



April 1, 2011

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

Water Resources Officer, INAC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0

**RE: Mary River Water Licence Monthly Report – February 2011,
As Required Under Water Licence 2BB-MRY0701**

As you are aware Water Licence 2BB-MRY0710 expired on December 31, 2010, for reasons explained in correspondence provided to the Nunavut Water Board (NWB) and others in late December 2010 and January 2011. The water licence is currently under renewal.

As described in our letter of January 21, 2011, sent to Indian and Northern Affairs Canada's (INAC) Nunavut Regional Office and copied to the NWB, we indicated that:

Currently, the Mary River Project is on winter care and maintenance with no substantive activities....Our intention during early 2011, during the interim period prior to the receipt of our renewed licence, is to continue winter care and maintenance activities for the project in conformance with all the terms and conditions of expired Water Licence 2BB-MRY0710.

Further to the above commitment, Baffinland is submitting, herein, our monthly report for January 2011 for the Mary River Project that details water use, waste disposal, and monitoring activities. The site remains in as state of winter care and maintenance with no substantive activities being undertaken.

SNP Sampling

During the month of February 2011, samples were collected at MRY-4 as part of the SNP sampling program. Table 1 presents a list of samples/monitoring required under the Water License and the details concerning which water quality samples have been collected along with sample date/lab identification number as appropriate. Analytical water quality testing results received as part of the SNP program, are presented in Table 2. Volumes consumed for domestic water purposes at Mary River have been collected and are attached in Table 3.

SNP Results

A) Water Sampling and Analysis Results

Table 2 provides the results related to SNP sampling requirements for February 2011. Note that for the month of February, a result for faecal coliforms for MRY-4 was not available due to insufficient water in the final effluent tank at the time of sampling.

B) Flow and Volume Measurements

Table 3 provides a breakdown of volume measurements as requested in Part I, Item 7 of the water license for February 2011.

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



We hope that the information provided in this monthly report is acceptable and should you have any questions regarding this report please contact Jim Millard at 902-403-1337 or by e-mail at jim.millard@baffinland.com.

Regards,

A handwritten signature in black ink, appearing to read 'J. Millard', written in a cursive style.

James Millard, M.Sc., P.Geo.
Senior Environmental Superintendent

Attach: Tables 1, 2 and 3 (three pages)
Cc: Ian Rumbolt (INAC), Salamonie Shoo (QIA)



Table 1: SNP Water Sampling Summary

SNP Station	Sampling Date	Lab ID#	Comment
MRY-1	N/A	N/A	Volume reported daily
MRY-2	N/A	N/A	N/A for January
MRY-3	N/A	N/A	N/A for January
MRY-4	10-Feb-11	862361	Volume reported daily
MRY-401	10-Feb-11	862362	Field duplicate of MRY-4
MRY-5	N/A	N/A	N/A for January
MRY-6	N/A	N/A	N/A for January
MRY-7	N/A	N/A	N/A for January
MRY-8 / 9	N/A	N/A	N/A for January
MRY-10	N/A	N/A	N/A for January
MRY-11	N/A	N/A	N/A for January
MRY-12	N/A	N/A	N/A for January
MRY-13	N/A	N/A	N/A for January

Table 2. Water Chemistry Results - February 2011						
Sample Number	Sample ID	Date Sampled	Parameter Name	Result	Unit	Lab
N/A	MRY-4	10-Feb-11	Faecal Coliforms*	N/A	CFU/100 ml	Exova Accutest
862361	MRY-4	10-Feb-11	Biological Oxygen Demand	1	mg/L	Exova Accutest
862361	MRY-4	10-Feb-11	pH	8.24	pH units	Exova Accutest
862361	MRY-4	10-Feb-11	Total Suspended Solids	<2	mg/L	Exova Accutest
862361	MRY-4	10-Feb-11	Oil and Grease	<1	mg/L	Exova Accutest
N/A	MRY-401	10-Feb-11	Faecal Coliforms	N/A	CFU/100 ml	Exova Accutest
862362	MRY-401	10-Feb-11	Biological Oxygen Demand	<1	mg/L	Exova Accutest
862362	MRY-401	10-Feb-11	pH	8.25	pH units	Exova Accutest
862362	MRY-401	10-Feb-11	Total Suspended Solids	<2	mg/L	Exova Accutest
862362	MRY-401	10-Feb-11	Oil and Grease	2	mg/L	Exova Accutest

Notes: MRY-401 is a duplicate of MRY-4.

* Insufficient water volume was available for sampling in final effluent tank, after UV disinfection, for faecal coliforms.

Table 3: Flow and Volume Measurements-Part I Item 7 - February 2011

DATE	Camp Lake Freshwater Use (Mary River Camp) - Daily Potable Water (m³) - MRY-1	Camp Lake Daily Freshwater Use for Other Purposes - (m3) - MRY-1	Treated Sewage Effluent (m³) from WWTF to PWSP at Mary River Camp - MRY-4	Sewage Sludge Removed (m³) from Mary River WWTP	Treated Sewage Effluent (m³) from PWSP to Sheardown Lake (MRY-4a,b,c)
1-Feb	29.1	0.0	29.1	0.0	0.0
2-Feb	0.0	0.0	0.0	0.0	0.0
3-Feb	0.0	0.0	0.0	0.0	0.0
4-Feb	0.0	0.0	0.0	0.0	0.0
5-Feb	0.0	0.0	0.0	0.0	0.0
6-Feb	0.0	0.0	0.0	0.0	0.0
7-Feb	0.0	0.0	0.0	0.0	0.0
8-Feb	0.0	0.0	0.0	0.0	0.0
9-Feb	0.0	0.0	0.0	0.0	0.0
10-Feb	0.0	0.0	0.0	0.0	0.0
11-Feb	0.0	0.0	0.0	0.0	0.0
12-Feb	0.0	0.0	0.0	0.0	0.0
13-Feb	0.0	0.0	0.0	0.0	0.0
14-Feb	21.0	0.0	21.0	0.0	0.0
15-Feb	0.0	0.0	0.0	0.0	0.0
16-Feb	0.0	0.0	0.0	0.0	0.0
17-Feb	0.0	0.0	0.0	0.0	0.0
18-Feb	0.0	0.0	0.0	0.0	0.0
19-Feb	0.0	0.0	0.0	0.0	0.0
20-Feb	0.0	0.0	0.0	0.0	0.0
21-Feb	0.0	0.0	0.0	0.0	0.0
22-Feb	0.0	0.0	0.0	0.0	0.0
23-Feb	0.0	0.0	0.0	0.0	0.0
24-Feb	0.0	0.0	0.0	0.0	0.0
25-Feb	0.0	0.0	0.0	0.0	0.0
26-Feb	0.0	0.0	0.0	0.0	0.0
27-Feb	0.0	0.0	0.0	0.0	0.0
28-Feb	0.0	0.0	0.0	0.0	0.0
Total	50.1	0.0	50.1	0.0	0.0

Notes:

WWTP - Waste Water Treatment Plant

PWSP - Polishing Waste Stabilization Pond