

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 ຼ໑ሬጵና ΔL←ሊትና ቴ∩Lትዣ NUNAVUT IMALIRIYIN KATIMAYINGI NUNAVUT WATER BOARD OFFICE DES EAUX DU NUNAVUT

File: 2BB-MRY0710/B5

November 14, 2008

Mr. Derek Chubb V.P. Sustainable Development Baffinland Iron Mines Corporation Suite 1016, 120 Adelaide Street West Toronto, Ontario M5H 1T1

Email: derek.chubb@baffinland.com

Subject: Submitted 2007 Annual Report as per Part B, Item 5 of Licence 2BB-MRY0710

Dear Mr. Chubb,

The Nunavut Water Board ("NWB") would like to acknowledge receipt on May 13, 2008 of the above Report submitted under Part B, Item 5 of Licence 2BB-MRY0710. After an internal technical review of the Annual Report, the document was found to generally meet the requirements set out in the Licence and is hereby accepted. Comments on the Report were submitted by Environment Canada (EC) and should be reviewed by the Licensee. The 2007 Annual Report was found to contain the following issues;

- 1. The volume of water obtained at Monitoring Station MRY-3 was not provided. If no water was used then the annual report should relay that information;
- 2. On two occasions the daily volume of drilling water exceeded the maximum volume allowed in the Licence. The Licensee shall not exceed the maximum volume of water used for any purpose;
- 3. The 2007 annual report states that one truckload of sludge was removed from the treatment system at Milne Inlet. The Licensee shall report the monthly and annual quantities in cubic meters of sludge removed from the Waste Water Treatment Facilities;
- 4. The annual report shall include the Acid Rock Drainage and Metal Leaching potential for drill cores sampled as part of the geochemical analysis;
- 5. The geochemical analysis of drill cores included in the annual report shall include proof of the geochemist's accreditation in Nunavut;
- 6. The reported abandonment and restoration activities that took place during the year being reported shall include photographic records when appropriate;
- 7. All data collected as part of the Monitoring Program shall be reported. The 2007 annual report did not contain results for stations MRY-6, MRY-7, MRY-9, MRY-10, MRY-11 and MRY-12. If no discharges took place then the annual report should relay that information.

Should you have any further questions, please feel free to contact the undersigned at 867-360-6338 or by email: dbridge@nunavutwaterboard.org

Yours truly,

Deon Bridge Technical Advisor