



July 22, 2008

Ms. Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut X0B 1J0

**Re: Mary River Project  
NWB License 2BB-MRY0710  
Updated Field Geotechnical Drilling Program**

Ms. Beaulieu,

In February and June 2008, Baffinland Iron Mines Corporation (Baffinland) provided notices of commencement for its winter and summer geotechnical drilling program. At the time it was noted that the exact number and locations of drillholes are subject to adjustment based on the information obtained through the course of the program. The purpose of this submission is to provide an update on the details of these changes.

As was the case with the previous portions of the drilling program, specific requirements of the above noted license relating to the planning of the program include:

- **Part C, Items 3 and 4**, which state that streams can not be used as water sources and that water use volumes can't be used such that draw down of the water source occurs;
- **Part F, Item 1** which states that the Licensee shall not conduct any land based drilling within 30 metres of the ordinary high mark of any water body unless approved by the Board;
- **Part F, Item 2** which states that for the purpose of geotechnical investigations, drilling can be conducted within 30 metres of the high water mark of any water body, provided that the activities are consistent with the license and that a request has been submitted and received by the NWB at least ten (10) days in advance. The submission must include maps and GPS coordinates of proposed drilling activities along with planned mitigation measures;
- **Part F, Item 4** which states that drill wastes will be disposed to a sump or natural depression located at least 30 metres away from the high water mark of any adjacent water bodies;
- **Part I, Item 17** which requires submission of GPS locations of all water sources, prior to utilization.

The embedded link, <ftp://NWB:wu95hzin@ftp.knightpiesold.com/NWB>, is to a series of tables and figures summarizing the updated open water season drillhole locations. Included in these tables for the information of the NWB and the Inspector is the location of planned water sources for drilling in accordance with Part I, Item 17. The exact number and locations of drillholes are subject to continued adjustment based on the information obtained through the remainder of the program.

**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](http://www.baffinland.com)



In accordance with the intent of Part F, Item 1, planned drillholes for the open water season have been planned, to the extent possible, at locations greater than 30 metres away from the ordinary high water mark of any adjacent water body. There are an additional twelve (12) drillholes planned at locations closer than 30 metres from the high water mark of adjacent waters. Mitigating measures as required under Part F, Item 2 are provided in the attached drilling standard.

Water sources to support drilling operations have been selected in concordance with Part C, Items 3 and 4 of the water license. Streams have not been selected as water sources and a desktop threshold of 5% maximum water withdrawal has been used to guide water source selection. The location of water sources is provided in the tables and figures referenced above.

Should you have any comments or concerns, please do not hesitate to contact the undersigned.

Best Regards,

**Baffinland Iron Mines Corporation**

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a cursive 'C' and a small dot.

Derek Chubb  
VP, Sustainable Development

Cc: Andrew Keim, Water Resources Officer

Attachment

**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](http://www.baffinland.com)