

December 18, 2007

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

**Re: Type B Water License #2BB-MRY0710
Mary River Project
Part D, Item 20 – Bulk Sample Management Plan**

Ms. Beaulieu

On October 24, 2007, Baffinland Iron Mines Corporation (Baffinland) submitted the above noted plan to address the management and monitoring of the ore and wastes generated through the development of the bulk iron ore sample from Deposit Number 1. This plan highlighted the negligible risk for metal leaching and acid rock drainage from the shallow bulk sample pits, the temporary ore stockpiles and the weathered ore stockpile that may be created as a result of accessing fresh mineralized ore. It was further noted that although not material to the management and monitoring plan, the final location of the bulk sample pits was subject to change.

Since the October 24, 2007 submission, Baffinland has finalized the Deposit Number 1 location from which the bulk sample will be extracted. The purpose of this letter is to provide the Nunavut Water Board with the finalized bulk sample pit location.

In finalization of the pit location, Baffinland has integrated the most recent results of the ongoing exploration drilling program into an evaluation aimed in ensuring that the program will generate a bulk sample that is most representative of the ore that can be anticipated to be generated from full scale development of this deposit. Through this evaluation, it has been determined that one (1) instead of two distinct (2) sample pits will be developed. The location of this single pit is in the same general area of Deposit Number 1 and as a result, pit access, drainage, and the weathered ore/waste stockpile location do not materially change. The location of the bulk sample pit and approximate run-off sampling location (MRY-09) is shown on the attached figure. With a single pit configuration, MRY-08 will not be established.

	Preliminary Plan	Finalized Plan
Pits	2 pits; approximately 15m deep	1 pit approximately 20m deep
Bulk Sample	254,000 t ore for shipment	250,000 t ore for shipment
Weathered Ore	169,000 t weathered ore stockpile	154,000 t weathered ore stockpile
Waste Rock	10,180 t waste rock	6,600 t waste rock

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



Should you have any comments or concerns, please do not hesitate to contact the undersigned at 416-814-3171 or Derek.chubb@baffinland.com.

Best Regards,

Baffinland Iron Mines Corporation

A handwritten signature in blue ink, consisting of a stylized 'D' and 'C'.

Derek Chubb
VP, Sustainable Development

Cc:

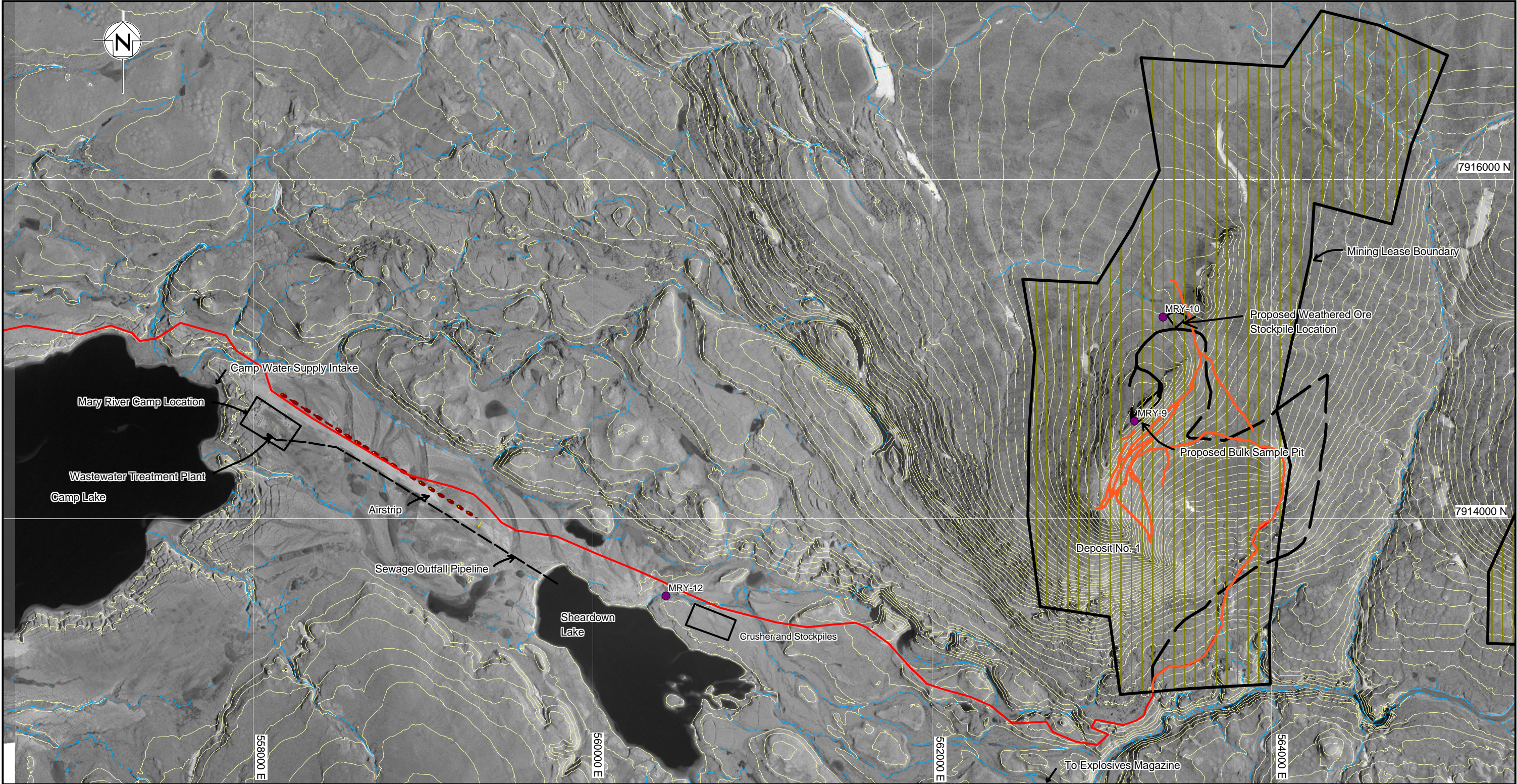
Andrew Keim, Water license Inspector
John Amagoalik, Qikiqtani Inuit Association

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



- LEGEND:**
- Existing Tote Road
 - Existing Trails for Drills
 - Proposed Pit / Stockpile Road
 - Mining Lease Boundary
 - Proposed Water Quality Monitoring Locations for Bulk Sampling Program

- NOTES:**
- Air photos and topography provided by Eagle Mapping (2005).
 - Contour interval is 10 metres and was provided by Eagle Mapping.
 - Coordinate grid is shown in UTM (NAD83) Zone 17 and is in metres.
 - Mining lease boundaries from Indian and Northern Affairs (2006).



MARY RIVER PROJECT			
MARY RIVER AREA			
	P/A NO. NB102-00181/10	REF. NB07-00915	REV. 1
	FIGURE 2		