

April 9, 2008

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 J, Item 1 – Modification to Waste Disposal Facilities
Request for Board Approval**

Ms. Beaulieu

In a recent letter dated March 31st, 2008, Baffinland provided to the Board an update on the current status of operations related to the management of sewage waste as described in Section D of the above noted license. Baffinland explained that the capacity of the polishing/waste stabilization ponds constructed at the Milne Inlet and Mary River camps as a process element and contingency measure for the treatment of sewage during periods of start-up and/or facility upset were essentially full.

Effluent from the facility at Mary River is currently being discharged to the existing polishing/waste stabilization pond whereas effluent from the facility at Milne Inlet is being discharged to the environment via a receiving ditch as designed. The manufacturer of the rotating biological contactor (RBC) facilities suggests that ramp-up of the plant at Mary River may take up to 3 weeks for discharge to meet the average BOD, TSS and faecal coliform limits of the license and another 3 weeks for design levels of nutrient removal to be reached. Effluent from the Milne Inlet facility is currently being discharged to the receiving ditch; most recent analytical and field sampling indicates that the effluent quality from the facility is in accordance with average license limits. Baffinland and the equipment manufacturer are working closely together to ensure optimal start-up and operation of these facilities.

Through this submission, Baffinland formally requests of the Board approval for a modification to the existing Waste Disposal Facilities at Milne Inlet and Mary River camps under Part J, Item 1 of 2BB-MRY0710. Baffinland proposes to increase temporary pond capacity through the provision of an additional two-cell pond at the Mary River camp and a single cell pond at the Milne Inlet camp. Design of this lined pond space is provided on attached drawings C701, C702, C801 and C802 stamped by a Professional Engineer licensed to practice in Nunavut.

The first of the two cells proposed for Mary River will be put into operation immediately upon approval and is intended for the temporary storage of treated effluent during the continued ramp-up of the sewage treatment facility as a preferred alternative to the discharge to the Sheardown

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Lake ice surface during this interim period where average effluent quality requirements have not yet been reached. In order to avoid discharge of this effluent to Sheardown Lake, additional pond space will be required within the next 4-6 weeks, in any event prior to the beginning of spring melt. Prior to the availability of the new pond space, ice from the existing pond will need to be temporarily removed and stockpiled to the satisfaction of the Inspector in order to create space for the continued discharge of liquid effluent.

The 2nd cell at the Mary River camp and the single pond cell at the Milne camp are intended to provide further contingency in the event that pond space is not available to accept treated effluent during on-going operations due to system upsets during which average effluent requirements may not be consistently met. These ponds are identified as further contingency and may not be required depending on realized performance of the rotating biological contactors. However, Baffinland seeks approval to construct these ponds in the event they are indeed required.

Baffinland notes that under Part J, Item 1 the Board may take up to 60 days to review this request for a modification. **We respectfully request an earlier decision given the urgency in having lined pond availability at Mary River in place prior to the initiation of spring melt.** Please note that the landowner, the QIA, has endorsed the required land disturbance associated with this modification.

Should you have any questions, please do not hesitate to contact the undersigned at (416) 844-0903.

Best Regards,

Baffinland Iron Mines Corporation

A handwritten signature in blue ink, appearing to read "Derek Chubb", with a small dot to the right.

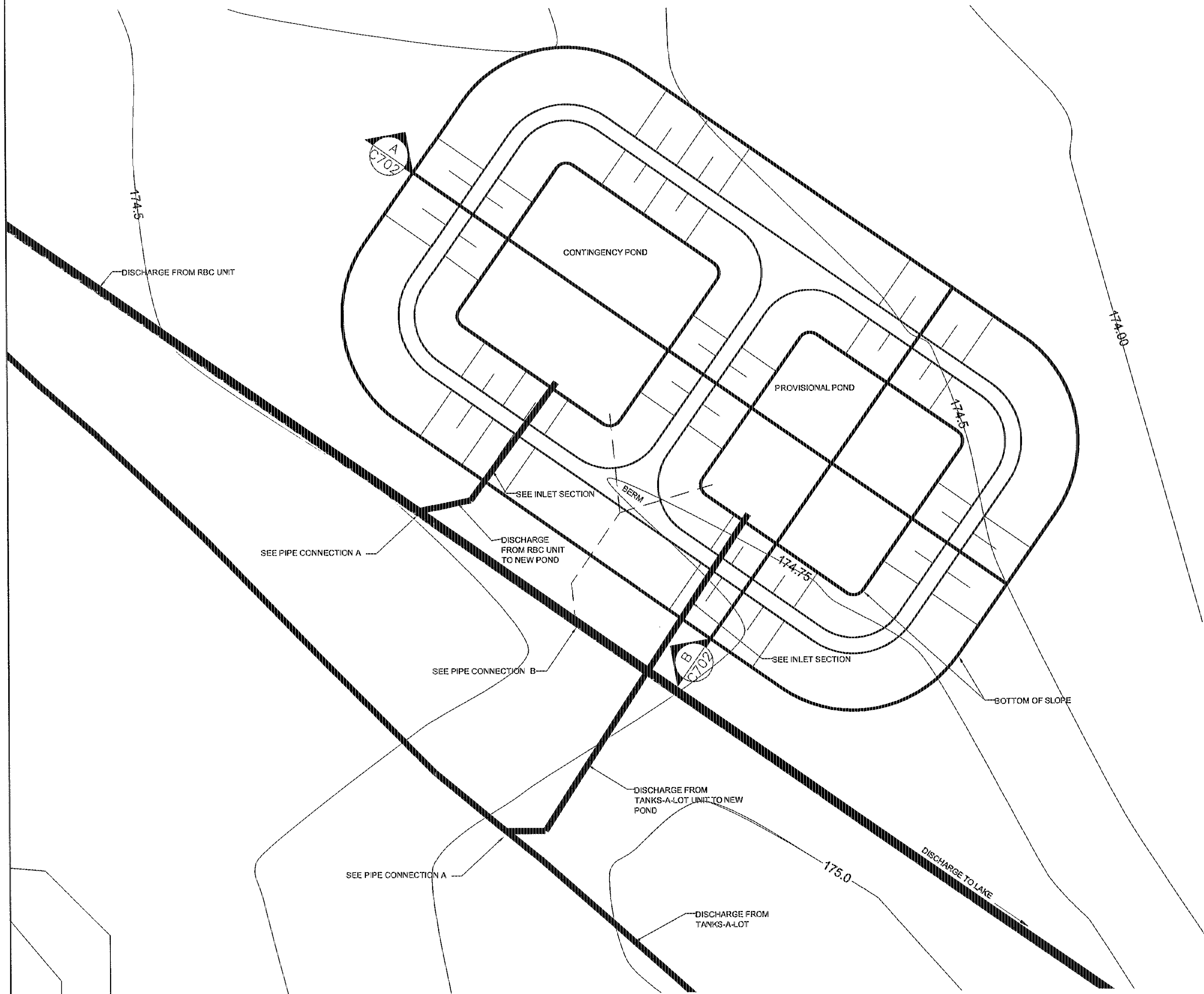
Derek Chubb
VP, Sustainable Development

Cc:

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

PWSP PLAN VIEW

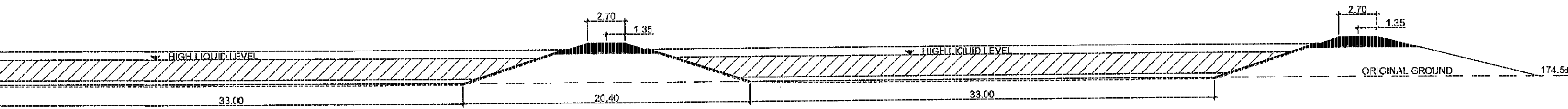
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SECTION

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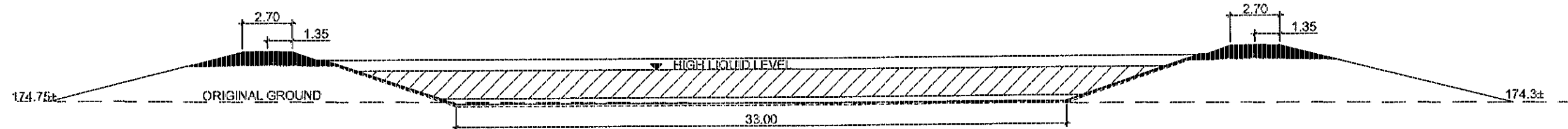
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C702



SECTION

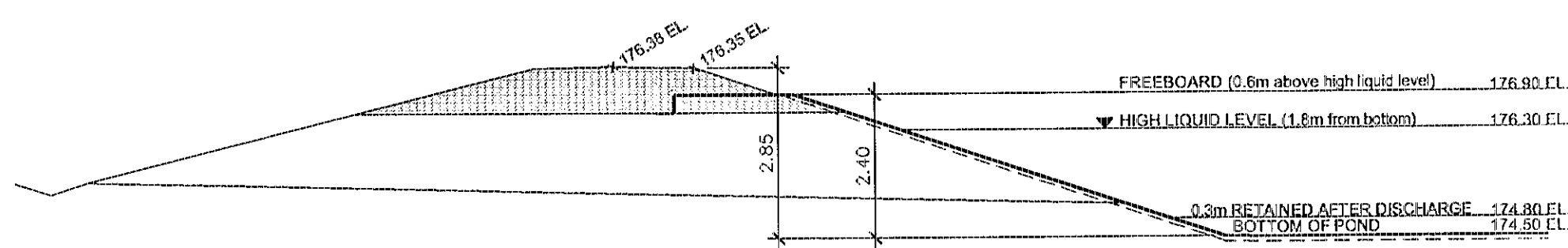
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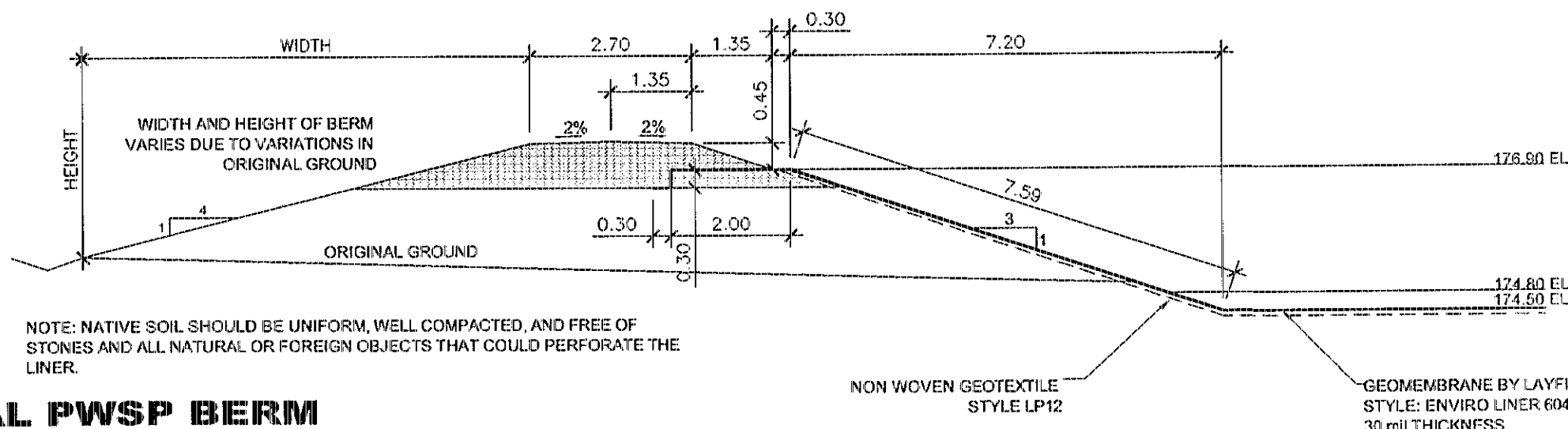
TYPICAL PWSP BERM ELEVATIONS

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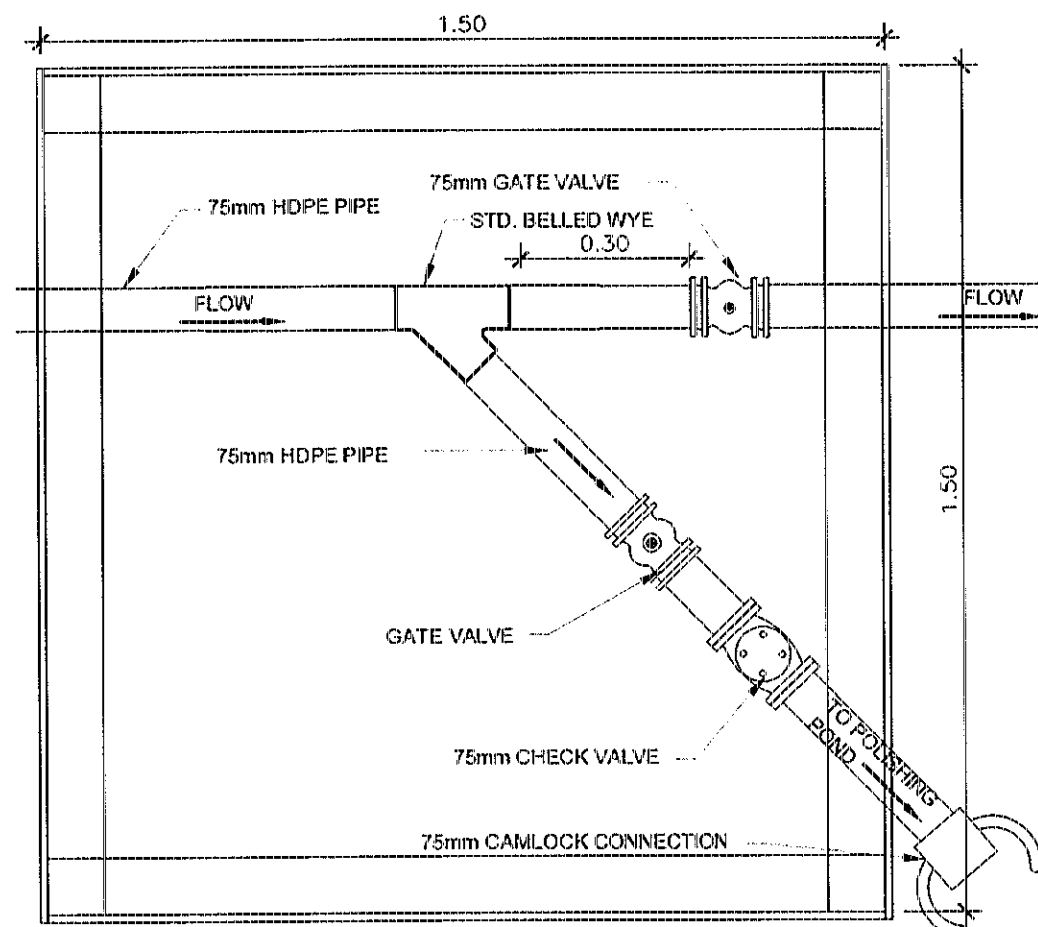
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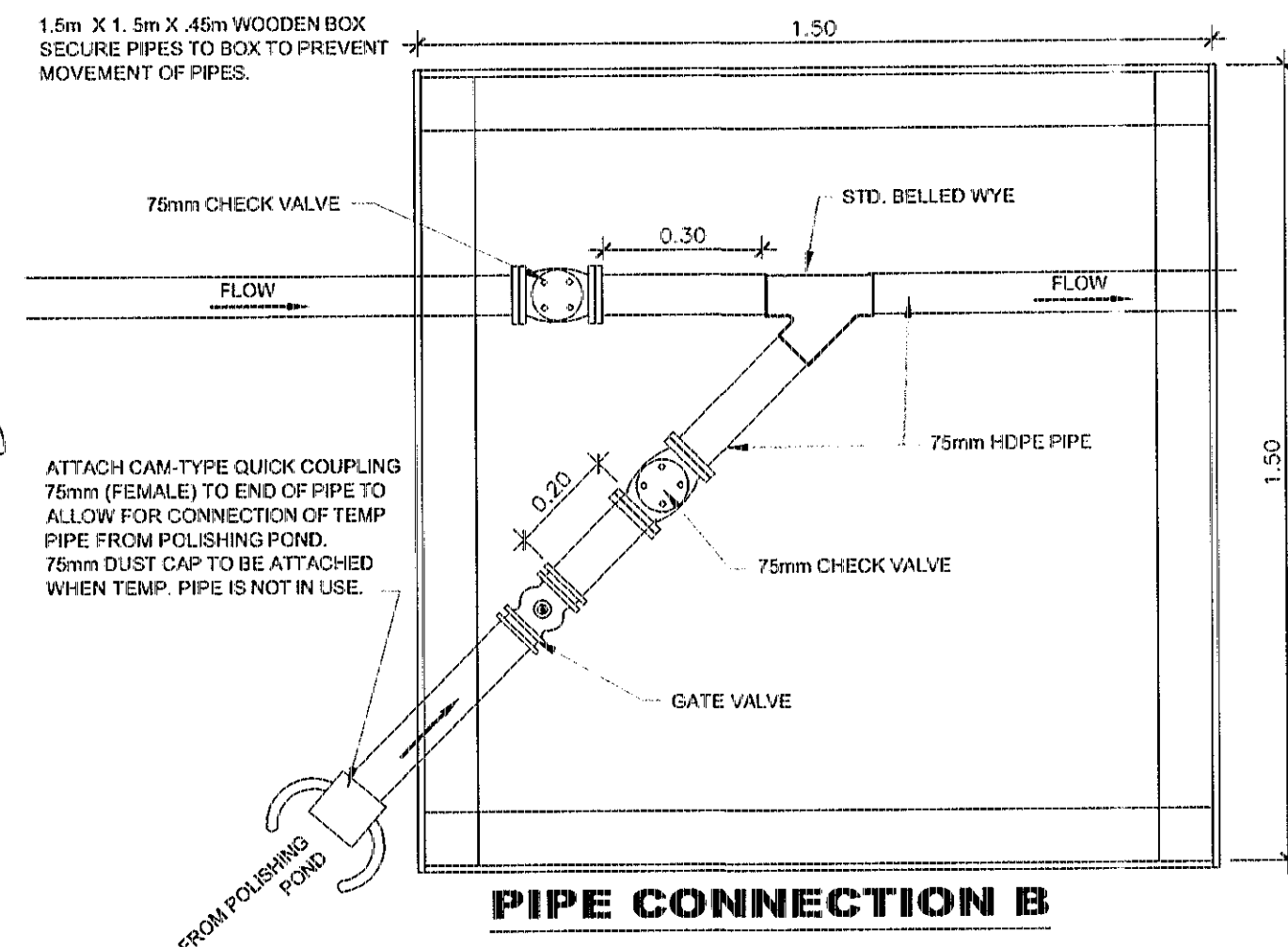


INLET SECTION

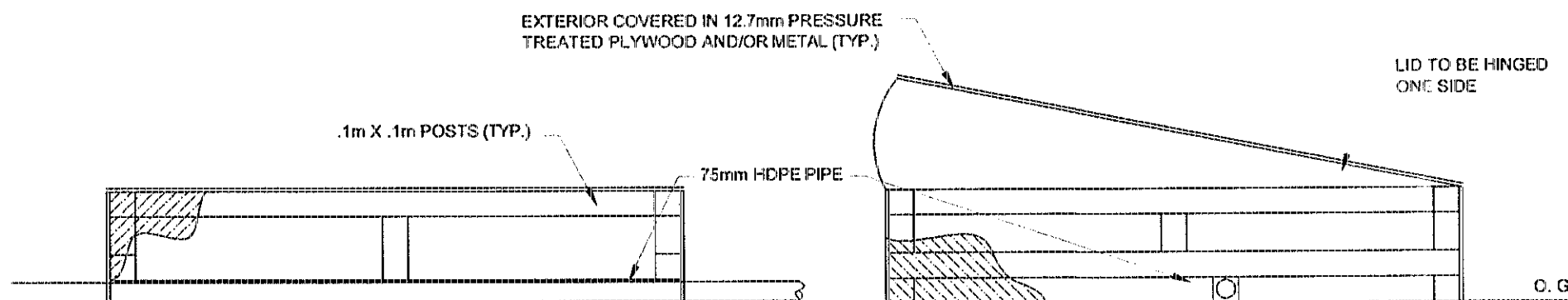
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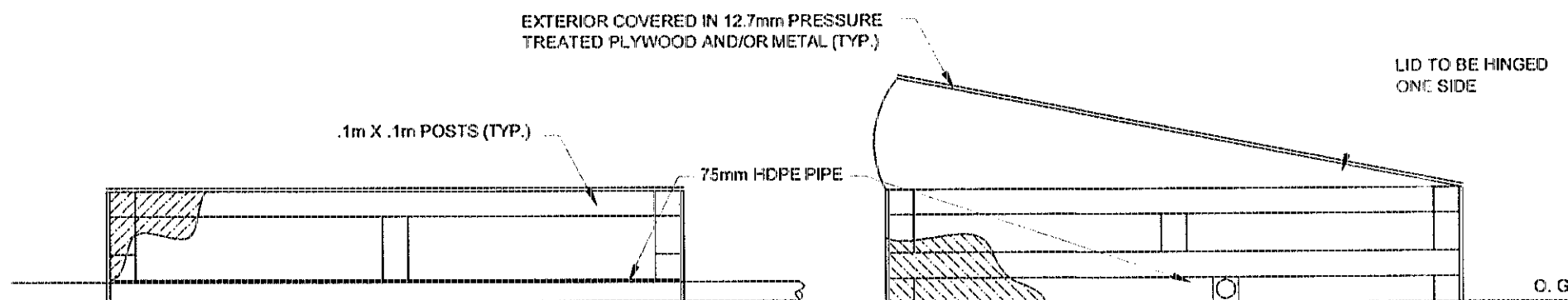
PIPE CONNECTION A



PIPE CONNECTION B



PIPE CONNECTION PROTECTION BOX

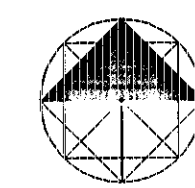


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Drawings shall not be scaled.

Description	Date	No.
Revisions and Issues		



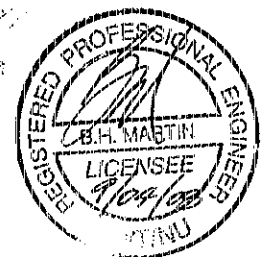
NORTH

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MECHANICAL ELECTRICAL

Project

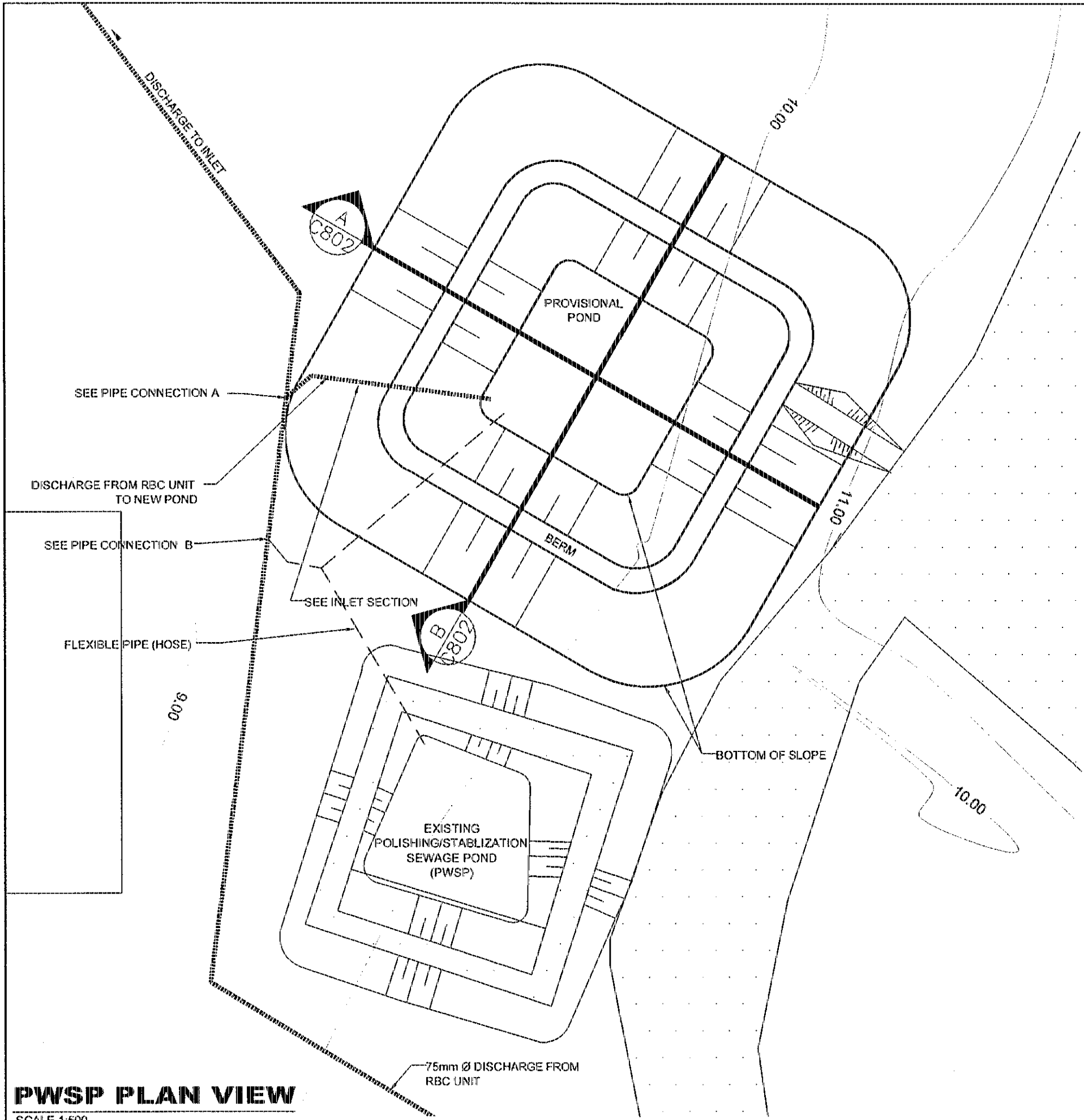
MARY RIVER PROJECT
BAFFIN LAND IRON
MINES CORP

BAFFIN ISLAND NUNAVUT

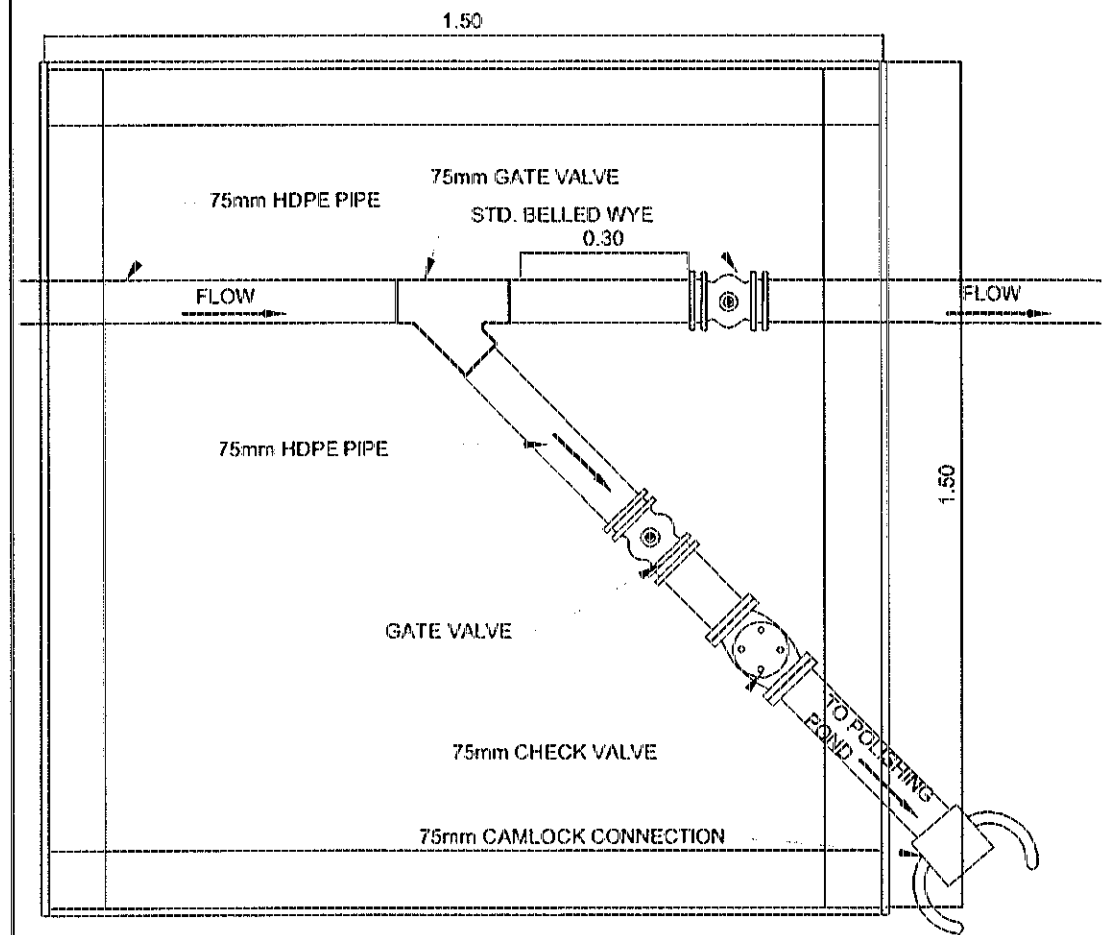
Drawing

MARY RIVER
PWSP #2
PLAN/PROFILE

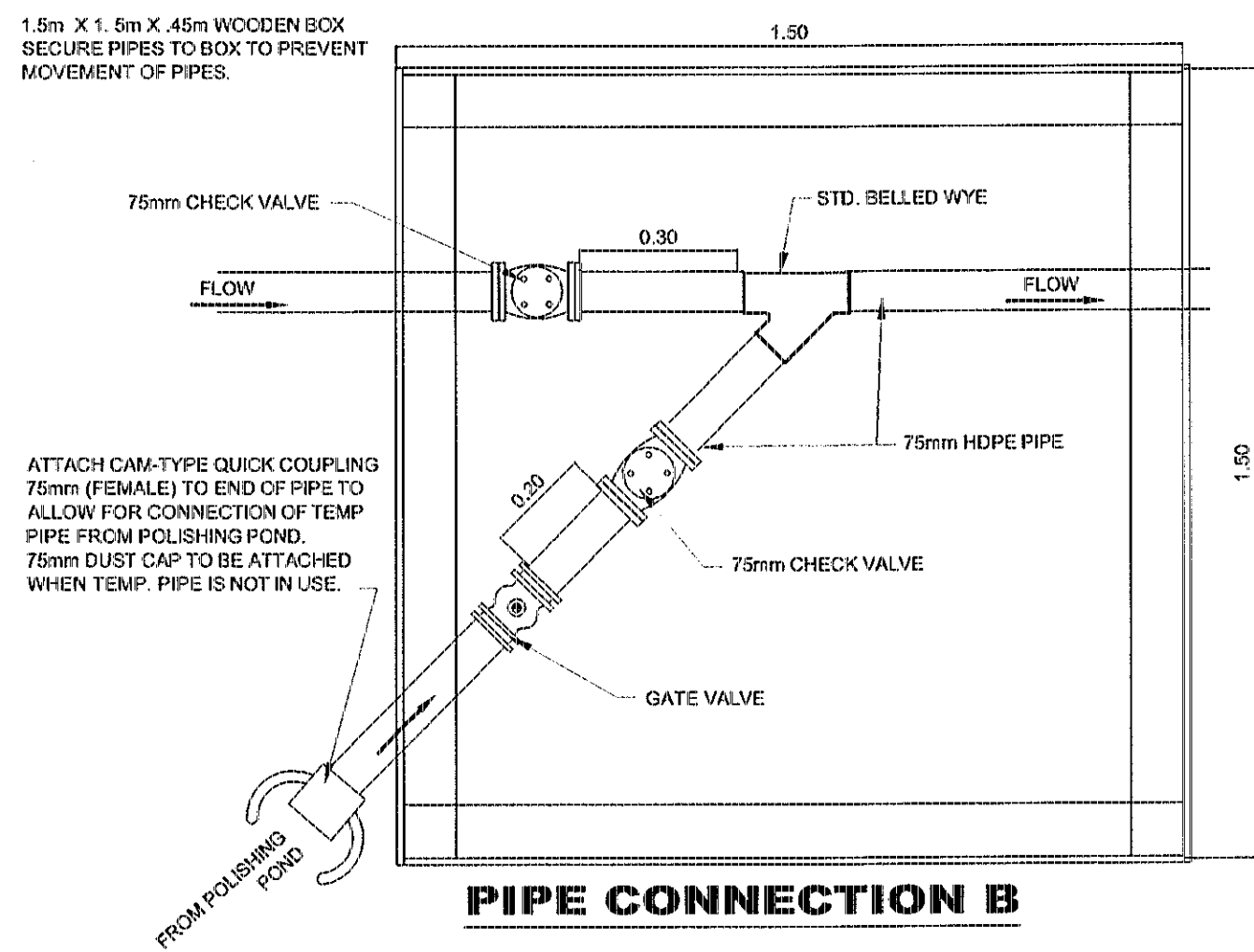
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Scale	AS NOTED	Job Number	06-090
Drawn	AB	Drawing Number	C702
Checked	BM		
Approved	BM		



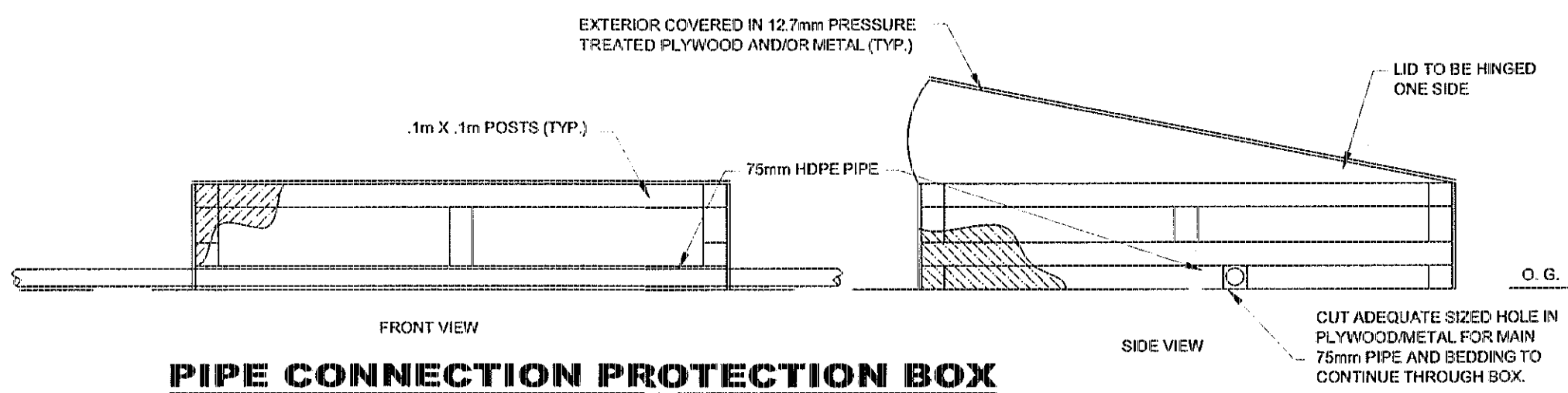
PWSP PLAN VIEW
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PIPE CONNECTION A

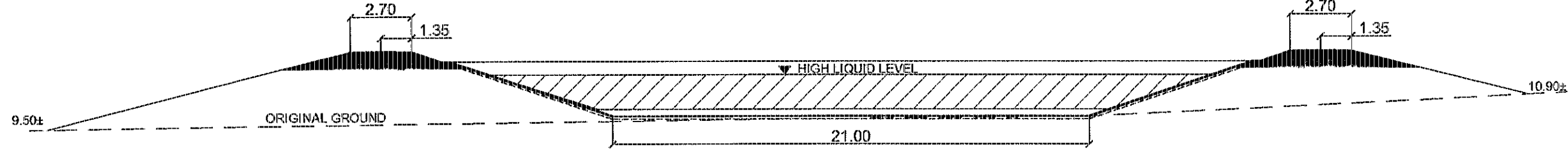


PIPE CONNECTION B

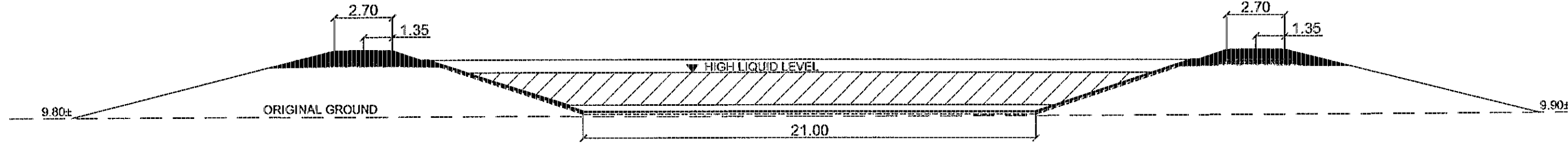


PIPE CONNECTION PROTECTION BOX

SECTION A
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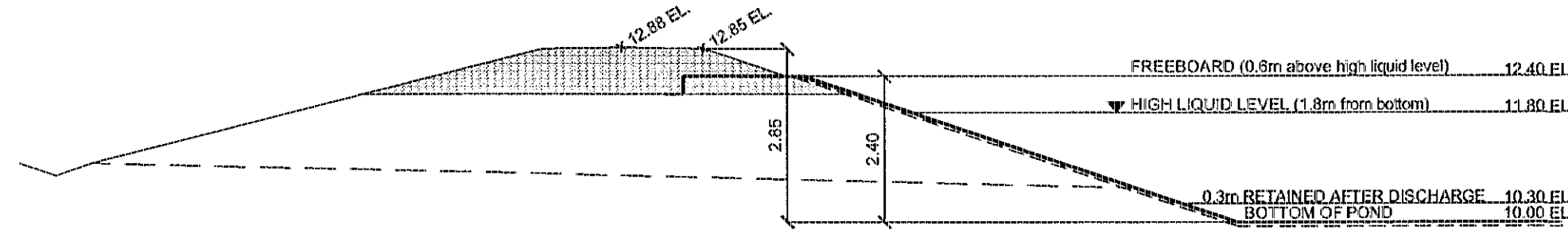


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SCALE 1:200



TYPICAL PWSP BERM ELEVATIONS

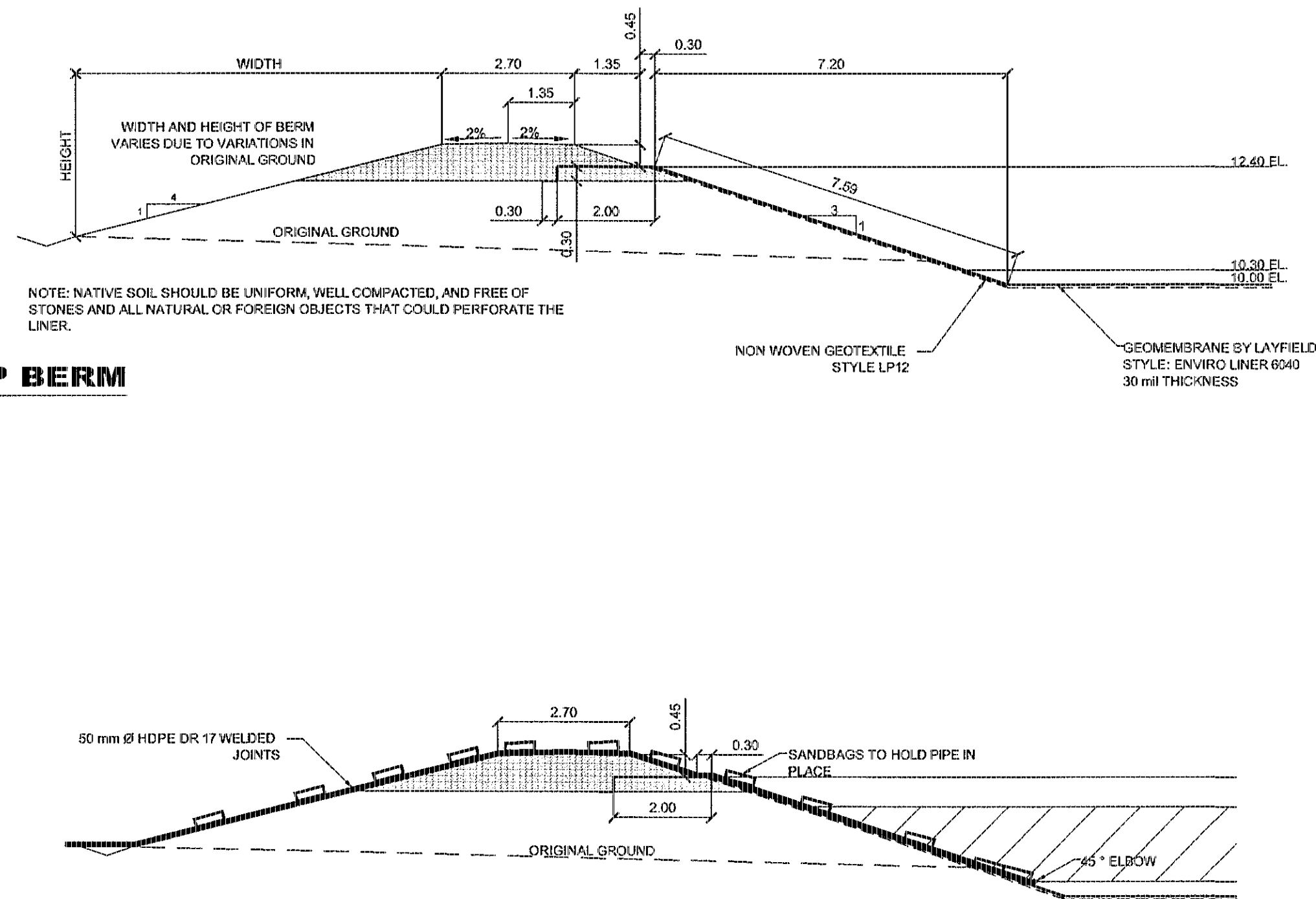
SCALE 1:100



NOTE: NATIVE SOIL SHOULD BE UNIFORM, WELL COMPACTED, AND FREE OF STONES AND ALL NATURAL OR FOREIGN OBJECTS THAT COULD PERFORATE THE LINER.

TYPICAL PWSP BERM

SCALE 1:100



INLET SECTION

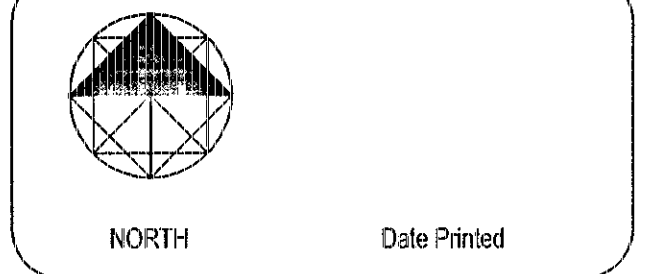
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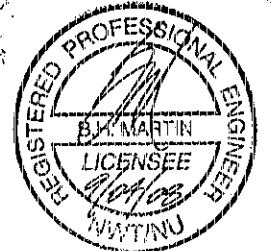
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PLAN/PROFILE

Date	APRIL 2008	CADD File Number	civil/design/milneinlet
Scale	AS NOTED	Job Number	06-090
Drawn	AB	Drawing Number	C802
Checked	BM		
Approved	BM		