIVE TEST NUMBER; EE - EARTHWORK EQUIPMENT DAMAGE; EXT - EXTENSION; FM - FISHMOUTH; FS - FAILED SEAM LENGTH; FTS - FIELD TEST STRIP; HT - HEAT TACK BURN; IO - INSUFFICIENT OVERLAP (UNDER SPEC.); MD - MANUFACTURER/DELIVERY DAMAGE; PT - PRESSURE TEST CUT; SI - SOIL SURFACE IRREGULARITY; SL - SLAG ON TEXTURED SHEET; T - THREE PANEL INTERSECTION; VL - VACUUM TEST LEAK; WR - WRINKLE; WS - WELDER RESTART; OTHER:

REPAIR TYPE: P - PATCH, C - CAP, RS - RECONSTRUCTED SEAM, G&W - GRIND/WELD

PASSING TRIAL SEAMS		
NO.	TIME	TECH ID.

** COLUMNS TO BE USED BY THE PROJECT SUPERVISOR OR LEAD TECHNICIAN ONLY.

SUBMITTED BY: Adam Gould

DATE: Aug 30/07

LPL FORM 7 LAYFIELD ENVIRONMENTAL SYSTEMS

S/O 203795

TRACEABILITY REQUIRED

LAYFIELD

SHOP QC

Job Desc.	Mary River Polishing Pond		
Customer:	Baffinland Iron Mines		
Sales Person:	JL	Date:	8-Jun-07
Material Type:	EL 6040 black 148" wide 40 mil		
Prod Code:	0		
Fab Code:	03LE1040		
Length	**175.2**	Width	**60.0**

Special Fabrication Instructions
Description of Operations/Procedures

In-Process Inspection				
#1	#2	#3	Completed	

Roll Tag #	#	Piece #	Liner# / Panels	Quantity	Repairs
35378	E22996	018	1/1 + 185'		
35248	E22947	015	1/58'		
35378	E22996	010	1/3		
35378	E22996	010	2/ 2+ 126'		
35378	E22996	009	2/ 60' + 2		
35378	E22996	009	3/ 3 + 50'		
35378	E22996	015	3/126' + 1		
35378	E22996	015	4/ 4		
35378	E22996	013	4/2 5/5		

Mach:	PFS	Speed:	Temp:		Splice:

3

Liner #		Shear (Seam #) 1	4			
P8055	1	75	83			
P8055	2	79	81			
P8055	3	86	76			
P8055	4	79	84			
P8055	5	70	76			
P8055						
P8055						
P8055						
P8055						
P8055						

Peel (Seam #) 1 L	R	4 L	R	L	R	L	R	L	R
72	69	71	72						
68	72	65	69						
64	69	66	68						
65	68	70	66						
70	70	54	55						

Tech/Date (Seam #) 1	4			
MD	MD			
MD	MD			
MD	MD			
MD	BIA			
BIA	BIA			

Inspections	#1 Norm June 27/07	#2 MD June 27/07	#3	Final

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.
11603 – 180 Street Edmonton, Alberta T5S 2H6 Canada
Phone: (780) 453-6731
Fax: (780) 452-9495
Toll Free: 1 800 840-2884
Web: www.layfieldgroup.com
E-Mail: edm@layfieldgroup.com

INSTALLATION WARRANTY

Layfield Reference No: (Job#) 07C-046

LAYFIELD ENVIRONMENTAL SYSTEMS LTD. (LAYFIELD) hereby warrants to Baffinlands ; (the Customer) that the work performed by LAYFIELD on the Installation described as Polishing Ponds (EL 6040, LP16) will:

1. Meet the field seam specifications set out in the contract between LAYFIELD and the Customer (as amended by LAYFIELD's quotation), all workmanship to meet the requirements of LAYFIELD's Field Installation Quality Assurance program, and be free of defects at the time of completion of the Installation; and

2. Be free of installation defects from the date of the completion of the Installation (08/20/07) for a period of 1 year so long as the completed Installation is used for the purposes and in the manner for which the Installation was designed.

Should damage or defects within the scope of the aforesaid warranties occur, LAYFIELD shall repair the damage or defects, PROVIDED THAT the area to be repaired must first be made ready by the Customer and be in a clean, dry, unencumbered condition, free from all water, soil, sludge, residuals, and liquids of any kind.

To enable LAYFIELD to investigate and determine the cause of any alleged damage or defect, notice and details of any claim hereunder must be presented in writing to LAYFIELD within thirty (30) days after the alleged damage or defect was first noticed or observed. Failure to provide such notice and details shall invalidate all warranties provided hereunder.

The liability of LAYFIELD under the aforesaid warranties are subject to the following conditions:

a. LAYFIELD's only obligation shall be to repair or replace any defective workmanship and in no event shall LAYFIELD be liable for any amount in excess of the cost of the Installation;

b. No allowance will be made for repairs, replacements or alterations made by the Customer unless with the prior written consent of LAYFIELD;

c. The warranties hereunder extend only to the Customer and are not transferable;

d. The warranties hereunder shall not apply to any damage or defects resulting from misuse, mechanical abuse by machinery, equipment or persons, excessive pressures or stresses, exposure of the completed Installation of harmful chemicals, unusual weather conditions, casualty catastrophe such as (but not limited to) earthquake, flood, hail, tornado, or any other act of God;

e. Under no circumstances shall LAYFIELD be liable for any special, direct, indirect, or consequential damages including the loss of use of the Installation howsoever caused;

f. All liner materials provided for the Installation are covered by a separate warranty provided by the material manufacturer and LAYFIELD shall not be liable for material failure claims hereunder;

g. The warranties hereunder are given in lieu of all other warranties, express, implied, statutory, or otherwise, and the Customer expressly waives all other warranties and claims whatsoever except those specifically given herein, and the Customer acknowledges that the warranties hereunder are accepted in preference to and to the exclusion of any or all other warranties; and

h. An Installation Warranty will <u>not</u> be provided for lining projects unless the installation is completed by LAYFIELD personnel or designated Layfield subcontractors.

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

James Teppan VP & General Manager

➢ APPENDIX 2

- **PHOTOS**

Photo 1: Sewage Treatment Building (Tanks-A-Lot System)

Photo 2: Storage Tank

Photo 3: Pre-treatment tanks and aeration chamber at the bottom of the photo

Photo 4: Aeration, final process and UV tanks

Photo 5: Final pumping chamber going to the PWSP

Knight Piésold
CONSULTING

APPENDIX C3

MILNE INLET WASTEWATER TREATMENT FACILITY

- Correspondence from B.H. Martin dated January 21, 2007 24 pages
  (Reference No. 06-090)

B.H. MARTIN CONSULTANTS LTD.
CONSULTING ENGINEERS AND ARCHITECT

834 Mountjoy Street South
P.O. Box 120
Timmins, Ontario P4N 7C5
Tel. (705) 264-9413
Fax. (705) 267-2725

January 21, 2007

Cheryl Wray
Environmental Superintendent
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Cheryl,

RE:

MARY RIVER PROJECT
ROTATING BIOLOGICAL CONTACTOR (RBC SYSTEM) SEWAGE TREATMENT AND DISCHARGE- MILNE INLET
AS-CONSTRUCTED REPORT
OUR REFERENCE NO. 06-090

B.H. Martin Consultants was retained by Baffinland Iron Mines Inc. to design the sewage works for their camp at Milne Inlet temporary shipping port in Nunavut and to complete the as-constructed reports.

The site is located approximately 100km north of the Mary River Mine site, in the north-eastern section of Baffin Island. Approximate distances from the project site to other communities in the region are 270 km to Arctic Bay, and 415 km to Clyde River.

Presently the site consists of a 54-person camp of predominantly Atco-Style trailers situated approximately 300 meters from the shore.

A Rotating Biological Contactor (RBC System) Sewage Treatment has been installed and commissioned for the camp for sewage treatment for the duration of the bulk sampling program. It generally takes 3 weeks for any RBC system to operate at full efficiency. In the meantime, a temporary sewage lagoon was constructed for effluent disposal from the RBC while the RBC system became fully operational. Upon satisfactory results of the RBC effluents meeting the required discharge criteria, the RBC effluents are to be transported from the treatment structure to a nearby ditch. This drainage ditch will eventually flow to the Ocean. Details are described in the Sewage Management Plan submitted in September 2007.

As-Constructed Conditions

The Owner installed and commissioned a Rotating Biological Contactor (RBC System) from Seprotech capable of handling sewage of 460 BOD_5/490 TSS for 70 people generating 227 litres of sewage per day on October 23, 2007. No non-domestic waste or

stormwater has been directed to the treatment system. The details of the Seprotech Unit is attached in Appendix 1.

BIMC also constructed the Polishing/Waste Stabilization Pond (PWSP) prior to the commissioning of the RBC system in order to store the system effluents while it becomes fully operational. The Pond was designed to have a capacity of 1,000 Cubic Meters. Based on the recent survey of the pond, as set out on drawings included in Appendix 1, the installed pond has a capacity of 657 Cubic Meters. The pond was lined with a Hazgard 500 impermeable liner. The installation of the pond underlying material and the liner installation have been certified by Layfield Industries. The Treatment System as-constructed drawings and the QA/QC report from Layfield is attached to Appendix 1.

It is currently planned to retain the sewage in the PWSP until the Effluents in the PWSP is tested during the summer and, depending on the test results; the effluent will be either discharged to the nearby ditch in late summer of 2008 or returned to the RBC for re-treatment if not meeting the discharge criteria.

Yours truly,

B.H. Martin Consultants Ltd.

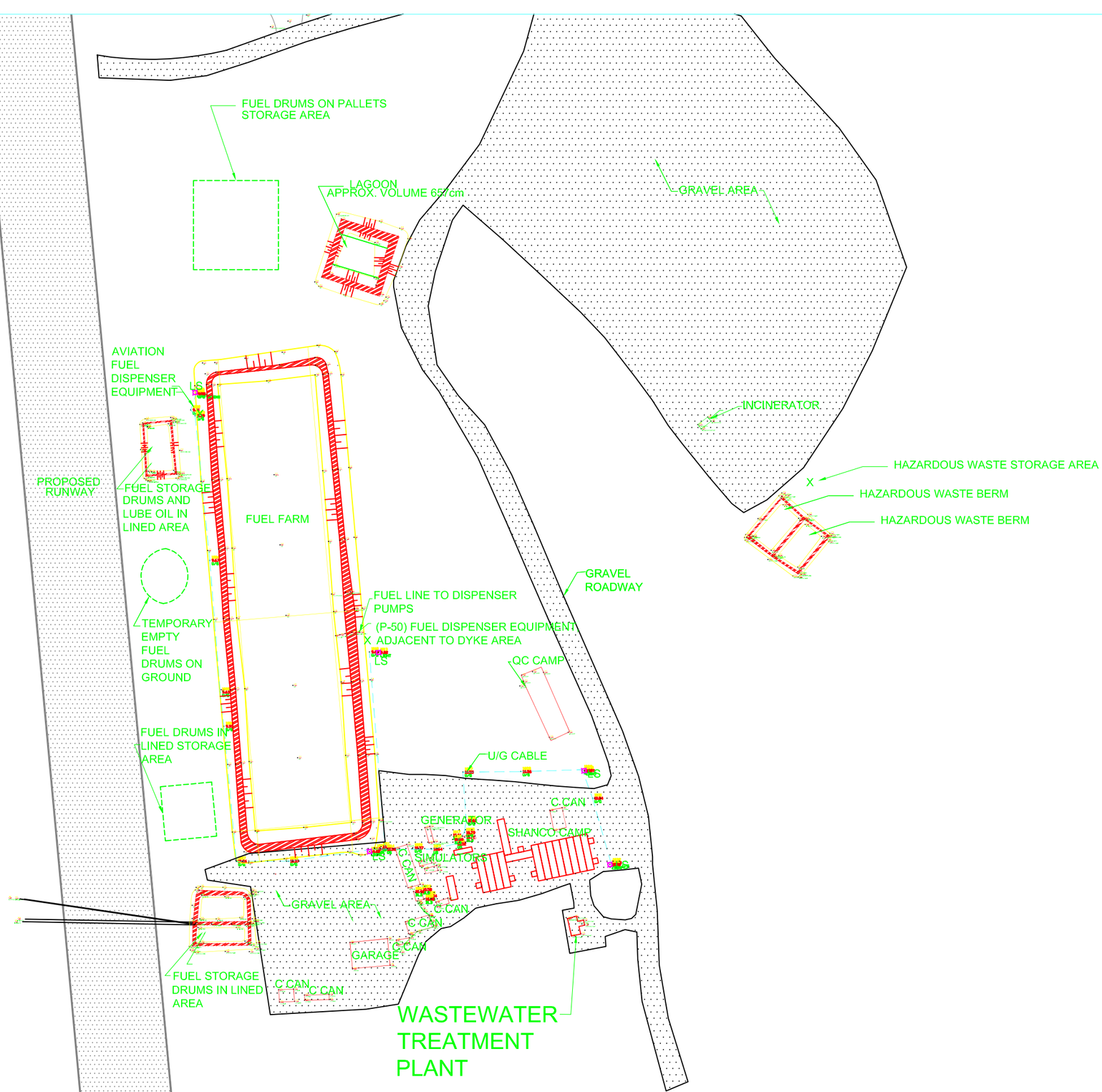
F. G. Kord

REGISTERED PROFESSIONAL ENGINEER
F. Kordgharachorloo
LICENSEE
Jan 24/08
NWT/NU

Marz G. Kord, P. Eng., M.Sc., MBA
Manager of Engineering
Mk/

➢ APPENDIX 1

- **AS-CONSTRUCTED PLAN & SECTIONS**
- **PWSP LINER QA/QC REPORT FROM LAYFIELD**
- **RBC SYSTEM SCHEMATIC**



LS LIGHT

Description	Date	No.
Revisions and Issues		

NORTH

Date Printed

B.H. MARTIN CONSULTANTS LTD.
Consulting Engineers and Architect
Timmins Ontario
www.bhmartin.com

ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

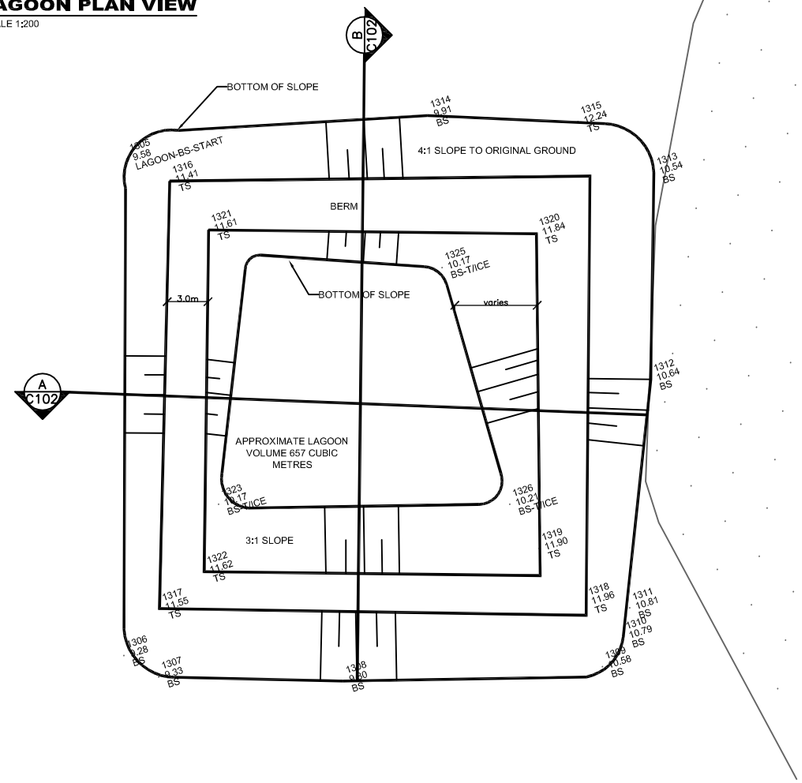
Project
MILNE INLET
MARY-RIVER NUNAVUT

Drawing
AS BUILT
MILNE INLET

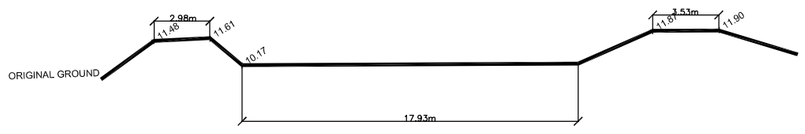
Date	CADD File Number
JAN 2008	CIVIL/SURV/MILNE/C101
Scale 1:1000	Job Number 07-039
Drawn AB	
Checked	Drawing Number C101
Approved	

LAGOON PLAN VIEW

SCALE 1:200

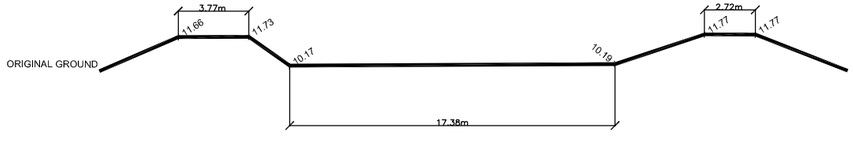


SECTION A C102



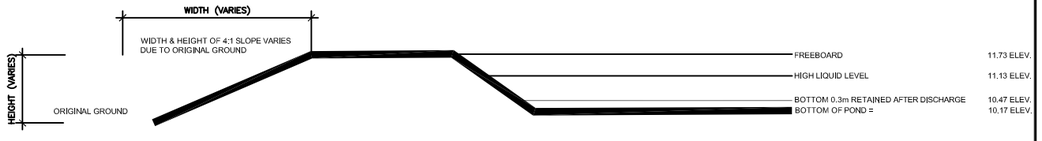
SECTION B C102

SCALE 1:150



TYPICAL LAGOON BERM

SCALE 1:75



Description	Date	No.
Revisions and Issues		

NORTH Date Printed

B.H. MARTIN CONSULTANTS LTD.
Consulting Engineers and Architect
Timmins Ontario
www.bhmartin.com

ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

Project

MILNE INLET

MARY-RIVER NUNAVUT

Drawing

AS BUILT SEWAGE LAGOON PLAN AND PROFILES

Date	CADD File Number
JAN 2008	CIVIL/SURV/MILNE/C102
Scale: AS NOTED	Job Number: **07-039**
Drawn: AB	
Checked	Drawing Number: **C102**
Approved	

Layfield Environmental Systems Ltd.

Project Completion QA/QC Package
for

Raymac Environmental Services Inc.

Milne Inlet Sewage Lagoon

Milne Inlet, Nu

Supply and Install of Hazgard 500 and LP 16 Geotextile

Prepared By: Jesse Langmo

Reviewed By: Fred Cross

Date Submitted: January 10, 2008

Layfield Environmental Systems Ltd.

Table of Contents

for

Raymac Environmental Services Inc.

Install of Haz 500 and LP 16 Geotextile

Baffin Island, Nu

Milne Inlet Sewage Lagoon

LAYFIELD

CERTIFICATE OF ACCEPTANCE OF SOIL SUBGRADE SURFACE

PROJECT NAME: Raymac - Milne Inlet Sewage Lagoon
PROJECT NUMBER: 07C-015
OWNER: Baffinland
LOCATION: Milne Inlet

I, the undersigned, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the soil subgrade described below, and found it to be an acceptable surface on which to install geomembrane.

This certification is based on observations of the surface of the subgrade only. No subterranean inspections or tests have been performed by Layfield Environmental Systems, and LESL makes no representations or warranties regarding conditions which may exist below the surface of the subgrade. Layfield Environmental Systems accepts no responsibility for conformance of the subgrade to this project's specifications.

The soil subgrade accepted on this date refers to its present condition. Any changes in the subgrade condition that result from the effects of inclement weather and/or other forces beyond the control of Layfield Environmental Systems and remedial work to correct the resulting deficiencies, will be the direct responsibility of the General Contractor.

Area Being Accepted: Area under panels B1 & B2, some rock and frozen lumps - used textile for underlay

LAYFIELD ENVIRONMENTAL SYSTEMS REPRESENTATIVE:

Date: August 25, 2007
Signature:
Name: Allon McKinnon
Title: Project Supervisor

OWNERS REPRESENTATIVE:

Date:
Signature:
Name:
Title:
Company:

CERTIFICATE OF FINAL INSPECTION AND ACCEPTANCE

PROJECT NAME: Raymoc - Sewage Lagoon
PROJECT NUMBER: 07C-015 **DATE:** August 25, 2007
OWNER: Baffinland
LOCATION: Milne Inlet

Scope of Installation(s): **THE WORK**
Installed approx 2200 sq. metres of LP16 as an overlay & underlay. Installed, welded/tested approx 1100 metres of Hazgard 500 within the confines of the temporary sewage lagoon.

Part 1 – LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

I, Allan McKinnon, a duly appointed representative of Layfield Environmental Systems Ltd. (LESL), have visually observed the installations (as outlined above), and have found the Work to be complete and free of defects and declare that the Work was completed in accordance with the project specifications, Layfield Environmental Systems' QC program and the terms and conditions of the contract.

Layfield Environmental Systems Representative:

Name: Allan McKinnon.
Title: Project Supervisor
Date: Aug. 25, 2007 **Signature:**

Part 2 – OWNER (or Representative)

I, _____, a duly appointed representative of _____ _____, do hereby take over and accept the installation(s) described above, and confirm that the work has been completed in accordance with the project specifications and the terms of the conditions of the contract.

I have evaluated and measured the work together with the Layfield Environmental Systems representative, and agree that the measurements shown are both true and correct, and that the installation has met our approval.

Owners Representative:

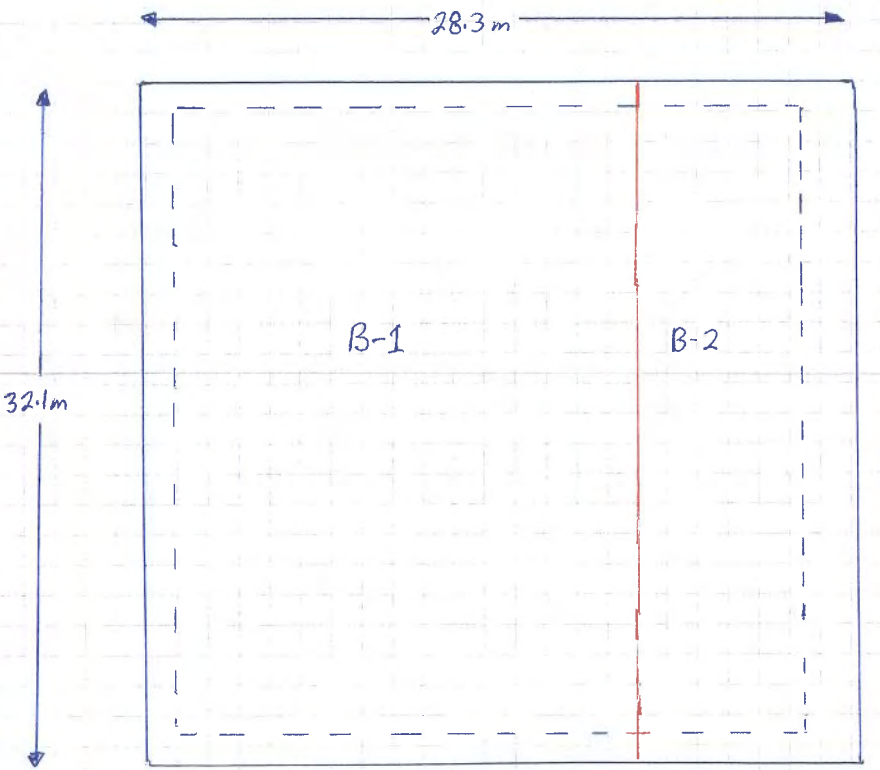
Name: _____
Title: _____
Company: _____
Date: _____ **Signature:** _____

Comments: _____

LS-10-QF-010

No.	REVISIONS	DATE (MM/DD/YY)	BY

N



NOTES

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

Raymac
Milne Inlet
Sewage Lagoon
Hazgard 500

LEGEND

- EXTENT OF LINER
- TOE OF SLOPE
- LINER FIELD SEAM
- XXX EXTRUSION WELDING
- PATCH
- P2 PANEL NUMBER
- 1A REPAIR NUMBER

CADD No.	PROJECT No.
	07C-015

DWG: OF	SCALE:

DWN:	CHKD:	APP'D:
AM		

DATE: Aug 25/2007 REVISION:

LAYFIELD

GEOMEMBRANE TRIAL SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Baymec - Milne Inlet Sewage Lagoon

OWNER: Baffinland Iron Ore **CONTRACTOR:** _____

LOCATION: Milne Inlet **SHEET NUMBER:** 1 of 1

✓ **TF - # FUSION** _____ **TX - # = EXTRUSION** _____ **TS - # = SOLVENT**

SAMPLE NUMBER	APPROX. TIME & DATE	WELDING MACHINE NUMBER	WELD TECH.	TEMPERATURES				TEST RESULTS			PASS OR RETEST	CHECKED BY	REMARKS
				AMBIENT AIR TEMP.	PREHEAT OR MACHINE SPEED	EXTRUDER	WEDGE TEMP.	INSIDE PEEL MODE ---------- STRENGTH	OUTSIDE PEEL MODE ---------- STRENGTH	SHEAR MODE ---------- STRENGTH			
TF-1	Aug 8 1345	Pro Wedge	AG.	+6°	55%	/	785°	36 / 41 / 33 40 / 39 / 34	28 / 39 / 44 40 / / / 31	114 / / 122	P	AM	
								/ / / /	/ / / /	/			
								/ / / /	/ / / /	/			
								/ / / /	/ / / /	/			
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								/ / / /	/ / / /	/			

SUBMITTED BY: A.S.M

DATE: Aug. 25, 2007

LAYFIELD

GEOMEMBRANE SEAM LOG

PROJECT NUMBER: 07C-015 **PROJECT TITLE:** Sewage Lagoon

OWNER: Baffinlands **CONTRACTOR:**

LOCATION: Milne Inlet

PASSING TRIAL SEAMS

	NO.	TIME	TECH ID
✓ FUSION	TF-1	1345	A.G.
EXTRUSION			
SOLVENT			

SHEET NUMBER: 1 of 1

DATE: August 18, 2007

SEAM NUMBER	SEAM SECTION * START POINT	SEAM SECTION * FINISH POINT	APPROX. START TIME	AMB. AIR TEMP.	WELD TECH.	PREHEAT OR MACH. SPEED	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	MACHINE TEMPERATURES DIGITAL SET WEDGE OR BARREL	APPROX. LENGTH WELDED	DESTR. NUMBER	CHK'D BY	REMARKS	NON-DESTRUCTIVE TEST DATE	NON-DESTRUCTIVE CHECKED BY
B1 / B2	NEOS	-SEOS	1435	+6	AG	55%	785°	-	34.6m				Aug. 18	AM
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
/	-						-	-						
							DAILY TOTAL		34.6m					

* *REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR, OR A POINT LOCATION ON THE SEAM.*

SUBMITTED BY: ASm

DATE: Aug. 25, 2007

LS FORM 4

LAYFIELD ENVIRONMENTAL SYSTEMS

LAYFIELD

GEOMEMBRANE VACUUM / AIR LANCE TEST LOG

PROJECT NUMBER: 07C-015
PROJECT TITLE: Raymac- Milne Inlet -Sewage Lagoon
OWNER: Baffinland
CONTRACTOR:
LOCATION: Milne Inlet.
DATE: Aug. 18, 2007

VACUUM BOX ____ **AIR LANCE** ✓ **SHEET NUMBER:** 1 of 1

SEAMS										REPAIRS					
SEAM NUMBER	SEAM SECTION * FROM	TO	TEST DATE	TECH ID	DEFECTS **	SEAM COMPLETE NO	YES	CHK'D BY	REMARKS **	DEFECT CODE	TEST DATE	TECH ID	DEFECTS **	CHK'D BY	REMARKS **
B1-B2	NEOS	SEOS	8-18	A.G.			✓	AM							

* REFERENCE SEAM ENDPOINTS FROM AN END OF SEAM (EOS), A REPAIR NUMBER. OR A POINT LOCATION ON THE SEAM
** RECORD QUANTITY OF LEAKS DETECTED AND REFERENCE NEW DEFECT CODE IN REMARKS

SUBMITTED BY: ASM
DATE: Aug. 25, 2007

LS FORM 6

LAYFIELD ENVIRONMENTAL SYSTEMS

SKAPS Industries • 335 Athena Dr • Athens • GA 30601 • USA

SKAPS GT-116
Nonwoven Geotextiles

SKAPS **GT-116** is a needle-punched nonwoven geotextile made of 100% polypropylene staple fibers, which are formed into a random network for dimensional stability. SKAPS GT-116 resists ultraviolet deterioration, rotting, biological degradation, naturally encountered basics and acids. Polypropylene is stable within a pH range of 2 to 13. SKAPS GT-116 conforms to the physical values listed below:

:: Go Back ::

PROPERTY	TEST METHOD	UNIT	M.A.R.V. (Minimum Average Roll Value)
Weight (Typical)	ASTM D5261	oz/yd2 (g/m^2)	16.0 (542)
Grab Tensile	ASTM D4632	lbs (kN)	380 (1.69)
Grab Elongation	ASTM D4632	%	50
Trapezoid Tear Strength	ASTM D4533	lbs (kN)	145 (.644)
Puncture Resistance	ASTM D4833	lbs (kN)	240 (1.07)
Mullen Burst	ASTM D3786	psi (kPa)	750 (5168)
Permittivity*	ASTM D4491	sec-1	0.7
Water Flow*	ASTM D4491	gpm/ft^2 (l/min/m^2)	50 (2035)
A.O.S.*	ASTM D4751	U.S. Sieve (mm)	100 (0.150)
U.V. Resistance	ASTM D4355	%/hrs	70/500

* At the time of manufacturing. Handling, storage, and shipping may change these properties.

PACKAGING	
Roll Dimension (W x L) - Ft	15 x 150
Square Yards per Roll	250
Estimated Roll Weight - lbs	250

* At the time of manufacturing. Handling may change these properties.

This information is provided for reference purposes only and is not intended as a warranty or guarantee. SKAPS assumes no liability in connection with the use of this information.

TRACEABILITY REQUIRED

LAYFIELD **SHOP QC**

Job Desc.	Baffinland Mary River Panel B r		
Customer:	Raymac Environmental		
Sales Person:	frc	Date:	8-Aug-07
Material Type:	HAZGARD 500 Red 71"		
Prod Code:	0		
Fab Code:	03LMHZ50		
Length	**126.3**	Width	**60.4**

Special Fabrication Instructions / Description of Operations/Procedures	In-Process Inspection #1	#2	#3	Completed	

Roll Tag #	#	Piece #	Liner# / Panels	Quantity	Repairs
5251691	V59483	11	1-1+50'	1+50'	Spliced panel #2, seam/Liner #1 37' From start
5251690	V59483	10	1 - +76 + 4	76	half panel spliced 26' from start liners 1+2
5251689	V59483	9	1 - 4 + 100' of half panel		splice panel #5 liner #2 26' from start
10508	V59483	#4	1 - 26' of ½ panel		Panel 10 spliced at 60ft.
5251699	V59483	# 9	2 - 100' of ½ panel		
5251688	V59483	# 4	2 - 26' of ½ panel		
5251680	V59483	# 4	2 - 4 + 26'		
5251686	V59483	# 3	2 - 100' +		
5466692	285315	# 2	60'		

Mach: PFS 3 Speed: 60 Temp: 850 Splice:

4939163 Shear (Seam #) 93375 # 49 Peel (Seam #) 60

Liner #		1	6	10	10	10	1 L	R	6 L	R	10 L	R	10 L	R	10 L	R	Tech/Date (Seam #) 1	6	10	10	10
2054050	1	181	151	145			57	54	41	35	27	46					KC.				
0	2	156	148	143			35	49	34	46	36	46							64		
0																					
0																					
0																					
0																					
0																					
0																					
0																					
0																					

date entered 11/07

Inspections	#1 Donna Wonder Aug 9.07	#2 Aug 11/07	#3	Final

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483 - E22443 Edm (Hz 500)
ROLLS 1-26
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40.5	ASTM D5199
Tensile (lbs.)	222 x 200	ASTM D751
Tear Resistance (lbs.)	95.7 x 73.4	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

PASS

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483
ROLLS 27-45
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40.5	ASTM D5199
Tensile (lbs.)	245 x 213	ASTM D751
Tear Resistance (lbs.)	94.4 x 91.6	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# V59483
ROLLS 46LR
Date: April 25/07

Property	Result	Test Method
Thickness (mils)	40	ASTM D5199
Tensile (lbs.)	239 x 212	ASTM D751
Tear Resistance (lbs.)	78.1 x 60.0	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375 - E22442 (#7500)
ROLLS 1-26
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	41.5	ASTM D5199
Tensile (lbs.)	233 x 219	ASTM D751
Tear Resistance (lbs.)	78.5 x 62.1	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

PASSED I.K

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375
ROLLS 27-48
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	40	ASTM D5199
Tensile (lbs.)	250 x 226	ASTM D751
Tear Resistance (lbs.)	79.8 x 55.9	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.8 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

Canadian General-Tower Limited

Certification Results: Containment Laminate

Textileather Corp.

Head Office: 52 Middleton St. Cambridge, Ontario, N1R 5T6 phone 519 623 1630 fax 519 740 2977

SPEC 10508
LOT# Y98375
ROLLS 49LR
Date: April 10/06

Property	Result	Test Method
Thickness (mils)	40.1	ASTM D5199
Tensile (lbs.)	247 x 212	ASTM D751
Tear Resistance (lbs.)	78.7 x 58.2	ASTM D751
Low Temperature (-30°C)	Passed	ASTM D2136
Dim. Stability (%)	0.5 x 0.0	ASTM 1204 (100°C 15 Min.)
Volatile Loss (%)	Pass	ASTM 1203 A

LAYFIELD

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.
11603 – 180 Street Edmonton, Alberta T5S 2H6 Canada

Phone: (780) 453-6731
Fax: (780) 452-9495
Toll Free: 1 800 840-2884

Web: www.layfieldgroup.com
E-Mail: edm@layfieldgroup.com

INSTALLATION WARRANTY

Customer Reference No. PO# 201738
Layfield Reference No. : 07C-015

LAYFIELD ENVIRONMENTAL SYSTEMS LTD. (LAYFIELD) hereby warrants to Baffinland Iron Mines Corp. ; (the Customer) that the work performed by LAYFIELD on the Installation described as Milne Inlet Sewage Lagoon – Hazgard 500 will:

1. Meet the field seam specifications set out in the contract between LAYFIELD and the Customer (as amended by LAYFIELD's quotation), all workmanship to meet the requirements of LAYFIELD's Field Installation Quality Assurance program, and be free of defects at the time of completion of the Installation; and

2. Be free of installation defects from the date of the completion of the Installation (Aug 25, 2007), for a period of 1 year so long as the completed Installation is used for the purposes and in the manner for which the Installation was designed.

Should damage or defects within the scope of the aforesaid warranties occur, LAYFIELD shall repair the damage or defects, PROVIDED THAT the area to be repaired must first be made ready by the Customer and be in a clean, dry, unencumbered condition, free from all water, soil, sludge, residuals, and liquids of any kind.

To enable LAYFIELD to investigate and determine the cause of any alleged damage or defect, notice and details of any claim hereunder must be presented in writing to LAYFIELD within thirty (30) days after the alleged damage or defect was first noticed or observed. Failure to provide such notice and details shall invalidate all warranties provided hereunder.

The liability of LAYFIELD under the aforesaid warranties are subject to the following conditions:

a. LAYFIELD's only obligation shall be to repair or replace any defective workmanship and in no event shall LAYFIELD be liable for any amount in excess of the cost of the Installation;

b. No allowance will be made for repairs, replacements or alterations made by the Customer unless with the prior written consent of LAYFIELD;

c. The warranties hereunder extend only to the Customer and are not transferable;

d. The warranties hereunder shall not apply to any damage or defects resulting from misuse, mechanical abuse by machinery, equipment or persons, excessive pressures or stresses, exposure of the completed Installation of harmful chemicals, unusual weather conditions, casualty catastrophe such as (but not limited to) earthquake, flood, hail, tornado, or any other act of God;

e. Under no circumstances shall LAYFIELD be liable for any special, direct, indirect, or consequential damages including the loss of use of the Installation howsoever caused;

f. All liner materials provided for the Installation are covered by a separate warranty provided by Canadian General-Tower Limited , and LAYFIELD shall not be liable for material failure claims hereunder;

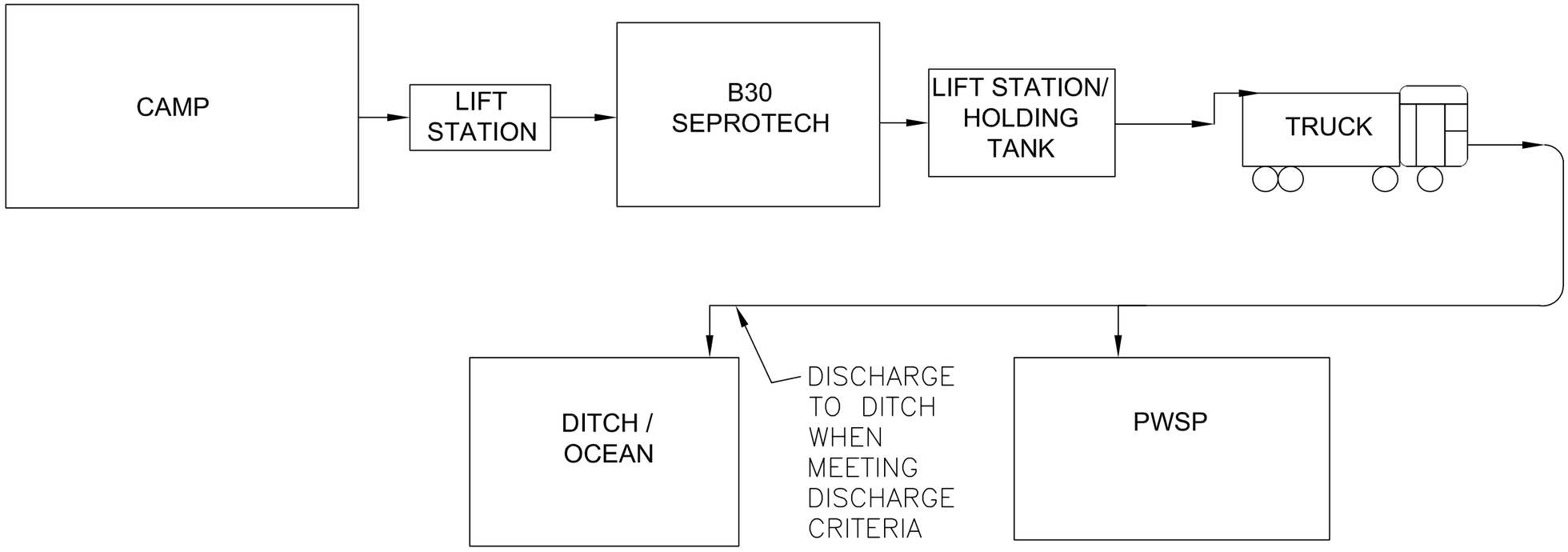
g. The warranties hereunder are given in lieu of all other warranties, express, implied, statutory, or otherwise, and the Customer expressly waives all other warranties and claims whatsoever except those specifically given herein, and the Customer acknowledges that the warranties hereunder are accepted in preference to and to the exclusion of any or all other warranties; and

h. An Installation Warranty will not be provided for lining projects unless the installation is completed by LAYFIELD personnel or designated LAYFIELD subcontractors.

LAYFIELD ENVIRONMENTAL SYSTEMS LTD.

James Teppan, V.P. and General Manager

RBC SYSTEM LAYOUT



Description	Date	No.
Revisions and Issues		

NORTH Date Printed

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ARCHITECT STRUCTURAL/CIVIL

MECHANICAL ELECTRICAL

Project
MILNE INLET PROJECT
BAFFINLAND IRON MINES CORP
BAFFIN ISLAND ONTARIO

Drawing
MILNE INLET RBC SYSTEM LAYOUT

Date	CADD File Number
JAN 2008	rpt/sewtreataug07/asbuilt
Scale: NTS	Job Number: **06-090**
Drawn	
Checked	Drawing Number: **SK-2**
Approved	

Knight Piésold
CONSULTING

APPENDIX C4
PHOTOGRAPHIC RECORDS

- Figure C4.1 to C4.2 2 pages

Photo 1: Shaping the bulk fuel storage area floor and berms.

Photo 2: Floor and berm prior to liner placement.

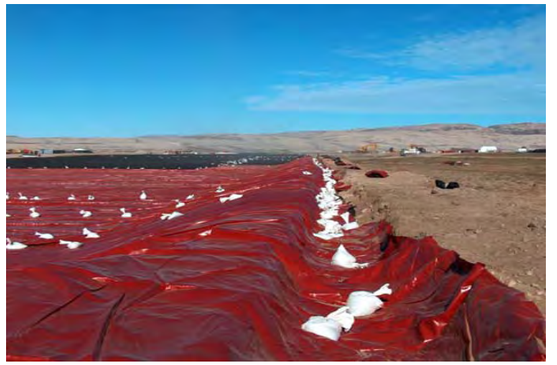

Photo 3: Liner placement, including anchor trench.

Photo 4: Welding of liner seams.

Photo 5: Upper layer of non-woven geotextile in place.

Photo 6: Placement of granular material overtop of non-woven geotextile.

Photo 4: Fuel bladders and pumping systems in place.

Photo 5: An aerial view of Milne Inlet. The bulk fuel storage facility and the all-season trailer camp are in place.

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PHOTOS
(SHEET 1 OF 2)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE C4.1

Photo 61: Wastewater Treatment Facility (rotating biological contactor) installed at Milne Inlet in 2007.

Photo 6: A Polishing/Waste Settling Pond was constructed at Mary River Camp.

Photo 8: This structure enclosed the Wastewater Treatment Facility at Mary River Camp.

Baffinland Iron Mines Corporation

MARY RIVER PROJECT

PHOTOS
(SHEET 2 OF 2)

Knight Piésold CONSULTING

P/A NO.	REF.	REV.
NB102-00181/11	3	0

FIGURE C4.2

Knight Piésold
CONSULTING

APPENDIX D

CCME REPORT (BIMC LETTER AND BH MARTIN REPORT)

- Correspondence from Baffinland dated January 24, 2008 2 pages
- Correspondence from Genivar dated January 18, 2008 25 pages

January 24th, 2008

Mr. Andrew Keim
Water Resources Officer
Indian and Northern Affairs Canada, Nunavut District
Qimuggjuk Building
Iqauit, NU X0A 0H0
Email: keima@inac.gc.ca

Re: CCME Conformity Report Reply

Please find attached a report produced by Genivar Engineers formally B.H. Martin to investigate fuel facilities at the Mary River and Milne Inlet Projects and to determine if these facilities comply with the CCME "Environmental Code of Practice (2003) for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products".

This letter also provides responses to recommendations brought forth by the report and we trust that this satisfies concerns within the July 14th, 2007 inspection provided to Baffinland on December 10th, 2007.

Milne Inlet:

1. It is Baffinland's policy, to wherever possible, store barrelled fuel in secondary containment. Drums of Jet-A are temporarily stored at Milne Inlet in a safe and secure location away from vehicle traffic and more than 150 meters from any water body and are subject to regular inspections. These drums will be moved to Mary River and placed within lined containment.
2. Although, diagrams are available and pumping systems separate for each type of fuel (P50 and Jet-A) to ensure contamination between the two types of fuel is not possible, Baffinland will identify bladder control valves to ensure that the contents of each bladder is known and identified. The scheduled completion date for this work is February 28th, 2008.
3. Baffinland will place barriers at the fuel dispensing locations of the fuel farms to ensure that vehicle collision cannot occur. Scheduled completion date at the operating fuel dispensing locations is February 15th, 2008.
4. Fire extinguisher maintenance is currently part of Baffinland's Safety Program and is conducted monthly.

Mary River:

1. Drums of contaminated soils from a spill that occurred in September 2007 will be temporarily stored in a lined berm at Milne Inlet to await removable during the 2008 sea lift.
2. Baffinland will investigate the use of non-combustible material to support drums of fuel that are utilized to heat the temporary weather haven tents.
3. Oil heating stoves are the industry standard for remote temporary exploration camps in the high arctic and provide a reliable source of heat. This will continue to be Baffinland's practice for temporary camps.

4. Fire extinguisher maintenance is currently part of Baffinland's Safety Inspections and is conducted monthly.

Should you have any concerns or questions, please do not hesitate to contact the undersigned at cheryl.wray@baffinland.com.

Yours sincerely,

Baffinland Iron Mines Corporation

Cheryl Wray
Environmental Superintendent

Dave McCann
Assistant Operations Manager

Cc. Derek Chubb, Baffinland

Attachment

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January 18, 2008

Cheryl Wray
Environmental Superintendent
Baffinland Iron Mines Corporation
P.O. Box 599
Pond Inlet, NU X0A 0S0

RE:

MARY RIVER PROJECT- REPORT ON FUEL STORAGE FACILITIES (MILNE INLET & MARY RIVER SITES)
OUR REFERENCE NO. 06-090

B. H. Martin Consultants Ltd. was requested, by Baffinland Iron Mines Corporation (BIMC), to submit this report of the existing fuel storage tanks which are used at the Mary River Project sites in Nunavut. The investigation was undertaken during Jan. 5 to Jan. 8, 2008.

OVERVIEW

The fuel facilities are being reviewed for compliance with the CCME "Environmental Code of Practice (2003) for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products." Please note that all fuel storage tanks at the Mary River Project Sites are above ground installations and no underground tanks are installed at any of the sites.

The report will cover the findings first from Milne Inlet, the shipping point for the mining project and secondly, Mary River, the main camp site for the bulk sampling operation.

There are 9 categories which are used to present the information, which are as follows:

- Types of fuel containers
- Secondary containment
- Generator fuel systems
- Clean-up work
- Fuel handling
- Fuel farms

- Protection from vehicular traffic
- Aviation fuel
- On-site fire extinguishers

Wherever the findings indicate that there is a risk of a fuel spill on the ground, this report will make recommendations to reduce the risks involved. Digital photos are attached in appendix 1, to clarify some of the observations which are included in the report. The photos show the site conditions, as found in January 2008.

MILNE INLET CAMP SITE

i) TYPES OF FUEL CONTAINERS

BIMC is using two trucks with storage tanks for delivery of fuel. For information, the capacities are 3000 litres and 8200 litres. Mobile tanks are not included in the CCME code, and as such those details would be outside the scope of this report.

Three empty fuel tanks are on site. These will not be included in the report until they are actually in operation. Presently these 3 tanks are not in use at all.

There are large fuel bladders used at the site which are discussed in section vi).

ii) SECONDARY CONTAINMENT

The Milne Inlet site has (2) areas where drums of fuel (known as P-50) are stored in large quantities. The two areas are built-up with dykes and a protective liner. It is noted that the fuel drums are less-than 230 litres in size, and they are not considered "tanks" under the CCME code.

In the north part of the site, lube oil containers are stored in a dedicated area with dykes and liner as well. Refer to the attached 11 x 17" drawing which shows the site plan in appendix 2.

The lined drum storage area was covered with snow during this site visit. Due to the winter conditions, a visual inspection of the dike area could not be completed.

iii) GENERATOR FUEL SYSTEM

The two generators each have a fuel tank in use. The engine supply tanks are less-than 2000 litres in size, and they are double-wall. One of the tanks is

outdoors, and the other generator has the tank inside a shelter. Both arrangements comply with the CCME code.

iv) CLEAN-UP WORK

In the event of a fuel spill on the ground, the site is equipped to remedy the situation. Baffinland staff (BIMC) have been instructed on the procedures to follow in correcting a fuel spill once it has been detected. The actions in article 8.9 of the CCME code will be followed by site personnel. As well, BIMC has the necessary forms to properly report on the nature of each spill as provided in the "Emergency Spill" documents.

Waste material and soil which is removed after a spill must be stored and then transported to an approved waste handling facility.

v) FUEL HANDLING

The crew at Milne Inlet are required to re-fill the generator fuel tank frequently. This happens at least once per day. This task is done using the mobile fuel trucks.

For pumping P-50, the fuel pumps are located on the east side of the fuel farm. The equipment was included in our report of December 2007, which featured the completed fuel farm. The two activities which occur regularly are: fuelling up the equipment such as loaders, fork lifts and other vehicles; and filling the mobile tanker trucks which have to deliver their load of fuel to other locations.

For pumping aviation fuel, there is a fuel pump/ fuel dispenser on the west side of the fuel farm. During this winter season, it has been taken out-of-service and locked.

Fuelling procedures require full time attendance, with the trained operator in clear view of the filling hose. The dispensing area is used multiple times per day. BIMC contractors are following standard operating procedures for transfers of fuel to-and-from the mobile truck. Personnel have been trained to follow the proper fuel filling and dispensing methods.

The handling of fuel drums will continue as long as the Mary River camp requires them. Fork lifts and other lifting equipment are used to pick up drums while loading them for transportation.

vi) FUEL FARM

As mentioned above, the main fuel storage area was created using flexible bladders which were filled by the tanker ship in 2007.

The Milne Inlet fuel farm consists of 74 bladders, each containing 113,560 litres. Approximately 71 of the bladders are used for storage of P-50/ diesel fuel while 3 bladders are used for aviation fuel. The as-constructed condition of the dyke and Hazgard lining and the mechanical piping within the containment area were documented in a December 2007 report.
Any fuel spills will be contained within the lined areas which can be excavated, tested and treated if necessary at the end of the bulk sampling program.

The fuel facility is equipped with dispensers consisting of electric pumps and shut-off valves. Due to the winter season, we could not visually verify the liner material below the fuel dispensing area.

An oil/water separator is located at the fuel farm. It is ready for use when the dyke area requires drainage work.

vii) PROTECTION FROM VEHICULAR TRAFFIC

The bladders and fuel drums on-site are clear of vehicle hazards when they are in the 'containment areas.'

The fuel pump/ dispensing locations are at risk, however. Physical protection/ barriers must be added in this location, to prevent a vehicle from any collision with the pump equipment or with the flexible fuel piping.

viii) AVIATION FUEL STORAGE

There are drums (205 litres each) of JET-A fuel which are on pallets, and these pallets are temporarily stacked in an area north of the fuel farm. The original shipment was 4000 drums. Some of the drums have been used during the previous six months.
The remaining pallets in this area are not yet placed in a dyke area.

ix) FIRE EXTINGUISHERS

This item falls under the general heading of fire protection. This site is equipped with portable multi-purpose dry chemical extinguishers, by "STRIKE FIRST". The rating of the extinguishers was noted as: 10A-120 B,C.

At least 2 fire extinguishers have been provided at the truck loading pad and at the fuel intake to the fuel farm.

RECOMMENDATIONS

The fuel storage facilities at Milne Inlet are subject to the following recommendations in order to reduce the risk of spills:

1. The drums of JET-A aviation fuel (205 litre size) which are not in a contained area should be moved to a safe location.

2. The bladders used in the main fuel farm should be identified with lettering and colour coding stripes to properly identify the contents of each bladder. This improvement will likely have to wait for warmer weather before it can be accomplished. Until that time, BIMC will keep a written record of the 2 types of bladders involved.

3. Vehicle barriers must be built at each position where there is a significant risk of a vehicle collision or accident. At a minimum, the main fuel dispensing pumps (east of the fuel farm) must be protected. The pumps are arranged by the side of the driveway, and they stretch approximately 12 metres long. A series of pipe-built bollards or a welded steel guard can be considered to protect the dispensers.

4. Fire extinguisher maintenance should be placed on a schedule of regular inspections (6-month intervals may be considered.) This is just to ensure that the correct charge pressure is maintained on all the extinguishers.

MARY RIVER MINING CAMP SITE

i) TYPES OF TANKS

The Mary River Camp is still under construction. New accommodations for the workers are being set-up, and this is indicated on the attached drawing C301B. Currently, this camp has one large size fuel tank: a 75,000 litre double-wall tank made by Northern Steel of Saskatchewan.

The largest number of storage containers occurs on the temporary living tents. Each tent uses a single (205 litre) fuel drum mounted outside on a rack. The drum feeds fuel by gravity through the flexible piping, to the heater in each tent.

Information of the future fuel farm will be found in part vi) below.

ii) SECONDARY CONTAINMENT

Note that the 75,000 litre tank is mounted in a dyke area with a liner, and it complies with the code. This tank will be connected to a camp main generator in the near future. Refer to appendix 2 for a site plan of the camp area.

The Mary river site has (1) area where drums of fuel (known as P-50) are stored in large quantities. This is adjacent to the large tank. The drum area is built-up with dykes and a protective liner.

The fuel drums contain mainly "Jet-A" product and P-50 for heating. The size of each drum is 205 litres. The amount of gasoline stored on-site is negligible.

The lined drum storage area was covered with snow during this site visit. Due to the winter conditions, a visual inspection of the dike area could not be completed.

On the temporary tent heating systems, there is a liner used to protect the ground below each tent fuel drum. The liner has been combined with the support rack which was constructed for each tent drum.

iii) GENERATOR FUEL SYSTEM

The small unit known as CAT-100 is out-of-service. It uses a built-in fuel tank which is double-wall type.

The CAT-500 generator operates with a double-wall tank inside a weather shelter. The engine supply tanks are less-than 1500 litres in size.

The arrangement complies with the CCME code.

iv) CLEAN-UP WORK

These resources are the same as Section 1 of this report. Baffinland staff (BIMC) have been instructed on the procedures to follow in correcting a fuel spill once it has been detected. The actions in article 8.9 of the CCME code will be followed by site personnel. As well, BIMC has the necessary forms to properly report on the nature of each spill as set out in the "Emergency Spill" procedures.

Waste material and soil which is removed after a spill must be stored and then transported to an approved waste handling facility.

v) FUEL HANDLING

The maintenance personnel at Mary River are required to re-fill the generator fuel tank frequently. This happens at least once per day. This task is done using a mobile lift truck and a portable electric pump.

This camp is much more dependent on P-50 heating oil because every one of the temporary tents is heated by an oil fired stove. There are 35 to 40 temporary structures with this type of heating.

For pumping P-50, the crew will usually load 4 fuel drums on a lift truck with the drums mounted on a wood pallet. The lift will drive slowly behind each tent. The workers will check the level in each drum visually. Filling the tent drums is done with the portable electric pump.

Fuelling procedures require full time attendance, with the trained operator in clear view of the filling hose. BIMC contractors are following standard operating procedures for transfers of fuel. Personnel have been trained to follow the proper fuel filling and dispensing methods.

The handling of fuel drums will be on-going at this camp, because of the type of operation that has been planned.

vi) FUEL FARM

The main fuel storage area for Mary River will be created using (16) flexible bladders. Refer to Mary River sketch SK-104-R0 (appendix 2) for a plan of the proposed camp.

The design of the dyke and new lining will involve multiple layers of liner material with geo-textile in combination. Construction is expected to continue in 2008 when weather permits.

Any fuel spills will be contained within the lined areas which can be excavated, tested and treated.

The fuel facility will be equipped with dispensers consisting of electric pumps and shut-off valves.

vii) PROTECTION FROM VEHICULAR TRAFFIC

The tank, bladders and fuel drums on-site are clear of vehicle hazards when they are in the 'containment areas.'

The fuel pump/ dispensing locations will be at risk after they are installed. Physical protection/ barriers must be added to prevent a vehicle from any collision with the pump equipment or with the flexible fuel piping.

viii) AVIATION FUEL STORAGE

JET-A fuel is stored in drums, within the contained area of a dyke. This area will be made to accommodate the extra JET-A drums which are transported from Milne Inlet.

ix) FIRE EXTINGUISHERS

This item falls under the general heading of fire protection. This site is equipped with portable multi-purpose dry chemical extinguishers, by "STRIKE FIRST". The rating of the extinguishers was noted as: 10A-120 B,C.

RECOMMENDATIONS

The fuel storage facilities for Mary River are subject to the following recommendations in order to reduce the risk of spills.

1. At the edge of the camp property, there are drums of waste material which was cleaned up from a fuel spill in 2007. These drums will proceed to a suitable disposal site as soon as transportation is available.

2. The temporary tents each have a rack to support the drum of fuel directly behind each tent. The wooden racks do not meet the requirements of CSA B-139, which applies to Oil-Fired Heating. Alternate racks should be designed using non-combustible material.

3. Some consideration should be made, for alternative heating in the temporary tents. The individual fuel drums are subject to significant risk of (small) fuel spills; in addition to the cost of maintaining up-to 40 heating appliances. If alternative heating is available on the site, then a conversion of those tents is strongly advised.

4. The recommendation for scheduled maintenance on the fire extinguishers is repeated for this camp. (suggest inspections on a 6-month interval)

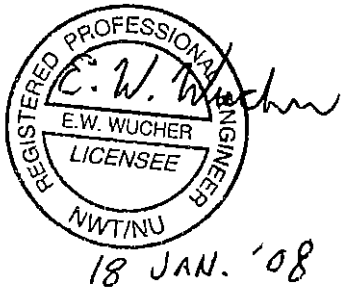
Aside from the recommendations listed (above) for Milne Inlet and Mary River, we find that the fuel storage tanks do comply with the CCME (2003) Code. Baffinland Iron Mines has constructed a number of containment areas to store the various drums of fuel which they are using. In the future, there are plans to upgrade the lined containment areas at Mary River while the site continues to be developed.

We trust this report and its recommendations will be satisfactory. It is important for BIMC to progressively reduce the risk of fuel spills at the camps. Should you have any questions, please do not hesitate to contact the undersigned for further discussion.

Yours truly,

GENIVAR/ (formerly B.H. Martin Consultants)

Egon Wucher, P.Eng.



➢ APPENDIX 1

DIGITAL PHOTOS FROM MILNE INLET and MARY RIVER.

Milne: Double-wall fuel tank for stand-by generator

Milne: Main generator

Milne Double – wall tank for main generator

Milne: Small vehicle fuel dispenser unit

Evidence of spill kit at dispenser area.

Signage in area of fuel dispenser units.

Milne: Large fuel dispenser

Milne: Oil separator unit.

Spill kit at aviation fuel dispenser.

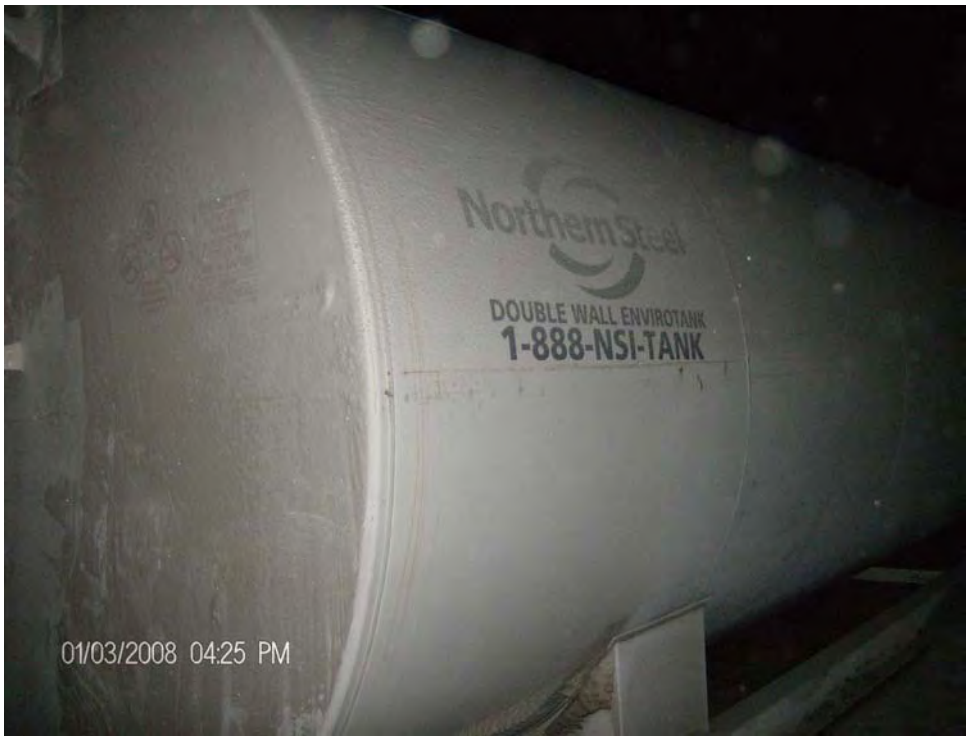
Milne: Aviation fuel dispenser

Dedicated piping for aviation fuel dispenser

Indicates (1) empty bladder where ballast is used due to wind speeds

s

Milne: Oil storage in dyke area.



Mary River: 75,000 litre tank (3 photos)

Mary River: Double-wall tank for main generator

Mary River: Fuel supply drums for weather-tents

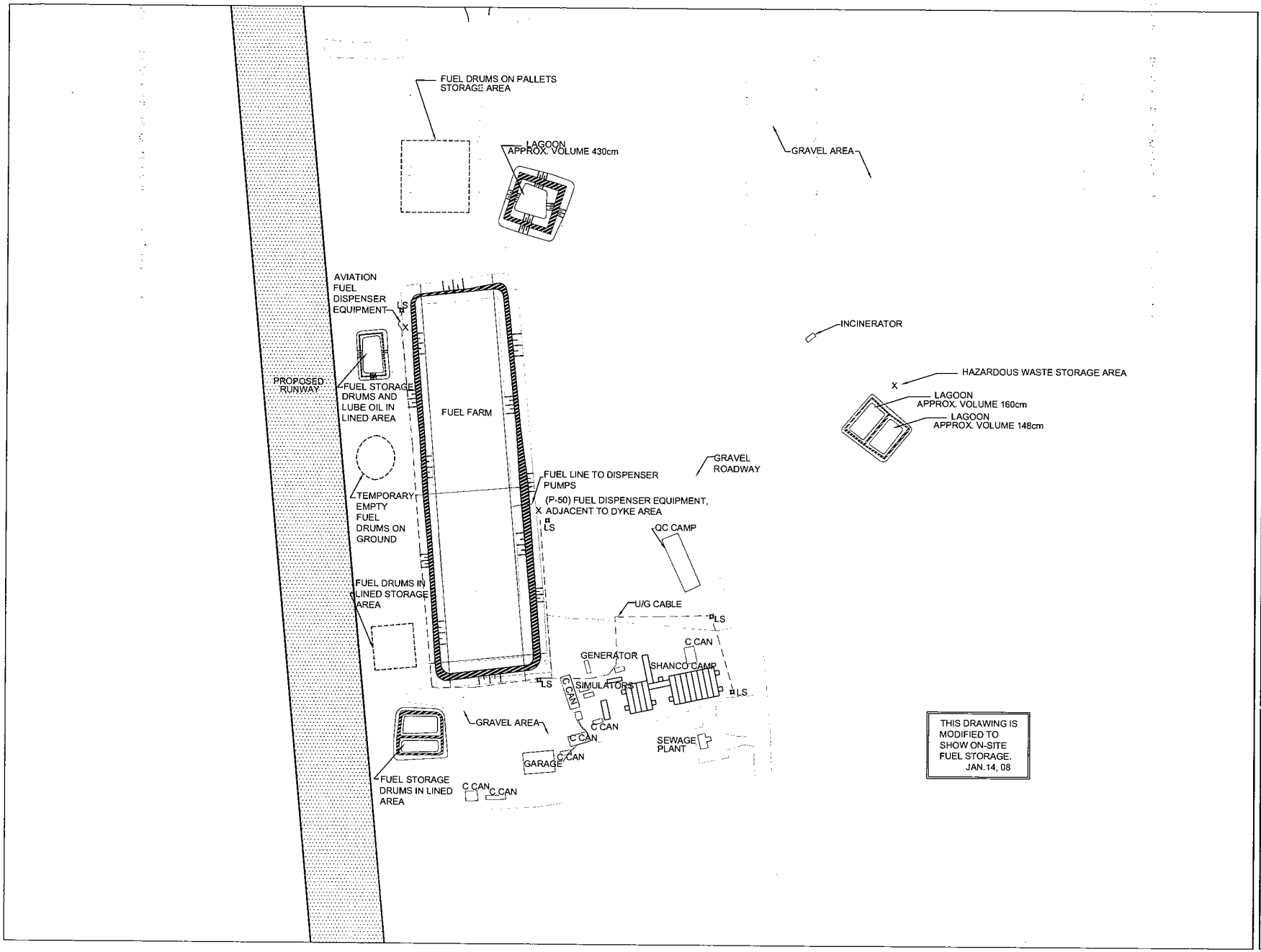
Mary River: Oil stove for weather-tents

Mary River: Catchment pan on ground, for weather-tents.

Catchment pan below fuel drum and drum support rack.

➢ APPENDIX 2

REFERENCE DRAWINGS



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MECHANICAL ELECTRICAL

Project
MILNE INLET
MARY-RIVER NUNAVUT

Drawing
AS BUILT MILNE INLET

Date	CADD File Number
JAN 2008	CIVIL/SURVM/MILNE/C101
Scale 1:1000	Job Number **07-039**
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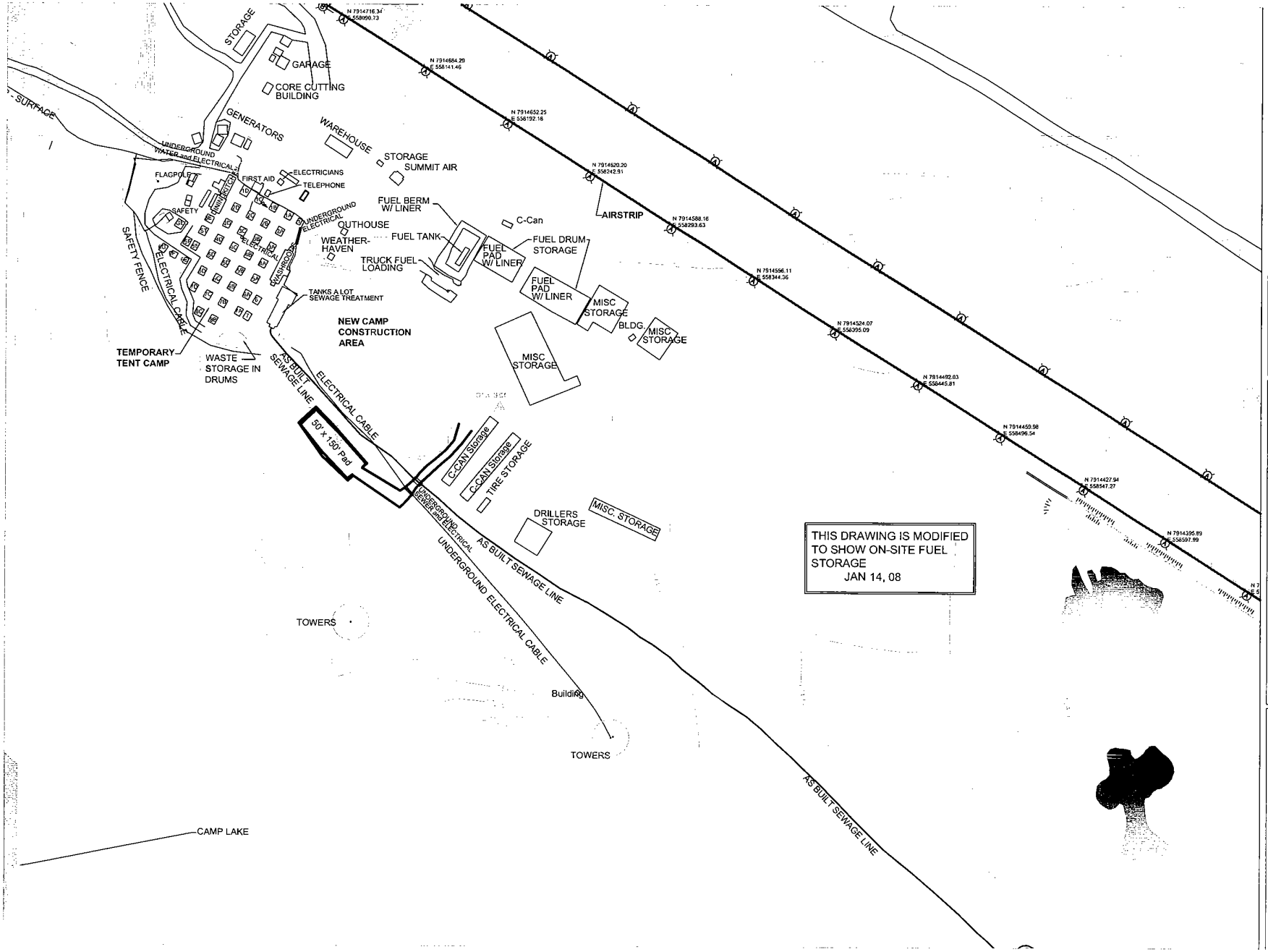
Approved	**C101**



Description	Date	No.
Revisions and Issues		

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Date Printed

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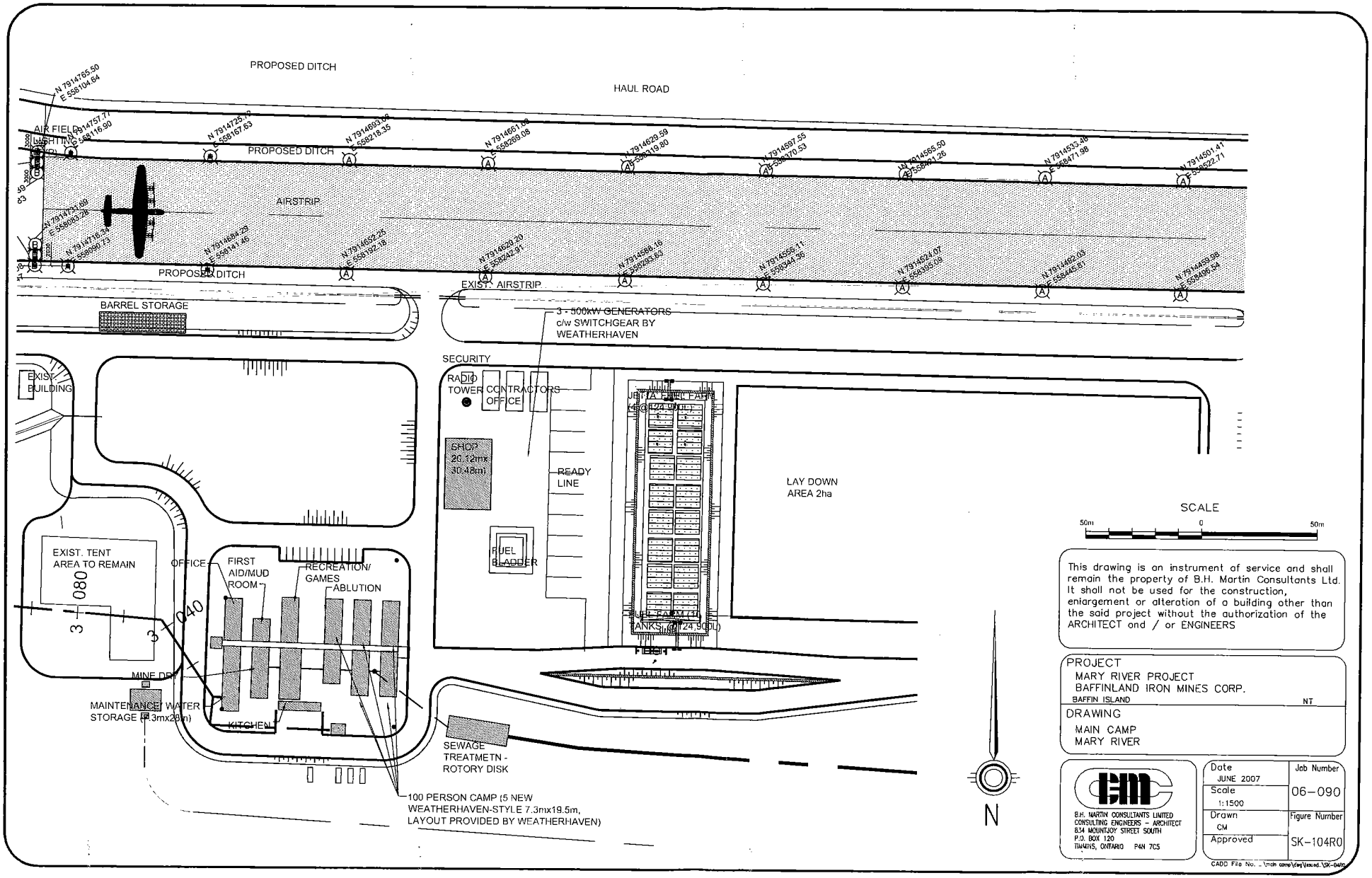
Project
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORP
BAFFIN ISLAND NUNAVUT

Drawing
MARY RIVER CAMP SITE AS CONSTRUCTED LAYOUT

Date: JAN 2008	CADD File Number: survey/sewage as built
Scale: 1:1000	Job Number: 07-039
Drawn: AB	
Checked	Drawing Number: C301B
Approved	


PROPOSED DITCH
HAUL ROAD
AIR FIELD LIGHTING
AIRSTRIP
PROPOSED DITCH
PROPOSED DITCH
EXIST. AIRSTRIP
BARREL STORAGE
3 - 500kW GENERATORS c/w SWITCHGEAR BY WEATHERHAVEN
SECURITY
EXIST. BUILDING
RADIO TOWER
CONTRACTORS OFFICE
SHOP 20.12mx 30.48m
READY LINE
FUEL BLADDER
LAY DOWN AREA 2ha
EXIST. TENT AREA TO REMAIN
OFFICE
FIRST AID/MUD ROOM
RECREATION/ GAMES
ABLUTION
MINE DRY
MAINTENANCE/ WATER STORAGE (7.3mx20m)
KITCHEN
SEWAGE TREATMETN - ROTORY DISK
100 PERSON CAMP (5 NEW WEATHERHAVEN-STYLE 7.3mx19.5m, LAYOUT PROVIDED BY WEATHERHAVEN)
N
SCALE
50m 0 50m
This drawing is an instrument of service and shall remain the property of B.H. Martin Consultants Ltd. It shall not be used for the construction, enlargement or alteration of a building other than the said project without the authorization of the ARCHITECT and / or ENGINEERS
PROJECT
MARY RIVER PROJECT
BAFFINLAND IRON MINES CORP.
BAFFIN ISLAND NT
DRAWING
MAIN CAMP
MARY RIVER
B.H. MARTIN CONSULTANTS LIMITED
CONSULTING ENGINEERS - ARCHITECT
834 MOUNTJOY STREET SOUTH
P.O. BOX 120
TIMMINS, ONTARIO P4N 7C5
Date JUNE 2007
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Approved
Job Number 06-090
Figure Number SK-104R0

Knight Piésold
CONSULTING

APPENDIX E

INSPECTION REPORTS AND BAFFINLAND RESPONSES

- INAC July 2007 Inspection Report (December 10, 2007 Letter) 21 pages
- Baffinland Response to INAC (January 10, 2007 Letter) 29 pages
- QIA November 2007 Inspection Report (December 6, 2007 Letter) 2 pages

INAC, Nunavut District
P.O. Box 2200
Qimuggjuk Building
Iqaluit, NU, X0A 0H0

Submitted Via E-Mail
Our File: 2BB-MRY0710
Was: 2BE-MRY0708
Was: NWB2MRY0406
Your File:_____
CIDM # 187997

December 10, 2007

Derek Chubb
VP Sustainable Development
1016-120 Adelaide Street West
Toronto, ON M5H 1T1
Email: Derek.chubb@baffinland.com

RE: Water License Inspection of Mary River Project July 14th, 2007

The Water Resources Officer (WRO) appreciates the assistance and cooperation provided by Mr. Derek Chubb who accompanied the Inspector during the inspection of the site.

The following report is based on observations made at the time of the inspections at the Mary River Project. A review of the terms and conditions of the water license was conducted following the Inspection.

Immediately following the inspection a Water Use Inspection Form outlining the concerns of the inspector was signed off by the parties with the Inspector.

Part A: Scope, Definitions and Enforcement

No issues were found with respect to the location of the camp as it relates to the information contained within the current license.

It is noted that the current license was issued on February 20th, 2007 and is a renewal of license NWB2MRY0406, issued originally on June 11, 2004. The Licensee submitted a request to renew and amend the license on October 6, 2006. The license expired on December 31, 2006. The Licensee is reminded that the use of water or deposit of waste without a current Water License is an offence under the Nunavut Waters and Nunavut Surface Rights Tribunals Act.

It is noted that the Camp was inspection on July 14th, 2007. Subsequent to the inspection an amendment to the existing type B license was approved by the Nunavut Water Board that modified the type of license from a BE (Exploration- Mining and Milling) to a BB (Bulk Sampling) type. This change along with an additional set of terms and conditions came into effect on July 16th, 2007. The enclosed inspection report will reference where necessary any changes to the requirements for compliance as they relate to specific issues within the report.

The license remains a Type “B” license.

Part B: General Conditions

The issues of water use fees and security were not included within the context of this inspection.

A review of the Nunavut Water Board FTP – Public Registry was conducted during the writing of this report. An annual report for the 2006 annum, completed by KNIGHT PIÉSOLD LTD was located.

This report is a requirement under the terms and conditions of the Water License. The annual report must include but should not be limited to those items listed in Section 2 (i) through (ix) of this Part. (Section 5, i-xvi under 2BB-MRY0710)

Upon review of the report it was noted that the report on file was deficient in the following;

- No mention of what the licensee is doing with the waste/ returned drill water and cuttings is included in the report. Given the total water used for drilling (9,415 Cubic meters) this is of substantial concern for the inspector.
- GPS coordinates and photographic records are not included in the body of the report.
- Specific information regarding the approved waste disposal site to where all hazardous waste, waste oil and non-combustible wastes generated on site are backhauled is not included.

The proponent is reminded that an annual report is required to be filed by March 31st 2008 for the year ending December 31st 2007. The annual report **must** include but not be limited to those items listed in Section 5 (i) through (Xvi) inclusive, of this part as well as any information required by the Inspector.

Failure to file a complete report as outlined in the license is a violation of the Act and will subject the licensee to the enforcement measures and penalties provided for under the Act.

The licensee is reminded that it is the responsibility of the licensee to ensure that any documentation submitted by the licensee to the Nunavut Water Board is acknowledged by the Manager of Licensing.

During the period of inspection the Inspector noted that flow meters had not been installed on the intake lines.

It was also noted during the inspection that Paints, solvents and other hazardous materials were stored without the proper secondary containment. This practice must be addressed by the period of the next inspection.

A review of the Nunavut Water Board FTP site was able to locate the required Site Water Management Plan which, as per section 3 of this Part was to have been submitted October 20th, 2007. An approval of the plan was not located on the FTP site and the Inspector seeks clarification from the Nunavut Water Board regarding the completeness of the plan and the acceptance of the plan by the Board.

Part C: Conditions Applying To Water Use

At the time of the inspection the licensee was allocated the use of 475 Cubic meters of water per day for all purposes.

The Licensee is reminded to ensure that the intake hoses are equipped with a screen to prevent the entrapment of fish. Samples of the potable source were collected at the time of the inspection however after three attempts to land a helicopter at the drilling site were aborted because of high winds; no samples of the drilling return were collected. It should be noted that a sump was noted down hill of the drills and that a flow of water was noted below the sump area and above the Mary River. It is unclear if this flow terminated in the river or if it was an above ground flow that terminated prior to the river.

Analytical results received by the inspector did not contain any results in excess of the Canadian Council of Ministers of the Environment (CCME) guidelines for drinking water;

An inspection of the intake system was conducted, a filter system and UV system were both present and in working order.

Part D: Conditions Applying to Waste Disposal

During the inspection of the camp the following items were noted and brought to the attention of Mr. Chubb during the period of inspection.

As per section 4 of this Part;

> Unless otherwise approved by the Board, the Licensee shall not practice open burning or on-site land filling of domestic waste..

Additionally, as per section 9 of this Part;

> Unless otherwise approved by the Board the Licensee shall dispose of all toilet wastes through incineration, chemical or composting toilets for any camp with a design population over 300 and less than 2,000 person days per year, and less than 5,000 person days per year for the life of the camp. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved waste disposal site.

During the period of Inspection, July 14, 2007 the inspector however noted the following;

- Open burning of combustible wastes – Photographed and documented
- Open burning of Human wastes – Photographed and documented
- Consolidation and stockpiling of human wastes – eventually had to be buried as per direction of Inspector because of the threat to human health.

A new incinerator was found on site during the period of inspection however it was not in use and was only just being calibrated. It is unclear how long the licensee was in the practice of open burning garbage and human wastes in barrels. It is noted that the Licensee in the 2006 annual report states the following;

> "Latrine toilets were used at the Mary River camp in 2006, and all sewage was contained in drums and incinerated prior to treatment with lime then covered with native material to maintain the natural contours of the land. Amendment 1 (Part D, Item 5) required that commercial incineration toilet systems be used at full camp capacity, however, operational difficulties were encountered with the propane-fired incineration toilet and as a result use of the latrine toilets continued throughout the season."
> *Pp2 –Waste Disposal Activities*

Given the above the Inspector seeks clarification from the Nunavut Water Board regarding the licensee's practice of open burning the Human wastes and then land filling the waste. Was an amendment application or notification of modification, as required by Section 4 of Part B submitted by the Licensee with respect to this practice? Additionally, it is noted that the locations of any trenches or Latrine pits (land filling) of the human wastes is not noted in the annual report.

The licensee is cautioned that they are to **incinerate** all combustible waste in an approved incinerator that will meet or exceed the Canada-wide Standards for Dioxins and Furans and the Canada-wide Standard for Mercury Emissions. Continued operations in this manner and in contravention of the terms and conditions of the current license will be treated as a continuing violation of the Act and will subject the licensee to the enforcement measures and penalties provided for under the Act.

As per Section 7 of this Part;

> Unless otherwise approved by the Board, the Licensee shall contain all greywater in a sump located at a distance of at least thirty (30) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created.

It was noted during the period of inspection that a large lagoon sized area had been excavated adjacent to the camp. It is unclear to the inspector if the new excavation was covered under the existing license at the time. When questioned regarding the construction of this sump and an additional Sewage Lagoon located 150 meters south and west of the camp the Inspector was informed that this was to be covered under the

new license which was still in the application stage at that time. The licensee is cautioned that all modifications to the Operations of the camp must be approved by the Nunavut Water Board prior to their construction. A review of the Nunavut water Board FTP site could not located any approval for this work to have been completed prior to the issuance of the new license. Again the licensee is cautioned that continued operations outside the existing terms and conditions of the issued license will result in enforcement actions being undertaken by the inspector and the Department of Indian and Northern Affairs on behalf of the Nunavut Water Board.

The Licensee is reminded to include in the 2007 annual report due on March 31st 2008 a list of hazardous materials shipped out of the camp, and the location of the NWB approved treatment facility, as per section 10 of this Part, to which they were sent. All of the foregoing is required information to be included in the annual report. Shipping and receiving invoices are not required so long as records are available for inspection during the 2008 inspection season.

During the review of the Nunavut Water Board FTP site correspondence between the Hamlet of Pond Inlet and Baffinland Iron Miners Corp was noted. A review of the documents to ensure compliance with Section 2 of this Part was inconclusive and the Licensee is asked to provide the appropriate approvals from the Hamlet of Pond Inlet as soon as possible. Additionally, a Design and Operations report consistent with the requirements of Section 3 of this Part was noted. Missing is an approval document from the Nunavut Water Board accepting and approving the completeness of this report. The Nunavut Water Board is asked to provide clarity on this matter.

Part E: Conditions For Camps and Access Infrastructures

No issues were noted in the Mary River Camp however the Inspector could not make it to Milne Inlet nor Steensby Inlet and these two sites still require inspection.

Part F: Conditions Applying To Drilling Operations

As noted, an inspection was not completed at the Mary River Drilling site as high winds prevented the helicopter from landing at the site. It was noted that there was present a flow of water (over land flow) below the drill sumps and traveling down hill toward Mary River. It is unclear if this ground water flow originated in the sump area.

The licensee is reminded to submit, as per Section 3 (a to e) of the is Part, in the 2007 Annual Report the results of the Geochemical analysis of the Drill core currently being generated by the drill program to determine the constituent elements of the core which may be present and may impact water.

Part G: Conditions Applying To Contingency Planning

A review of the Water Board FTP site located a 2006 Spill Response Plan which as per Section 1 of this Part is to be on site and available for use within 30 days of the issuance of the current license. The Inspector was not able to locate an approval document from the Nunavut Water Board and is unable to determine if the submitted plan is complete or has been approved by the Board.

The licensee is reminded that it is the responsibility of the licensee to ensure that any documentation submitted by the licensee to the Nunavut Water Board is acknowledged by the Manager of Licensing.

If the plan is not completed or approved by the Board, the Licensee is directed to provide, as an addendum to the 2007 Annual report due on March 31st 2008, a revised and up to date copy of the Spill Response plan which must include the items outlines in Section 1 (i through xii).

During the same review and in accordance with a review for compliance with Section 3 of this Part a report from Knight Piesold dated April 14th, 2007 was reviewed. This report notes that it is written in response to Section 3 of this Part with requires the licensee to provide, within 90 days of the issuance of the current license a report, to be approved by the Nunavut Water Board, which is appropriately qualified by an engineer registered in Nunavut and which clearly details that the requirements of the CCME guidance document "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products (2003)" have been met by the Licensee. It should be noted that this report, if submitted in April of 2007 was submitted 3 months before the current license was even issued.

The Fuel Storage Review document concludes, based on the fact that the barrels used for fuel storage at the Mary River camp do not hold in excess of 230 L the Licensee is not required to meet the terms and conditions of the guidance document. The inspector does not question this somewhat simplistic conclusion however because the scope of the report did not and does not include fuel storage at either the Milne inlet or Steenby Camps the Inspector is forced to conclude the report is incomplete.

The Licensee is directed to within 30 days of receipt of this report submit for approval to the Nunavut Water Board and the Inspector a report that includes among other things any and all fuel storage at any camp in a fixed location. This revised report must include any and all closed containers, receptacles or bladders currently in use by the licensee.

Additionally, as noted previously for other plans and submitted reports the review of the Nunavut Water Board FTP site did not locate an acceptance or approval for the above noted plan which again appears to have been written and submitted three months in advance of the issuing of the current license.

The Licensee is reminded that as per Section 6 (iii) of this Part the Licensee is required to submit a detailed report on each spill occurrence no later than 30 days following the initial event.

Part G: Conditions Applying To Abandonment And Restoration

It was noted that during the period of inspection that a clean-up of the historic waste metals including drums and machinery was on-going.

The Inspector strongly encourages the licensee to document and provide reports on any and all proactive reclamation activities undertaken by the licensee over the last year.

Part H: Conditions Applying To Monitoring Programs

As per Section 1 of this Part the Licensee is required to measure and record in cubic meters the daily quantities of water utilized for Camp operations and all purposes.

As per Section 2 of this Part the Licensee is required to adhere to the monitoring and reporting requirements contained within section 3 of Part B and Section 3 of Part F.

The Licensee is reminded that failure to comply with the terms and conditions of the issued water license constitutes an offence under the Nunavut Water and Nunavut Surface Rights Tribunals Act.

The Licensee is also required as per section 6 to provide accurate measurements of all waste hauled off site and the location, including the NWB approved location for Hazardous waste treatment.

All this information shall be included in the 2007 annual report.

Non-Compliance:

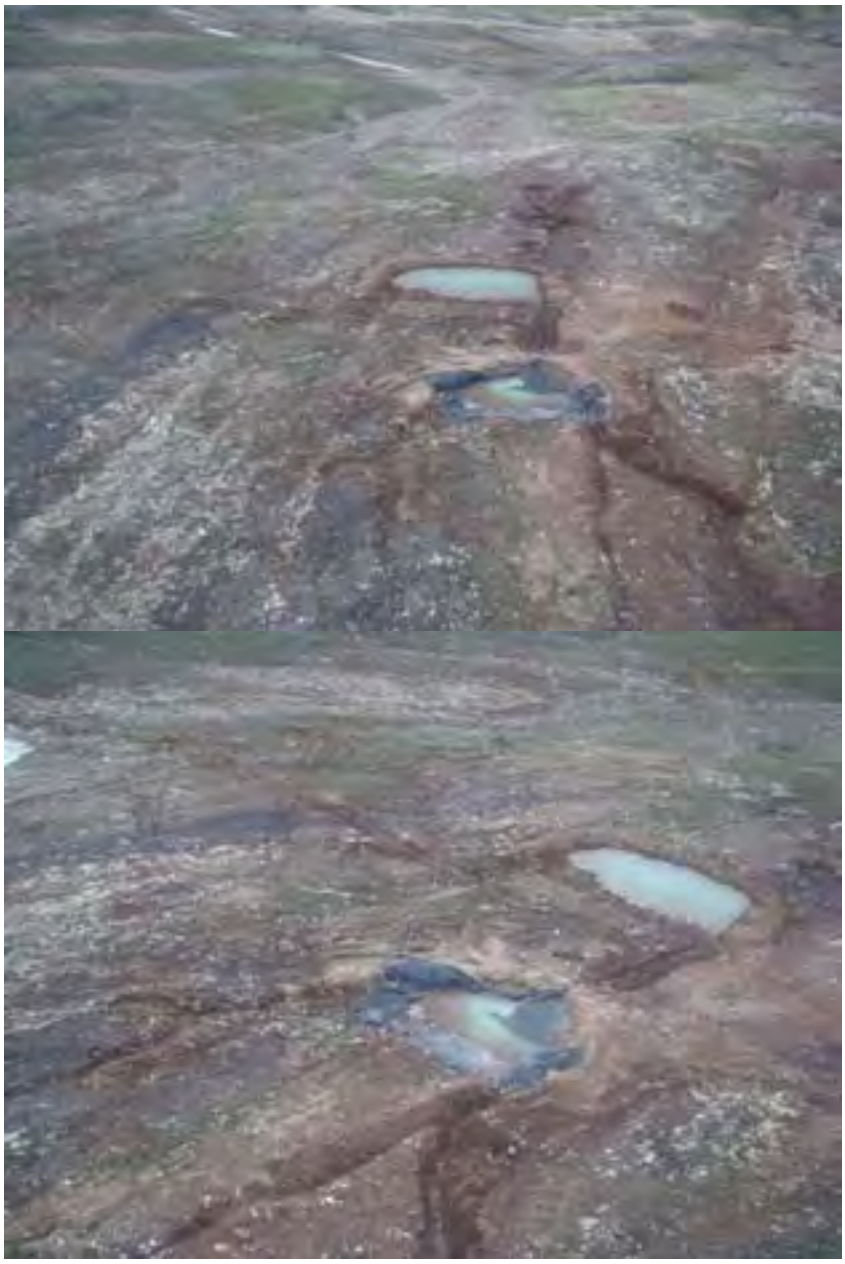
During the inspection a number of items were noted as violations of the Act and required remedial actions to be undertaken. It is noted that on August 15th an e-mail from Mr. Chubb detailing the efforts of the Licensee to address items noted during the Inspection was received.

- Open burning of garbage is to cease – Verbal direction provided on July 14th, 2007
- Stockpiling and Open Burning of Human Waste to cease- Verbal Direction in July 14th, 2007
- Location of the NWB approved treatment facility where hazardous wastes generated or marshalled on site are to be shipped- to be included in annual report.
- Installation of metering system to accurately record water use.
- Submission of a revised report on the conformity of the licensee to the CCME's "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products 2003" within 30 days of receipt of this report.
- A detailed report, including GPS coordinates and photographs, on the disposal of drill cuttings and wastes associated with drilling at the Mary River Drill site. This report is required within 30 days of receipt of this report.
- Installation of required secondary containment as outlined during the inspection
- Installation of meters on intake systems for properly and accurately recording water use volumes.
- Provide locations and quantities of all human wastes buried as per the terms of this and previous licenses. This is to be provided as an addendum to the 2007 annual report.
- Provide documentation of the approved modification or amendment from the Nunavut Water Board permitting the licensee to burn in 45 gallon drums human waste and then deposit it in a land fill location within 30 days of receipt of this report.
- Provide documentation of the approved modification or amendment from the Nunavut Water Board permitting the construction of the sump and sewage lagoon prior to the issuance of the current license within 30 days of receipt of this report.

Andrew Keim _____
Inspector's Name **Inspector's Signature**

Attached under separate cover;
Photos taken during Inspection of July 14th , 2007

Cc:
Peter Kusugak – Manager Field Operations Section- Indian and Northern Affairs Canada
Phyllis Beaulieu – Manager licensing – Nunavut Water Board



Baffinland
Iron Mines Corporation

2007 January 10

Mr. Andrew Keim
Water Resource Office
Indian and Northern Affairs Canada, Nunavut District
Qimuggjuk Building
Iqaluit, NU X0A 0H0

Re: Water License Inspection of Mary River Project July 14th, 2007-12-18

We thank you for your report dated on December 10th, 2007 for an inspection that occurred on July 14th, 2007. The purpose of this letter is to provide the information requested in the report and to respond to specific items of noted concern. Our letter is presented under the same headings as your inspection report.

Part A: Scope, Definitions, and Enforcement

Reminders have been noted.

Part B: General Conditions

Baffinland has noted concerns with respect to information contained in the 2006 water license annual report, including details as to the management of drill water and cuttings. As requested under the heading of non-compliance in your report, Baffinland has enclosed an attachment detailing the exploration drill program at Mary River for the 2007 drill season.

Since the time of the inspection, the accuracy of water use estimates has been increased through the installation of flow meters.

As discussed at the time of the inspection, Baffinland is in the process of consolidating the locations where hazardous and non-hazardous wastes are stored in preparation for backhaul and final disposal and/or recycling as appropriate. Backhaul of these wastes is planned for the summer of 2008. As a general practice, it is Baffinland's intention to store all potentially hazardous wastes, regardless of quantity in lined containment areas. That being said, there currently are wastes at the site that are not stored as such. All wastes are located remote from any surface water sources.

Part C: Conditions Applying to Water Use

Water intakes are installed with screens to prevent the entrainment of fish.

Part D: Conditions Applying to Waste Disposal

Baffinland respectfully notes that the incinerator referenced at the time of the inspection was not being calibrated. At the time of the inspection, observed was an air quality consultant that was retained to test the stack emissions from the incinerator as a means of documenting performance as it relates to Canada-wide standards. This incinerator was installed in 2006 as

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a replacement to a previous unit that had since been decommissioned. Since commencement of exploration activities in 2004, Baffinland has employed the use of a commercial incinerator.

As per Part D, Section 7 of the said water license, a sump was constructed for the management of grey water from the kitchen and wash tent facilities at the Mary River camp. The lined containment pond located south west of the camp was detailed in the design submission to the Nunavut Water Board required under Section 3 of this part. To date, there has been no discharge to date from this facility to the receiving environment, and its operation is detailed in the most recently submitted Sewage Management Plan submitted to the Nunavut Water Board in accordance with Part D, Section 13 of the now current water license 2BB-MRY0710.

In 2007, Baffinland obtained a letter from Pond Inlet acknowledging a request for the disposal of non-hazardous waste at the community landfill site and outlining the procedures for approved disposal. Information regarding all wastes disposed of off-site in 2007 will be provided as required in the annual report. A copy of the letter from the community of Pond Inlet accepting non-hazardous wastes is attached. At present time, no wastes are transported to Pond Inlet and inert materials are currently stockpiled in a specified location adjacent to the incinerator as well as the historical bulk steel area, until the on-site landfill has been constructed. Plans were submitted to the Nunavut Water Board for construction of the on-site landfill in accordance with the Water License in November 2007.

Part E: Conditions for Camps and Access Infrastructures

Noted

Part F: Conditions Applying to Drilling Operations

Noted

Part G: Conditions Applying to Contingency Planning

The current Spill Contingency Plan, dated August 17, 2007 was approved by the Nunavut Water Board under Motion 2007-14-03. Minor comments on the Plan have been addressed through distribution of an addendum letter, with intentions for the distribution of a revised plan to coincide with the timing of the 2007 Annual Report.

Baffinland notes that the letter dated April 14th, 2007 referenced in the inspection report was submitted in accordance with water license 2BE-MRY0708, requiring submission of a report within ninety (90) days of the license issuance confirming compliance with the said CCME guidance document. At the time of the report, and the inspection, Baffinland did not have bulk fuel storage systems in place. As such, this report referenced only the practice as it related to the management of barrelled fuel.

Since release of the current water license 2BB-0710 and relevant to the CCME guidance document, a bulk fuel storage system was commissioned at Milne Inlet in September 2007 and

most recently a 75,000 litre double walled fuel storage tank was installed at Mary River in December 2007. A bulk fuel storage system at Mary River is currently under construction.

In accordance with Part J, Item 4 of the now current water license 2BB-0710, an as-built report for the Milne Inlet bulk fuel storage area, dated December 9, 2007 was submitted to the Water Board. This as-built report referenced compliance with the relevant Sections of the CCME guidance document. Baffinland will be submitting as-built drawings for the systems at Mary River within ninety (90) days of commissioning, in accordance with the requirements of the water license.

As requested, Baffinland has commissioned the third party preparation of a consolidated report detailing information on any and all fuel storage in a fixed location currently in place as it relates to CCME guidance. This report will be forwarded as soon as possible.

Part G: Conditions Applying to Abandonment and Restoration

Baffinland appreciates the comments of support for ongoing efforts of Baffinland to clean-up historic waste metals found around the Mary River site. These efforts will be documented in the annual water license report to be submitted in March 2008.

Part H: Conditions Applying to Monitoring Programs

Reminders of monitoring and reporting requirements have been noted.

Non-Compliance

Response to each of the items of note is provided below. Some of these items have been discussed in previous sections of this letter.

- Open burning of garbage is to cease

  The practice of open burning regardless of waste type or volume ceased at the time of the inspection. Baffinland notes that exclusive of human waste, only wood waste that did not fit in the commercial incinerator was being burned on-site.

- Stockpiling and Open Burning of Human Waste

  At the direction of the inspector, the open burning and stockpiling of human waste ceased at the time of the inspection.

- Installation of metering system to accurately record water use

  A flow meter has been installed on the water intake pipe for the Mary River site. Truck counts are being used to record water use for the Milne Inlet camp. As of December 17, 2007 a flow meter was installed at the Milne Inlet camp and volumes are recorded and reported monthly within the SNP Monthly Report.

- Submission of a revised report of conformity to CCME "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products 2003".

  Although Baffinland believes that it has to date met the requirements of its water license regarding the submission of as-built reports for its bulk fuel storage systems, including an assessment of conformance to the above CCME document, a report has been commissioned for completion of a site-wide review of CCME conformance of existing site infrastructure. This report is expected imminently and will be forwarded to the inspector upon receipt.

- Submission of a detailed report, including GPS coordinates and photographs, on the disposal of drill cuttings and wastes associated with drilling at the Mary River Drill site.

  Report is attached as requested.

- Installation of secondary containment as outlined during the inspection.

  As stated above, it is Baffinland's practice to endeavour, as practical, to store barrel fuel, petroleum based wastes, and other potentially hazardous products within lined containment areas. A lined and bermed area at Milne Inlet has been constructed to allow the temporary storage of hazardous materials until shipment off site to an approved facility can occur in 2008. Hazardous materials will be transferred from Mary River to Milne Inlet for storage within the lined facility to ensure proper containment. Fuels and other petroleum based products stored in bulk are installed within lined containment in accordance with the stated CCME guidance document.

- Submission in the 2007 annual report the locations and quantities of human wastes buried as per the term of this and previous license.

  To be provided as part of the 2007 annual report to be submitted in March 2008.

- Documentation permitting the burning in 45 gallon drums human waste.

  Baffinland site-supervisors were provided verbal direction at some point in the 2005 season allowing the burning of open burning of latrine wastes in 45 gallon drums and subsequently burying any residual waste. Baffinland is not in possession of any formal documentation in this regard and it is uncertain as to whether it was the Nunavut Water Board, QIA, or GN inspector that provided this direction.

- Documentation permitting the construction of the sump and sewage lagoon prior to issuance of the current license.

  As stated above, the sump was constructed in accordance with Part D, Item 7 of water license 2BE-MRY0708 for the management of grey water wastes.

Baffinland
Iron Mines Corporation

As stated above, the lined pond south west of the Mary River camp was constructed as an element of the pre-engineered mechanical sewage treatment facility under Part D, Section 3 of water license 2BE-MRY0708.

Again, Baffinland appreciates the feedback provided in the inspection report. We have made note of the various items raised in this report and trust that the additional information provided meets your requests.

As stated at the time of the inspection, Baffinland is committed to a high standard of environmental performance through continuous improvement in all of its activities. Should you have any further questions, please do not hesitate to contact our Environmental Superintendent, Ms. Cheryl Wray at Cheryl.Wray@Baffinland.com or the undersigned at Derek.Chubb@Baffinland.com.

Yours sincerely,

Baffinland Iron Mines Corporation

Derek Chubb
Vice President, Sustainable Development

Cc: Cheryl Wray, Environmental Superintendent
Peter Kusugak – Indian and Northern Affairs Canada
Phyllis Beaulieu – Nunavut Water Board

Attachment

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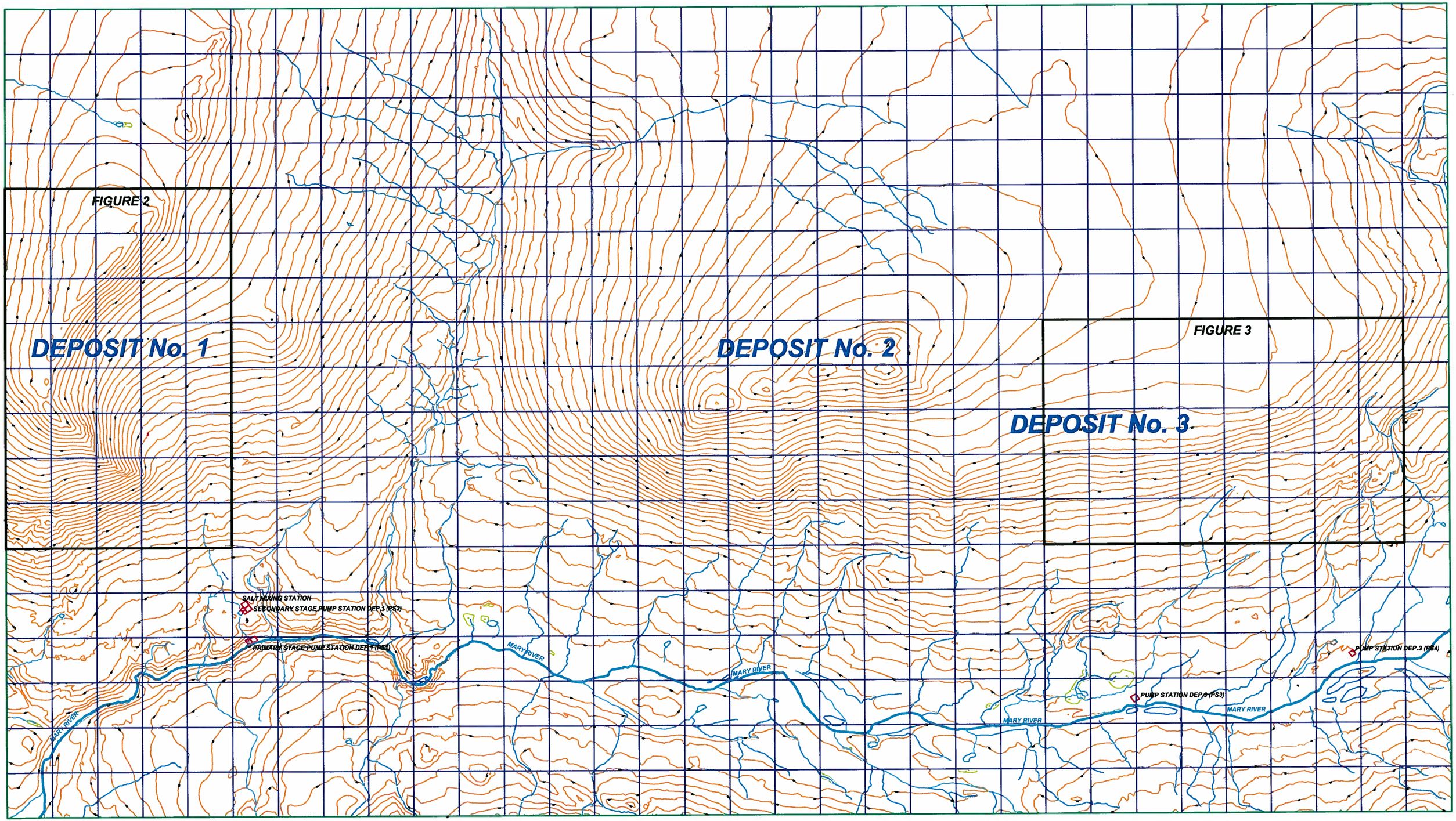
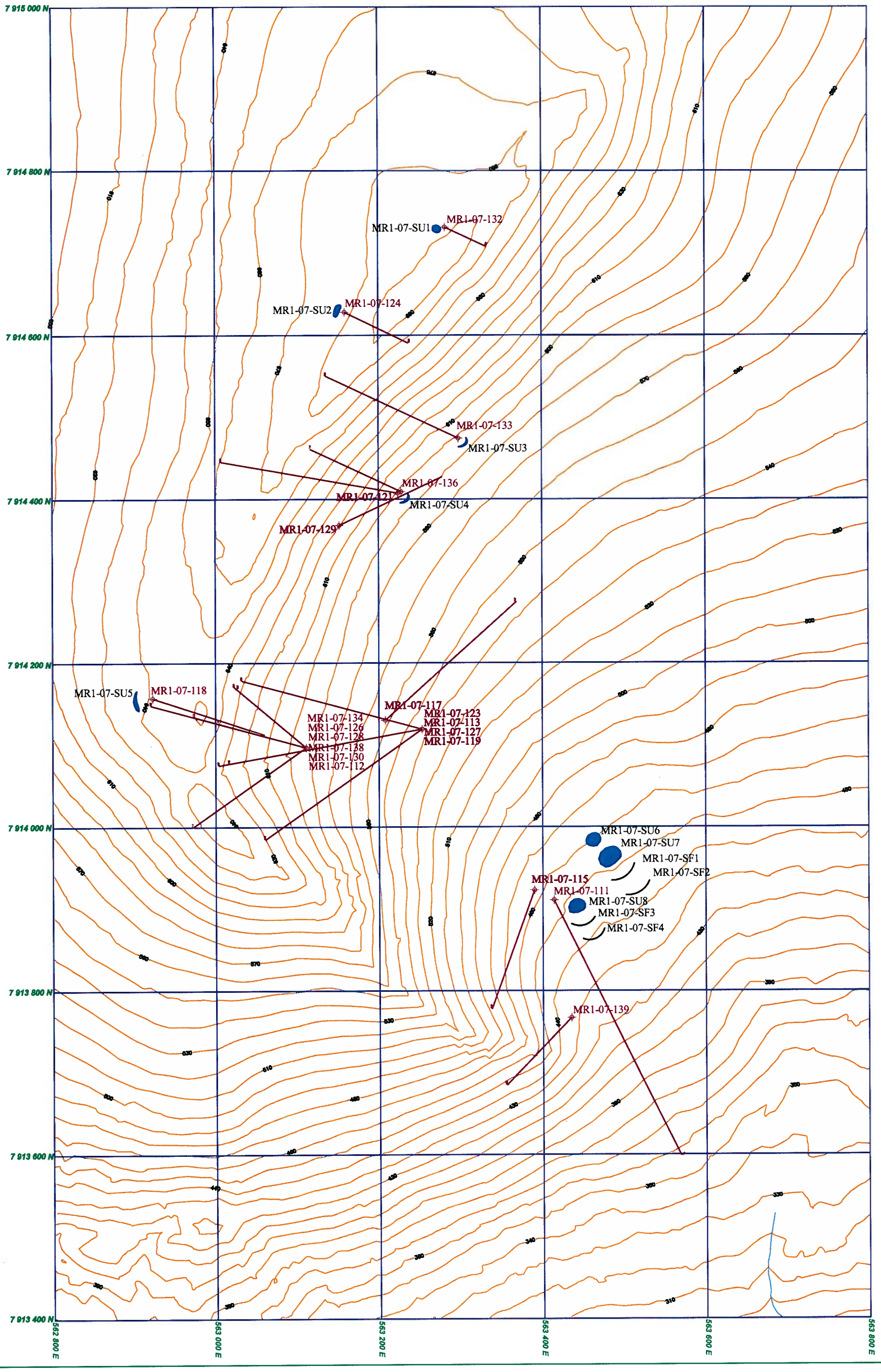


Baffinland Iron Mines Corporation

Mary River Iron Ore Deposits

Figure1: Deposit No.1,2,3 and pump locations

2007 Drilling Season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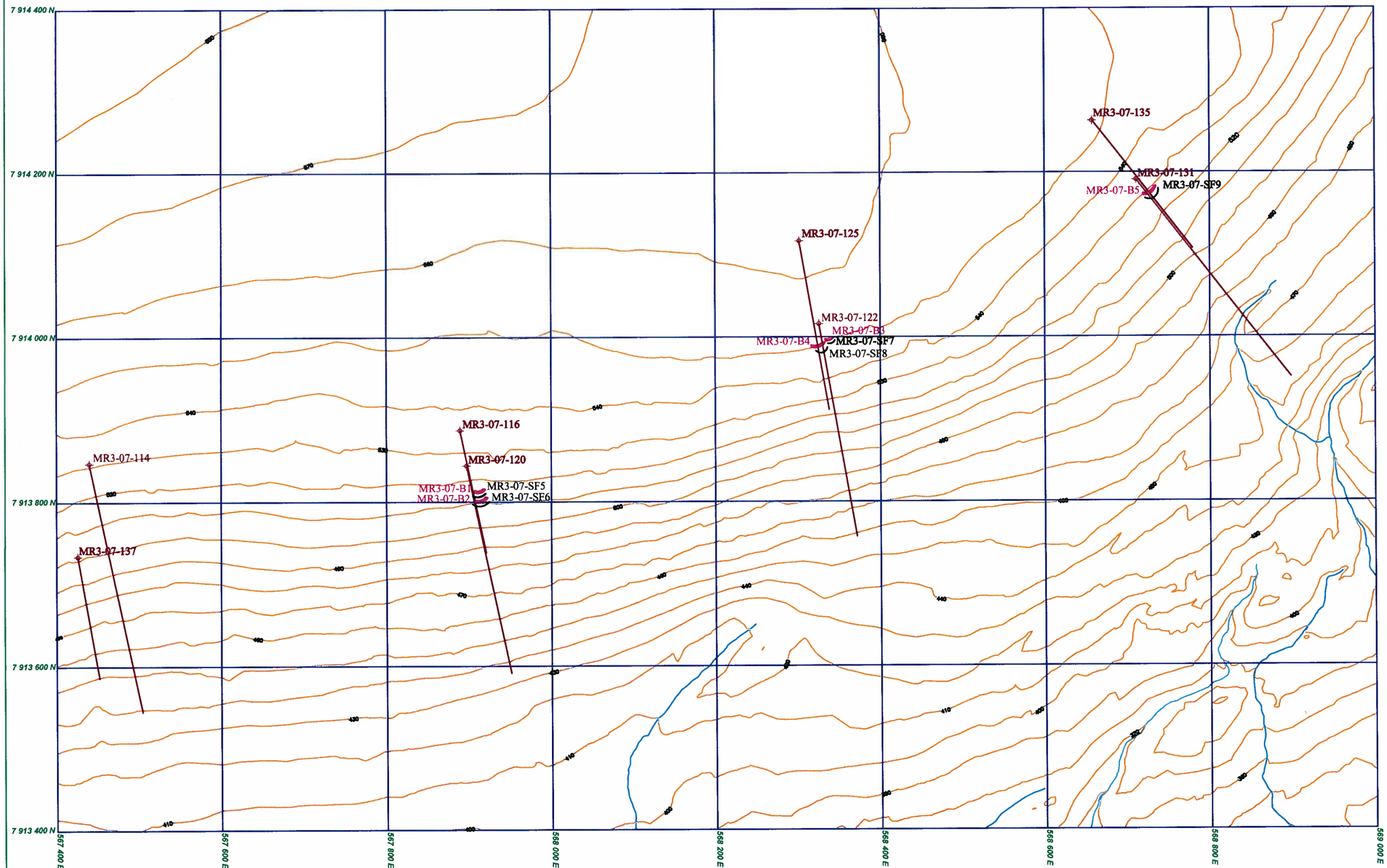
7 914 000 N
7 913 800 N
7 913 600 N
7 913 400 N
562 800 E
563 000 E
563 200 E
563 400 E
563 600 E
563 800 E
MR1-07-SU1
MR1-07-132
MR1-07-SU2
MR1-07-124
MR1-07-133
MR1-07-SU3
MR1-07-136
MR1-07-121
MR1-07-SU4
MR1-07-129
MR1-07-SU5
MR1-07-118
MR1-07-117
MR1-07-123
MR1-07-113
MR1-07-127
MR1-07-119
MR1-07-134
MR1-07-126
MR1-07-128
MR1-07-138
MR1-07-130
MR1-07-112
MR1-07-SU6
MR1-07-SU7
MR1-07-SF1
MR1-07-SF2
MR1-07-115
MR1-07-111
MR1-07-SU8
MR1-07-SF3
MR1-07-SF4
MR1-07-139
LEGEND
Topographic Contour
Drill Hole Collar
Drill Hole Trace
Sump
Fence
Stream/Drainage
Baffinland Iron Mines Corporation
Mary River Iron Ore Deposits
Figure2: Sump and silt fence locations
Deposit No.1 (2007 Drilling Season)
N
0
50
200
Metres

Baffinland Iron Mines Corporation

Mary River Iron Ore Deposits

Figure 3: Silt fence and berm locations

Deposit No.3 (2007 Drilling Season)



LEGEND

- Topographic Contour
- Drill Hole Collar
- Drill Hole Trace
- Fence
- Berm
- Stream/Drainage

N

0 50 200

Metres

Baffinland Iron Mines Corporation					
Mary River Project - Deposit No.1,2,3					
Table 1: 2007 Drill Holes Summary					
Coordinate System: Datum NAD1983 Canada; Zone 17 North					
Drill Hole #	**UTM Coordinate**		**Depth (m)**	**Date Drilling Started**	**Date Drilling Completed**
	Northing	**Easting**			
MR1-07-111	7913910	563414	401.00	17-Jun-07	30-Jun-07
MR1-07-112	7914097	563111	201.00	20-Jun-07	12-Jul-07
MR1-07-113	7914119	563253	248.00	30-Jun-07	16-Jul-07
MR3-07-114	7913847	567440	320.00	27-Jun-07	9-Jul-07
MR1-07-115	7913917	563385	292.00	2-Jul-07	9-Jul-07
MR3-07-116	7913887	567890	158.00	11-Jun-07	16-Jun-07
MR1-07-117	7914130	563208	351.00	10-Jun-07	18-Jun-07
MR1-07-118	7914157	562923	189.00	20-Jun-07	30-Jun-07
MR1-07-119	7914119	563253	243.00	18-Jun-07	28-Jun-07
MR3-07-120	7913844	567898	267.50	17-Jun-07	26-Jun-07
MR1-07-121	7914407	563224	245.00	6-Aug-07	14-Aug-07
MR3-07-122	7914016	568326	272.00	29-Jul-07	26-Aug-07
MR1-07-123	7914119	563253	236.50	30-Jun-07	10-Aug-07
MR1-07-124	7914628	563159	90.00	3-Aug-07	8-Aug-07
MR3-07-125	7914117	568302	216.00	29-Jul-07	6-Aug-07
MR1-07-126	7914097	563111	117.00	8-Aug-07	12-Aug-07
MR1-07-127	7914119	563253	265.00	12-Aug-07	21-Aug-07
MR1-07-128	7914097	563111	206.00	13-Aug-07	16-Aug-07
MR1-07-129	7914368	563152	249.50	15-Aug-07	15-Aug-07
MR1-07-130	7914097	563111	168.00	17-Aug-07	22-Aug-07
MR3-07-131	7914191	568711	316.00	23-Aug-07	29-Aug-07
MR1-07-132	7914731	563282	83.00	23-Aug-07	14-Sep-07
MR1-07-133	7914474	563298	199.00	23-Aug-07	31-Aug-07
MR1-07-134	7914097	563111	183.70	24-Aug-07	3-Sep-07
MR3-07-135	7914263	568658	205.00	30-Aug-07	2-Sep-07
MR1-07-136	7914409	563228	108.20	1-Sep-07	In Progress
MR3-07-137	7913734	567426	162.00	4-Sep-07	In Progress
MR1-07-138	7914097	563111	39.50	3-Sep-07	14-Sep-07
MR1-07-139	7913764	563435	123.00	15-Sep-07	22-Sep-07

Table 2: Sump, Silt Fence, Berm and Pump Station Locations for 2007 Drilling Season

Name	UTM location (N)	UTM location (E)	Elevation (m)	Associated drill hole(s)	Deposit #	Comments	Photo #
Sumps							
MR1-07-SU1	7914729	563272	688	MR1-07-132	1	Located near 'magnetite' pit hole	No
MR1-07-SU2	7914630	563151	678	MR1-07-124	1	Located W of 'mixed' pit hole	1, 2
MR1-07-SU3	7914468	563308	595	MR1-07-133	1	Sump located downslope and SSE of section line 450N	3
MR1-07-SU4	7914400	563236	595	MR1-07-121, MR1-07-136	1	Sump located downslope and SSE of section line 375N	4
MR1-07-SU5	7914154	562903	637	MR1-07-118	1	Located SW of 'hematite' pit hole	5,6
MR1-07-SU6	7913983	563462	460	MR1-07-112, MR1-07-113, MR1-07-119, MR1-07-123, MR1-07-126, MR1-07-127, MR1-07-128, MR1-07-130, MR1-07-134, MR1-07-138	1	Small sump located in fold axis of deposit 1 beneath (ESE) upper and lower fan pads; followed by a larger sump and two-tiers of silt fences.	7, 8, 9, 10, 11, 12, 13, 14, 18
MR1-07-SU7	7913962	563483	454		1	Larger sump located in fold axis of deposit 1 beneath (ESE) upper and lower fan pads; followed by two-tiers of silt fences.	13, 14, 15, 18
MR1-07-SU8	7913902	563442	447	MR1-07-111, MR1-07-115	1	South limb sump located downslope from MR1-07-111 and MR-07-115.	16, 17
Silt Fences							
MR1-07-SF1	7913940	563503	447	MR1-07-112, MR1-07-113, MR1-07-119, MR1-07-123, MR1-07-126, MR1-07-127, MR1-07-128, MR1-07-130, MR1-07-134, MR1-07-138	1	Located beneath sumps (SU 6+7) in axis of deposit 1 for drilling from upper and lower fan pads; two-tiered fence	14, 15
MR1-07-SF2	7913915	563517	443				
MR1-07-SF3	7913879	563451	444	MR1-07-111, MR1-07-115	1	Located beneath sump on south limb (SU8).	16, 17
MR1-07-SF4	7913862	563466	438				
MR3-07-SF5	7913807	567914	515	MR3-07-116, MR3-07-120	3	Located along section line 16.	19, 20, 21
MR3-07-SF6	7913796	567916	508				
MR3-07-SF7	7913993	568342	549	MR3-07-122, MR3-07-125	3	Located along section line 22.	22, 23
MR3-07-SF8	7913981	568330	547				
MR3-07-SF9	7914169	568733	526	MR3-07-131, MR3-07-135	3	Located along section line 28.	No
Berms							
MR3-07-B1	7913812	567914	516	MR3-07-116, MR3-07-120	3	Located along section line 16.	19, 20, 21
MR3-07-B2	7913801	567917	512				
MR3-07-B3	7913996	568338	551	MR3-07-122, MR3-07-125	3	Located along section line 22.	22
MR3-07-B4	7913988	568325	550				
MR3-07-B5	7914175	568729	528	MR3-07-131, MR3-07-135	3	Located along section line 28.	No
Pump Stations							
MR1-07-PS1	7912975	563891	233	All holes drilled at Deposit 1	1	Primary stage pump for all deposit 1 drilling.	24
MR1-07-PS2	7913118	563850	265	All holes drilled at Deposit 1	1	Secondary pump at salt mixing station for all deposit 1 drilling.	25, 26, 27, 28
MR3-07-PS3	7912695	567793	313	MR3-07-114, MR3-07-116, MR3-07-120, MR3-07-137	3	Deposit 3 pump station, main location. Active from June 23rd to July 27th and September 4th to September 15th, 2007	No
MR3-07-PS4	7912892	568762	318	MR3-07-122, MR3-07-125, MR3-07-131, MR3-07-135	3	Deposit 3 pump station, secondary location. Active from July 27th to September 4th, 2007	No

SELECT PHOTOGRAPHS

Photo 1: Sump (SU 2) at MR1-07-124 Looking NW

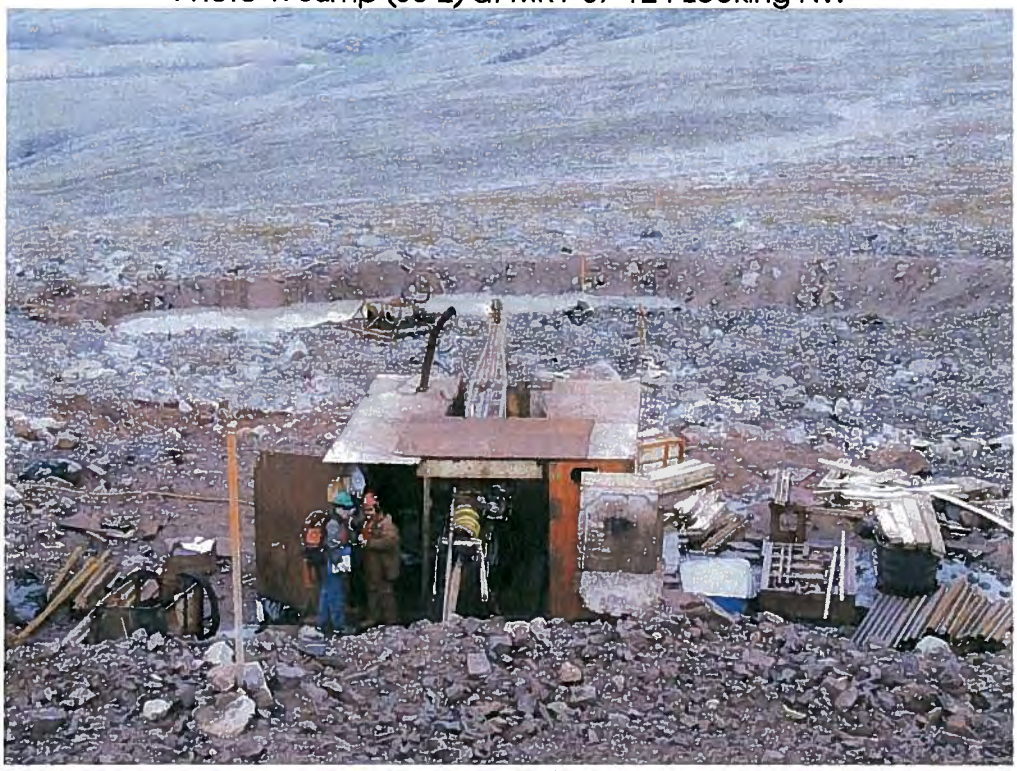


Photo 2: Sump (SU 2) at MR1-07-124 Looking W

Photo 3: Sump (SU 3) below MR1-07-133 looking S

Photo 4: Sump 4 (SU 4) below MR1-07-136 looking NE

Photo 5: Sump (SU 5) at MR1-07-118 looking NNW

Photo 6: Sump (SU 5) at MR1-07-118 Looking NW

Photo 7: Axial Sump (SU 6) ESE of MR1-07-113 pad

Photo 8: Axial sump (SU 6) for drainage from Lower and Upper fan pad sites (photo 1)

Photo 9: Axial sump (SU 6) for drainage from Lower and Upper fan pad sites (photo 2)

Photo 10: Axial sump (SU 6) for drainage from Lower and Upper fan pad sites (photo 3)

Photo 11: Axial sump (SU 6) with liner (photo 1)

Photo 12: Axial sump (SU 6) with liner (photo 2)

Photo 13: Axial sumps (SU 6+7) downslope from MR1-07-127 pad, looking SE

Photo 14: Silt fences (SF 1+2) below sumps 6 + 7 (SU 6+7)

Photo 15: Silt fences (SF 1+2) below sump 7 (SU 7)

Photo 16: Silt fences (SF 3+4) below sump 8 (SU 8)

Photo 17: Silt fences (SF 3+4) below sump 8 (SU 8) looking ESE

Photo 18: Waterline south of sumps 6 and 7 (SU 6+7)

Photo 19: Silt fences (SF 5+6) and berms (B 1+2) at MR3-07-116 and 120

Photo 20: Silt fences (SF 5+6) and berms (B 1+2) at MR3-07-116 and MR3-07-120

Photo 21: Silt fences (SF 5+6) and berms (B 1+2) at MR3-07-116 looking SSE

Photo 22: Silt fences (SF 7+8) and berms (B 3+4) at MR3-07-122 looking NNE

Photo 23: Silt fences at MR3-07-122 looking NNE (SF 7+8)

Photo 24: Primary Stage Pump (PS1)

Photo 25: Salt Mixing Station (photo 1)-PS2

Photo 26: Salt Station Mixing tub (photo 2)-PS2

Photo 27: Salt Mixing Station (photo 3)-PS2

Photo 28: Salt Mixing Station (photo 4)-PS2

CORRESPONDENCE WITH POND INLET

Hamlet of Pond Inlet,
PO Box 180, Pond Inlet, NU
X0A 0S0 (867) 899-8934
FAX (867) 899-8940

Facsimile Transmittal

To:	Derek Chubb	Fax:	1-416-364-0193
From:	Grant Scott – SAO	Date:	03/07/2007
Re:	Sewage Disposal	Pages:	1
CC:	Andrew Keim		

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Notes: Thank you, Derek, for your response to my letter of June 22, 2007.

I would appreciate your advising me a day or two prior to your disposal dates as to when you plan to make the disposals, as I would like my Foreman and me to be present.

Thank you.

Grant Scott

Interim SAO

Hamlet of Pond Inlet
P.O. Box 180
Pond Inlet, Nunavut
X0A 0S0

June 22, 2007

Derek Chubb
VP, Sustainable Development
Baffinland Iron Mines Corporation
Suite 1016 120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Chubb,

Your letter of May 15, 2007 to the Nunavut Water Board with respect to requesting approval from the Hamlet of Pond Inlet to deposit sewage and solid waste in the Municipal facilities, was discussed this week at the meeting of the Hamlet Council Executive Committee, chaired by Mayor David Qamaniq.

The Executive Committee would like assurance that there will be no hazardous material deposited into the Municipal facilities, and would like some indication of frequency of deposits and quantity of materials.

Pursuant to Hamlet bylaws, there is a charge of .024/l for sewage and $1.00 per bag of solid waste, with a monthly minimum charge of $15.00.

Sincerely,

Grant Scott
Interim Senior Administrative Officer

c. Andrew Keim, Water Resources Officer

Phone (867) 899-8934 Fax (867) 899-8940

Baffinland
Iron Mines Corporation

June 29, 2007

Grant Scott, Acting Senior Administrative Officer
Hamlet of Pond Inlet
P.O. Box 180
Pond Inlet, Nunavut X0A 0S0

Re: Use of Hamlet Landfill

Mr. Scott,

Thank you for your letter dated June 22nd, 2007 in reference to a request from Baffinland to periodically dispose of municipal solid waste to the Pond Inlet Landfill. Baffinland confirms that there will be no sewage waste or waste classified as hazardous transported to Pond Inlet for disposal. Our operations personnel estimate that on average, Baffinland may dispose of waste at a frequency of once every other week throughout the course of the year. We will track the waste deposited to landfill and report frequency and quantities to the Hamlet on a monthly basis.

Yours sincerely,

Baffinland Iron Mines Corporation

Derek Chubb
VP, Sustainable Development

Baffinland Iron Mines Corporation
Suite 1016 120 Adelaide Street West, Toronto, ON Canada M5H 1T1
Tel: +1 (416) 364-8820 • Fax: +1 (416) 364-0193
www.baffinland.com

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Qikiqtani Inuit Association

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Serving the communities of

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Cape Dorset

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Resolute Bay

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Sanikiluaq

December 6th, 2007

Cheryl Wray
Environmental Superintendent
Baffinland Iron Mines Corporation
Suite 1016, 120 Adelaide St. West
Toronto, ON M5H 1T1

via email

Cheryl,

Re: QIA Inspection Follow-up

QIA would like to thank-you and Mr. Dave McCann for accommodating our recent site visit. As a follow-up to the inspection which took place on November 21st-23rd, QIA would like to touch base with you on the following points.

<u>Project Components Viewed</u>

Milne Inlet

- Fuel Storage; Waste Oil Storage
- Heavy Equipment
- Garage
- Waste Water Treatment Facility, Sewage Spill Site and Polishing Pond
- Sealift Laydown Area
- Hazardous Waste Storage Area
- Non-hazardous Waste Storage Area
- Incinerator

Mary River

- Fuel Storage
- Heavy Equipment
- Garage
- Waste Water Treatment Facility and sewage spill site
- Incinerator
- Non-hazardous Waste Storage Piles

Road

- Road from Milne, just past kilometer 24 sea can bridge
- Drive by of Borrow Site #1

ᑎᑎᖅᑲᑎᕐᓂᖅ 1340, ᐃᖅᓗᐃᑦ, ᓄᓇᕗᑦ X0A 0H0 • ᑲᖅᓕᑲᑦ (867) 979-5391 • ᐊᑭᖅᑎᑦᓯᓄᑦ 1 800-667-2742 • ᓂᖅᑎᓯᓄᑦ (867) 979-3238 • ᖃᓚᖅᑲᓯᓄᑦ qikiqtani.nu.ca
P.O. Box 1340, Iqaluit, Nunavut, X0A 0H0 • Phone: (867) 979-5391 • Toll Free 1 800-667-2742 • Fax: (867) 979-3238 • Website: qikiqtani.nu.ca

Prior to departing the site QIA had a discussion with BIMC representatives and shared with Baffinland the photographic records from the site visit. Based on what was seen, QIA inspectors were satisfied with the operation and management of the Baffinland Project. It is worth noting that many of the planned project activities were on hold due to continued road construction. QIA looks forward to visiting the site once the road is fully operational.

Project Components Not Viewed

Road

- Entire length of road including borrow sites and all water crossings

Mining Area

- Yet to be developed

Drill Sites

- No drilling taking place during visit

Fuel Spill Site

- Visual inspection not possible due to snow cover

Our next inspection is planned to take place during active mining. We understand this is to take place during January 2008. During this inspection we may be accompanied by CLARC members, if they so desire. Should CLARC members wish to attend our inspection, we will give Baffinland prior notice so arrangements can be made to accommodate their presence. For our next inspection, it is QIA's intent to view the entire project as listed above. Should our list of project components change QIA will inform Baffinland in advance so arrangements can be made. Based on the number of project components listed and weather conditions QIA staff may need to be on-site for multiple days in order to complete a full inspection. Given the amount of organization required for the above inspection and site visit to occur, QIA expects prior planning will be required. Please feel free to contact us at any point so we can begin to firm up our plans.

We look forward to continuing our working relationship and are keen to see Baffinland as the best managed project in Nunavut. Should you wish to follow-up with QIA on any item we have raised, please feel free to contact QIA's Land Use Officers at landofficer@qia.ca or landofficer2@qia.ca.

Sincerely,

for

John Amagoalik
Director Lands and Resources

Knight Piésold CONSULTING

APPENDIX F

REVISED PLANS

F1 ABANDONMENT AND RECLAMATION PLAN
F2 SPILL CONTINGENCY PLAN
F3 BULK SAMPLING MANAGEMENT PLAN
F4 SITE WATER MANAGEMENT PLAN AND QA/QC PLAN
F5 BULK SAMPLING PROGRAM - LANDFILL DESIGN AND OPERATIONS

Knight Piésold
CONSULTING

APPENDIX F1

ABANDONMENT AND RECLAMATION PLAN

- Report 67 pages

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APPENDIX F2

SPILL CONTINGENCY PLAN

- Report 131 pages

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APPENDIX F3

BULK SAMPLING MANAGEMENT PLAN

- Report 62 pages

NB102-00181/11-3
Revision 0
March 31, 2008

Knight Piésold
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APPENDIX F4

SITE WATER MANAGEMENT PLAN AND QA/QC PLAN

- Report 146 pages

Knight Piésold
CONSULTING

APPENDIX F5

BULK SAMPLING PROGRAM - LANDFILL DESIGN AND OPERATIONS

- Report 43 pages

NB102-00181/11-3
Revision 0
March 31, 2008