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WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee	Licensee Representative
Agnico Eagle	Guy Dufour
Licence No. / Expiry	Representative's Title
2AM-DOH1335	Environmental General supervisor
Land / Other Authorizations	Land / Other Authorizations
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Date of Inspection	Inspector
April 10, 2024	Jonathan MESHER
Activities Inspected	
<input checked="" type="checkbox"/> Camp	<input type="checkbox"/> Drilling
<input type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Other:
<input checked="" type="checkbox"/> Mining	<input type="checkbox"/> Construction
	<input type="checkbox"/> Other:
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Fuel Storage

Conditions:

A - Acceptable

C - Concern

U - Unacceptable

NA – Not Applicable

NI – Not Inspected

Water Use			Site Conditions			Haz/Mat Management		
	Condition	Comment		Condit ion	Comme nt		Condition	Comment
Intake/Screen	NA		Water Management Structures	NA		Storage	U	
Flow Measure. Device	A		Culverts / Bridges	NI		Spills	NI	
Source:	NA		Drainage	NA		Spill Plan	NI	
Water Use:	NA		Erosion / Sediment	NI				
Recirculation (y /n)	NA		Mitigation Measures	A		Administrative		
			Reclamation Activities	NA		Records	NI	
			Materials Storage	NA		Reports	NI	
Waste Disposal			Signage	NI		Plans	NI	
Waste Water	NA					Notifications	A	
Solid Waste	A		Monitoring			Other		
Hazardous Waste	C		Sample Collection / Analysis	NI		Follow-up from previous inspection	NI	
*The number in the comments field will correspond with specific comments provided below.								
Samples taken by Inspector:			Location(s):					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								

SECTION 1	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
<div>Background:</div> <div>On April 10th, 2024, I Jonathan Mesher of CIRNAC and referred as the “ Inspector”, conducted an inspections of the facilities licenced under the water licence number 2AM-DOH1335. During the inspection, snow cover made it difficult to inspect most waste and water management structures on site.</div> <div>a. Waste Storage</div> <div><div>I. The Inspector noted the licensee has installed more drip trays throughout site under parked vehicles. Some trays were full of snow during the inspection. It is recommended the licensee ensures the drip tray are not flooded with water when the melt occurs. (See photo 1 for drip trays.)</div><div>II. During the inspection, the inspector requested to see the hazardous material storage. At the time of the inspection, the licensee employees appeared uncertain where all the hazardous materials were located. The inspector noted approximately 18 sea cans full of expired Jet fuel outside of the containment. (See photos 2 & 3)</div><div>III. Some of the licensee employees were also under the impression they were storing hazardous materials within a lined bermed area. The licensee was unable to provide the engineered drawing for this structure. (See photo 4 for the sea cans in the lined bermed area)</div><div>IV. The Waste Rock Stock Pile (WRSP), was predominantly snow covered at the time of the inspection. The inspector noted multiple ripped open containment bags throughout the facility. (See photo 5 for the WRSP)</div><div>V. The inspector noted 10, 205L capacity barrels of methanol outside of containment. (See photo 6 for the methanol outside of containment)</div></div>			

b. **Water Usage**

- I. During the inspection, it appeared the flow meters at Windy Lake and Doris Lake were installed and operational.

Section 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Act or Licence	<input checked="" type="checkbox"/> Action Required
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The licensee is to provide a response within 2 weeks after receiving the report to ensure the following concerns are addressed and are satisfactory to the inspector.

1. All hazardous materials on site is to be stored in a way that is approved by the Nunavut Water Board. Failure to store hazardous materials in the approved manner will lead to future enforcement actions.

After speaking with NWB and CIRNAC Waters representatives it appears that both parties are under the impression that the hazardous materials and hazardous waste at the Hope Bay Project is stored within appropriate secondary containment. This water licence is approved in part based upon the information provided to the NWB and its reviewers therefore it can only operate in the approved manner. It appears the licensee has failed to follow through with plans submitted to the inspector and failed to operate as approved by the NWB.

As aforementioned and as a result of continual and documented failure to store hazardous materials in an approved manner, a warning letter to the care of licensee may be issued if the licensee fails to address identified non-compliances within the timeframe stated above.

For relevant information regarding the storage of Hazardous Materials, please see below.

Information:

1. Part B, Item 13 of licence 2AM-DOH1335, explains that, “The Licensee shall, for all plans submitted under this Licence, implement the plan as approved by the Board in writing”

PART B: GENERAL CONDITIONS

13. The Licensee shall, for all plans submitted under this Licence, implement the plan as approved by the Board in writing. Any changes to the plans deemed significant shall be considered as an amendment to the plan(s) or as a modification and must be submitted to the Board for approval in writing. The Board has approved under this Amended Water Licence 2AM-DOH1335, the following plans for implementation under the relevant sections in the Amended Licence.

2. Section 4.1.1 of the approved spill contingency plan explains how the licensee will store larger and smaller quantities of chemicals, which is contradictory to what is occurring on site while stating the following; “Smaller chemical storage tanks are either double walled (have built-in secondary containment), and are located in spill trays in a such way that any leakage from hoses or lines are further contained or are located in secondary containment berms. Spill trays are used under fuel drums and other smaller chemical containers.”

4.1.1 Management Response

This risk is minimized through the use of secondary containment and spill containment. All bulk fuel facilities are located in secondary containment (i.e., containment designed to contain volumes equivalent or greater than 110% of the aggregate or total volume of the largest container in the containment – whichever is greater). Smaller chemical storage tanks are either double walled (have built-in secondary containment), and are located in spill trays such that any leakage from hoses or lines are further contained or are located in secondary containment berms. Spill trays are used under fuel drums and other smaller chemical containers. Inspections of all containment structures will be conducted weekly to ensure concerns are noted/dealt.

In the event that a spill exceeded the capacity of a containment berm (for example, if more than one



container in a berm was breached) or a containment berm became compromised, the spill response actions outlined in Section 2 would be implemented. Containment measures would be deployed to prevent the spread of the chemical into the natural environment. This would include deploying absorbent materials or booms and constructing diversion trenches or sumps to intercept the spilled product. The vacuum truck and all available pumps would be deployed to transfer spilled product into empty storage tanks or alternative containment berms if necessary.

3. In table 4.1 of the Hope Bay project Hazardous Waste Management plan, it states that the licensee will store Waste Fuels (Gasoline, Diesel, Jet A, Jet B) in the following manner “Steel containers stored within lined containment at Waste Management facility”, the licensee is not storing this Waste fuel within the Waste management facility nor is it within secondary containment.
4. In multiple inspection reports, the inspector noted hazardous materials outside of containment. The licensee provided responses to the inspection reports stating the following; “Agnico intends to fully line the Upper Laydown area and grade the pad towards a containment sump. Construction is planned for the 2023 summer season.”, “Should the sealift backhaul not occur, sea cans containing cyanide and fuel will be relocated to the Doris Camp pad”, “Agnico remains committed to complete the evaluation for removing chemical, expired Jet-A fuel, and cyanide sea cans (inventory material) from Hope Bay site by June 15, 2023”. While on site there was no liner or sump installed, no sea cans relocated to the camp pad, An abundance of Jet-A and Jet-B on site outside of containment still remains and not addressed accordingly and as stated above by Agnico Eagle Mines.

In the September 20, 2022 inspection report response the licensee stated the following;

“Since taking ownership of the project in 2021, Agnico has been working to optimize the long-term chemical storage and handling processes utilized at Hope Bay. This includes containment system standards as well as final and temporary sea can storage locations. In accordance with Water Licence 2AM-DOH1335 Part H Item 4, Agnico intends to fully line the Upper Laydown area and grade the pad towards a containment sump. Construction is planned for the 2023 summer season.”

In the March 13, 2023 inspection report response the licensee stated the following;

“In the context that the Hope Site is under Care and Maintenance, it has been identified that many of the chemicals used in the ore processing facility including cyanide will not be used for several years to come. Agnico is currently evaluating the possibility of removing these sea cans on the upcoming sealift backhaul. This would include the sea cans identified in the inspection report. Once confirmed that the sealift backhaul will occur, the sea cans will be removed from site. Should the sealift backhaul not occur, sea cans containing cyanide and fuel will be relocated to the Doris Camp pad where there is a spill containment in the form of controlling the run-off from the site (through a series of collection ponds and sumps that pump the water to the tailings impoundment area).”

In the May 30, 2023 inspection report response the licensee states the following;


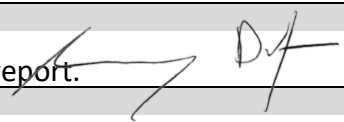
“Agnico remains committed to complete the evaluation for removing chemical, expired Jet-A fuel, and cyanide sea cans (inventory material) from Hope Bay site by June 15, 2023. Following that evaluation, we will either proceed with the removal of chemical and cyanide sea cans via sealift backhaul by September 2023 or moving sea cans to the Doris Camp Pad by July 15, 2023. The Spill containment on the Doris Camp pad is in the form of controlling the run-off from the site (through a series of collection ponds and sumps that pump the water to the tailings impoundment area).

As it is standard industry practice to not use secondary containment for inventory material, we intend to leave lubricants, glycols and other hazardous materials at their current location.”

5. In the inspection report responses and during the inspection, the licensee stated that the storage of hazardous materials outside of containment is industry practice. During a review of relevant water licences (gold mines) and management plans operated by the same licensee (AEM), the following information on storage of Hazardous materials was noted;

Section 2.1 of the spill contingency plan for the water licence 2AM-MEA (Meadowbank gold mine) states that the licensee will “Place drums/containers within a suitable form of secondary or spill containment”

Section 4 of the spill contingency plan for the water licence 2AM-MEL (Meliadine gold mine) states that the licensee will “Place drums/containers within a suitable form of secondary or spill containment”.


Inspector’s Name	Licensee representative
Jonathan MESHER	Guy Dufour
Signature	Signature
	I acknowledge reading the report. 
Date	Date
Mat 27, 2024	27 May 2024

Water Resource Officer, Nunavut Region
Crown Indigenous Relations and Northern Affairs Canada – CIRNAC
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Fax: 867 979-6445

Date	Camera	Inspector	Authorization
April 10, 2024	Sony Cyber-shot	J.Mesher	2AM-DOH

Photo Log

Photo 1



Description: Drip trays full of snow.



Date	Camera	Inspector	Authorization
April 10, 2024	Sony Cyber-shot	J.Mesher	2AM-DOH

Photo Log

Photo 2



Description: seacan full of expired jet fuel.

Date	Camera	Inspector	Authorization
April 10, 2024	Sony Cyber-shot	J.Mesher	2AM-DOH

Photo Log

Photo 3



Description: seacan full of expired jet fuel.

Date	Camera	Inspector	Authorization
April 10, 2024			
	Sony Cyber-shot	J.Mesher	2AM-doh

Photo Log

Photo 4



Description: Sea can in “Lined bermed area”.

Date	Camera	Inspector	Authorization
April 10, 2024			
	Sony Cyber-shot	J.Mesher	2AM-DOH

Photo Log

Photo 5



Description: Waste Rock Stockpile.

Date	Camera	Inspector	Authorization
April 10, 2024			
	Sony Cyber-shot	J.Mesher	2AM-DOH

Photo Log

Photo 6



Description: Methanol outside of containment.