



2007 January 4

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

**Re: Water License 2BB-MRY0710
Spill Plan under Part G, Item 1
Your Letter Dated November 26th, 2007**

Baffinland Iron Mines Corporation (Baffinland) is in receipt of notice from the Nunavut Water Board accepting and approving the above noted Plan under Motion 2007-14-03.

The purpose of this letter is to provide written response to the minor comments raised by reviewers. This letter along with the attachment will form part of the current Spill Plan as an addendum. The attachment contains pages that are to immediately replace those currently in the Spill Plan. Baffinland will update and submit a revised Spill Plan in its entirety coinciding with the 2007 Annual Report.

Spill Plan Applicable to Entire Mary River Project

The Spill Plan currently references the "Bulk Sample Program" in its title, whereas the procedures detailed in the Plan are applicable to the entire scope of activity associated with the Mary River Project. A revised flysheet is included in the Attachment to this letter and the revised Spill Plan will clarify the scope of applicability for this Plan.

Site Plans and Schematic Diagrams of Fuel Storage Facilities

Baffinland is in the process of updating its site plans to reflect current locations of infrastructure, including fuel storage facilities relative to local topography and geographical features. These Plans will be of a suitable scale as an improved aid in Spill Management and replace drawings currently provided in Appendix B of the current Plan.

Spill Reporting – Page 23

It is Baffinland policy for all Spills, regardless of quantity to be internally reported. Spills of petroleum products in excess of 100 litres are reported through the Nunavut Spill Line in accordance with the NWT Spill Contingency Planning and Reporting Regulations which have been adopted for use in Nunavut. The revised Spill Plan will further emphasize this point.

Site Inventory

Currently the Spill Plan quantifies only the bulk fuel inventory associated with the Mary River Project. The revised Spill Plan, in combination with the Site Plans will identify the locations and approximate quantities of all petroleum based products used as part of Operations.

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

First Response – Scenario #4 (Page 22)

Scenario #4 analyzes the risk of a potential tanker truck Spill. A tanker truck is used to transport bulk fuel between Milne Inlet and Mary River. The scenario assesses the fate of 50,000 litres of product migrating into Phillips Creek adjacent to the road.

Absent from each of the scenarios is the role of the first responder prior to arrival of the Spill Response team. Positive actions by the first responder may potentially reduce the consequence of a spill. First responder steps are highlighted in Section 6 of the Spill Plan. Relevant to Scenario #4 is the presence of Spill Response equipment on the tanker truck.

The revised Spill Plan will further emphasize the role of the first responder in minimizing the risk of Spills by taking early action, when safe to do so, prior to the arrival of the On-Site Coordinator and/or Spill Response Personnel.

Section 6.2 - Skimmer

Section 6.2 details response procedures to spills in water including the ocean, lake, streams and larger rivers. The Spill Plan emphasizes the importance of first containing the spread of spilled product(s) through the use of booms, weirs, ditches and other means.

Should a skimmer be required as part of clean-up and recovery activities, Baffinland would mobilize, as required, a third party with specialty expertise and/or equipment. A floating skimmer is not part of the on-site equipment inventory. The revised Spill Plan will include contact details in the event a spill requires third party assistance.

Update Numbers

Section 8 has been updated to include the INAC Manager of Field Operations and the Qikiqtani Inuit Association.

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
Stephen Bathory, Qikiqtani Inuit Association
Peter Kusugak – Indian and Northern Affairs Canada
Andrew Keim – Indian and Northern Affairs Canada, Water License Inspector
Spill Plan Distribution List

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



DISTRIBUTION

Department of Environment

Environmental Protection Division
P.O. Box 1000 Station 1300
Iqaluit, NU, Canada
X0A 0H0
Tel: (867) 975-7700, 1-866-222-9063
Fax: (867) 975-7742

Department of Fisheries and Oceans

Central and Arctic Region
501 University Crescent
Winnipeg, MN, Canada
R3T 2N6
Tel: (204) 983-5000
Fax: (204) 984-2401

Hamlet of Pond Inlet

P.O. Box 180
Pond Inlet, NU, Canada
X0A 0S0
Tel: (867) 899-8934
Fax: (867) 899-8940

Indian and Northern Affairs Canada

Nunavut Regional Office
Land Administration Division
P.O. Box 2200
Iqaluit, NU, Canada
X0A 0H0
Tel: (867) 975-4280 (Land Administration Manager)

Indian and Northern Affairs Canada

Nunavut Regional Office
Water Resources Division
P.O. Box 2200
Iqaluit, NU, Canada
X0A 0H0
Tel: (867) 975-4550 (Water Resources Manager)

Mittimatalik Hunters and Trappers Organization

P.O. Box 189
Pond Inlet, NU, Canada
X0A 0S0
Tel: (867) 899-8856
Fax: (867) 899-8095

Nunavut Impact Review Board

P.O. Box 1360
Cambridge Bay, NU, Canada
X0B 0C0
Tel: (867) 983-4600, 1-866-233-3033
Fax: (867) 983-2594

Nunavut Water Board

P.O. Box 119
Gjoa Haven, NU, Canada
X0B 1J0
Tel: (867) 983-4600
Fax: (867) 360-6369

Qikiqtani Inuit Association

P.O. Box 1340
Iqaluit, NU, Canada
X0A 0H0
Tel : (867) 979-5391, 1-800-667-2742
(Land Administrator)
Fax: (867) 979-3238



Appendix E

January 2008
Addendum Attachment

24 Hour Baffinland Contact:

88 163 146 6078

or

403-450-7312

Spill Contingency Plan **Mary River Project**

Presented to:



Prepared by:



January 2008 - Addendum

PREAMBLE

This Emergency and Spill Response Plan applies to all licensed elements of work associated with the Mary River Project.

The Plan will be updated and revised as necessary.

Formal distribution of the Plan has been made to:

Department of Environment - Environmental Protection Division

PO Box 1000 Station 1300

Iqaluit, NU, Canada

X0A 0H0

Tel: (867) 975-7700, 1-866-222-9063

Fax: (867) 975-7742

Department of Fisheries and Oceans - Central and Arctic Region

501 University Crescent

Winnipeg, MN, Canada

R3T 2N6

Tel: (204) 983-5000

Fax: (204) 984-2401

Hamlet of Pond Inlet

PO Box 180

Pond Inlet, NU, Canada

X0A 0S0

Tel: (867) 899-8934

Fax: (867) 899-8940

Indian and Northern Affairs Canada - Nunavut Regional Office

Land Administration Division

PO Box 2200

Iqaluit, NU, Canada

X0A 0H0

Tel: (867) 975-4280 (Land Administration Manager)

Indian and Northern Affairs Canada - Nunavut Regional Office

Water Resources Division

PO Box 2200

Iqaluit, NU, Canada

X0A 0H0

Tel: (867) 975-4550 (Water Resources Manager)

Mittimatalik Hunters and Trappers Organization

PO Box 189
Pond Inlet, NU, Canada
X0A 0S0
Tel: (867) 899-8856
Fax: (867) 899-8095

Nunavut Impact Review Board

PO Box 1360
Cambridge Bay, NU, Canada
X0B 0C0
Tel: (867) 983-4600, 1-866-233-3033
Tax: (867) 983-2594

Nunavut Water Board

PO Box 119
Gjoa Haven, NU, Canada
X0B 1J0
Tel: (867) 360-6338
Fax: (867) 360-6369

Qikiqtani Inuit Association

PO Box 1340
Iqaluit, NU, Canada
X0A 0H0
Tel: (867) 975-8419 or (867) 979-5391
Fax: (867) 979-3238

Additional copies and updates of this Plan may be obtained from:

Baffinland Iron Mines Corporation

Suite 1016, 120 Adelaide Street West
Toronto, ON, Canada
M5H 1T1
Tel: (416) 364-8820
Fax: (416) 364-0193

Qikiqtaaluk Environmental Inc.

Att. Philippe Simon, Ph.D., P.Eng.
3333 Queen Mary, suite 580
Montréal, QC, H3V 1A2
psimon@qenv.ca

TABLE OF CONTENTS

1. General.....	1
2. Hazardous Materials – Transport and Storage.....	7
2.1 Fuel.....	7
2.2 Chemicals	8
2.3 Explosives	9
3. Duties and Responsibilities	10
4. Training and Drills	14
5. Materials and Equipment	15
6. Spill Response Procedures	16
6.1 Spills on Land.....	17
6.2 Spills on Water	18
6.3 Spills on Snow and Ice	19
6.4 Disposal of Spilled Material	19
7. Potential Spill Analysis.....	20
8. Reporting Requirements	23

List of Appendices

Appendix A	Standard Nunavut Spill Report Form
Appendix B	Layouts of main fuel storage locations
Appendix C	Spill Kits and Contents
Appendix D	MSDS of hazardous materials used on site
Appendix E	January 2008 Addendum

List of Figures

Figure 1:	Location of sites on North Baffin Island	2
Figure 2:	Location of Mary River mine site	3
Figure 3:	Location of Milne Inlet site	4
Figure 4:	Spill Response Team Organization Chart	12

List of Tables

Table 1:	Fuel Storage Capacity (litres)	7
Table 2:	Project management team members and contact information	11
Table 3:	Contact List for Spill Reporting	23

3. Duties and Responsibilities

As part of the spill emergency response plan, Baffinland is responsible for implementing, through its project management team, the following procedures:

- Train site personnel in spill response procedures and the proper use of response equipment and materials.
- In the event of a spill, mobilize all available site personnel, equipment and tools, as required.
- Implement all required health and safety procedures at the site of the spill.
- Eliminate all fire hazards and potential ignition sources near the spill area.
- Control the source of the spill (i.e., reduce or stop product discharge).
- Contain the spilled product using the most appropriate methods and equipment (i.e., dykes, ditches, sorbent materials, containment booms, and other barriers).
- Evaluate the possibilities of recovering spilled materials.
- Obtain, if required, assistance from government agencies such as Environment Canada, the Canadian Coast Guard and/or Fisheries and Oceans Canada.
- Obtain, if required, additional assistance by hiring local rangers or residents from the nearest communities and/or firms specialized in spill response operations.
- Comply with all applicable guidelines and regulations.
- Conduct a preliminary assessment of environmental impacts to marine, freshwater and terrestrial ecosystems and natural resources.
- Report the spill to the Government of Nunavut Spill Report Line, within 24 hours of the event, and submit a written spill report using the appropriate form (see below for the list of information required in the report).

Table 2 presents the management team responsible for overseeing emergency spill response operations and their contact information.

Position	Contact
Kevin Mealey On-site Co-Coordinator	Mary River Site Tel: 403-450-7312 (24hrs) Milne Inlet Site Tel: 647-723-2077 (24hrs) Email: kevin.mealey@baffinland.com
Jeff Bush or Roland Landry On-site Co-Coordinator (alternates)	Mary River Site Tel: 403-450-7312 (24hrs) Milne Inlet Site Tel: 647-723-2077 (24hrs) Office Tel: 416-814-3160 (Roland Landry) Email: jeff.bush@baffinland.com Email: roland.landry@baffinland.com
Al Gorman Operations Manager	Office Tel: 416-814-3164 Cell: 416-818-9913 (Al Gorman) Email: al.gorman@baffinland.com
Dave McCann (alternate) Assistant Operations Manager	Cell: 416-616-8860 (Dave McCann) Email: david.mccann@baffinland.com
Rod Cooper Corporate Contact - VP, Operations and COO	Office Tel: 416-814-3158 Cell: 416-722-5660 (Rod Cooper) Email: rod.cooper@baffinland.com
Derek Chubb (alternate) Corporate Contact – VP Sustainable Develop.	Office Tel: 416-814-3171 Cell: 416-844-0903 (Derek Chubb) Email: derek.chubb@baffinland.com

- Assume authority over the spill scene and personnel involved.
- Activate the Spill Response Plan.
- Evaluate the initial situation and assesses the magnitude of the spill.
- Develop an overall plan of action.
- Report to the Operations Manager and provide recommendations on resource requirements (additional manpower, equipment, material, etc.) to complete the cleanup effort. The responsibility of the co-ordinator is to mobilise personnel and equipment to implement the cleanup.

- Report the spill to NWT 24-hour Spill Report Line at (867) 920-8130 and DIAND Water Resources Inspector at (867) 975-4289, and the QIA for spills on Inuit owned lands at (867) 975-8419 or (867) 979-5391
- Provide liaison with Management to keep them informed of cleanup activities.

- The responsibilities of the Corporate Contact include the following:**

- Once a spill event is reported, the On-Site Co-Coordinator, will establish a specific strategy for containing and controlling the spill and to initiate the clean up activities. Other site personnel such as the Fire Chief, Health and Safety Officer, and Operations Manager may act as technical advisers prior to and during the intervention. The trained Spill Response Team will conduct all emergency spill response operations under the leadership of the On-Site Co-Coordinator. During the cleanup phase of the intervention other site personnel (e.g., heavy equipment operators, labourers, etc.) may be involved in the intervention. Figure 4 presents an organization chart of the Spill Response Team.

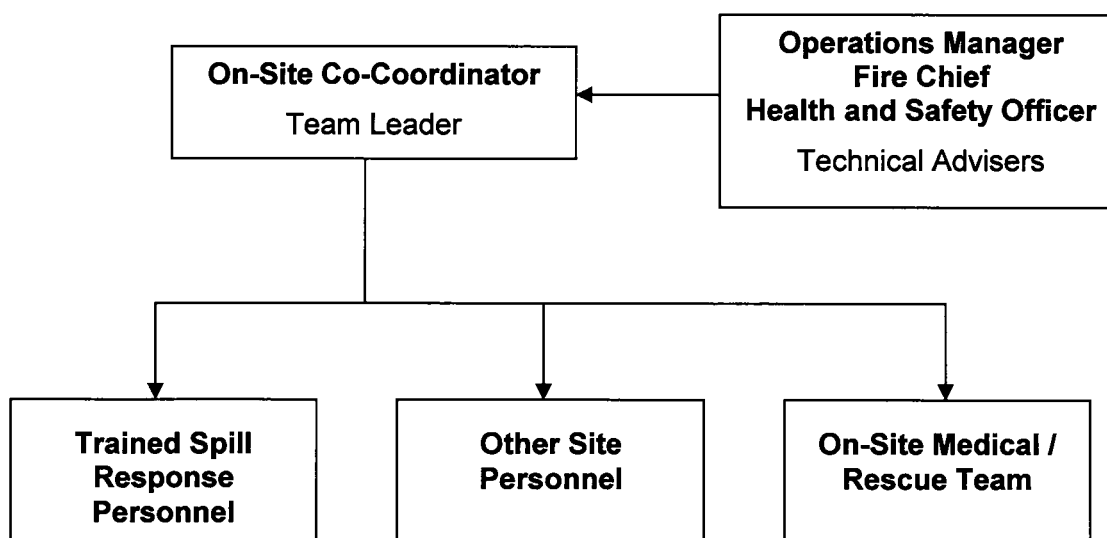


Figure 4: Spill Response Team Organization Chart

If a spill occurs on water during transport or during the transfer of hazardous materials from ship to land, the shipping company will be responsible to implement the appropriate spill response measures in accordance to their spill contingency plan. If needed, the Baffinland Spill Response Team will be available to assist the shipping company in their emergency response operations.

8. Reporting Requirements

Quantities of hazardous substances spilled which require reporting are listed in schedule B of the Nunavut Spill Contingency and Reporting Regulation. For example, all fuel (flammable liquid) spills of volume equal to or greater than 100 litres require reporting.

After the initial field emergency response to the spill event, the spill will be reported to the 24-hour Spill Report Line:

24-Hour Spill Report Line

Tel. (867) 920-8130

or

Fax (867) 920-8127

Failure to report a spill can lead to fines. The INAC Water Resources Inspector will also be immediately notified of the spill event at (867) 975-4298. In the event of a spill on the ocean, the incident will be reported to the Canadian Coast Guard (Arctic region) 1-800-265-0237 (24-hour).

It is the responsibility of the Operations Manager to prepare the proper reports and transmit them to regulatory authorities. Table 3 presents an additional contact list for spill reporting.

Table 3: Contact List for Spill Reporting

Department	Person	E-mail	Telephone
DIAND-Waters (Iqaluit)	Jim Rogers	rogersji@inac-ainc.gc.ca	(867) 975-4550
DIAND-Inspector	Andrew Keim	keima@inac-ainc.gc.ca	(867) 975-4289
DIAND-Qikiqtani	David Abernethy	abernethyd@inac-ainc.gc.ca	(867) 975-4555
DIAND-Field Operations	Peter Kusugak	kusugakp@inac-ainc.gc.ca	(867) 975-4295
DFO-Iqaluit	Amy Lui	luiA@dfo-mpo.gc.ca	(867) 979-8007
EC-Iqaluit	Jim Noble		(867) 975-4639
GN-DOE	Robert Eno	reno@gov.nu.ca	(867) 975-7748
Pond Inlet Health Clinic			(867) 899-7500 (867) 899-8431
Pond Inlet RCMP			(867) 899-1111 (867) 899-6055
Qikiqtani General Hospital (Iqaluit)			(867) 979-7300