

Mr. Douglas Stenton  
Director, Culture and Heritage  
Department of Culture, Language, Elders and Youth  
Government of Nunavut  
Box 310, Igloolik, Nunavut  
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Canada

May 05, 2010

**Re: Nunavut Water Board License 2AM-MEA0815 Meadowbank Mine –  
Amendment for Baker Lake Tank Farm Expansion**

Dear Mr. Stenton:

The Nunavut Water Board recently forwarded to us a copy of the March 11, 2010 letter sent by your department to the Nunavut Water Board (NWB) in which you indicate that your department has “serious objection” to the planned expansion of the Meadowbank fuel tank farm facility located near Baker Lake. In the letter you make the following key points:

- 1) The Proponent has not met its NIRB Project Certificate commitments as they relate to archaeology; and
- 2) There are recorded sites in the general area of this expansion and these sites must be mitigated prior construction of these facilities.

You further state that we are aware of this situation and have apparently taken no action to remedy the threat that we are posing to the archaeological record of Baker Lake.

It would have been preferable to have had you make direct contact with us to ascertain what we were doing to protect the identified sites that are near our facilities in Baker Lake prior to sending this letter. We were not even copied on the letter but had to wait until the Nunavut Water Board forwarded us a copy.

The letter is misleading to the Nunavut Water Board and to the other parties reviewing our application for this amendment of the Meadowbank Type A Water License. AEM via our heritage consultant (FMA Heritage Inc) initiated contact in November 2009 with your department to address the situation concerning the archaeological sites around the tank farm expansion.

In July of 2009 AEM submitted an application seeking authorization to expand its Meadowbank Mine fuel storage facility in Baker Lake to the Nunavut Impact Review Board (NIRB), the Nunavut Water Board (NWB) and the Nunavut Planning Commission (NPC). Notice was also given to the Government of Nunavut as AEM holds the lease for this property from the GN.

On September 21, 2009 Julie Ross from CLEY wrote to the NIRB providing advice on the existence of known archaeological sites in the vicinity of the Meadowbank tank farm and marshalling area in Baker Lake and pointing out Condition 69 of the Meadowbank Project Certificate, which states:

*69. Cumberland shall carry out the Project to minimize the impacts on archaeological sites, including conducting proper archaeological surveys of the Project area (including the all-weather road and all quarry sites). Cumberland shall provide to the GN an updated baseline report for archaeological sites in the Project area, including:*

- a) referencing of sites as directed by the GN,*
- b) the process used for age determination of archaeological sites, and*
- c) the specific measures being taken to avoid listed sites, and*
- d) the monitoring that will take place*

*to the GN prior to the commencement of construction.*

Upon receipt of a copy of this letter from NIRB, AEM approached FMA Heritage (in October of 2009) to request a proposal to conduct a heritage resource study of the specific area potentially impacted by the expansion of the Meadowbank tank farm facility in Baker Lake. In this request we asked FMA to include:

1. To have a qualified field archaeological person come to Baker Lake and our Meadowbank site as soon as practical once the snow has melted away (probably some time in June 2010) to target having the following work completed:
  - I. Field proof the area of the tank farm expansion in Baker Lake to identify any sites of potential concern if any exist or to verify that no areas of concern are present in the proposed expansion area;
  - II. To visit all of the previously identified sites near the Baker Lake marshalling yard and fuel tank farm facility and report on is found regarding their condition;
  - III. To field proof any new areas that are scheduled for exploration or mine development between June 2010 and June 2011. Our Mine team will prepare a list and map of all of these potential disturbance areas so that FMA can prepare accordingly. (this will likely become an annual requirement); and
  - IV. Have FMA do a random audit of previously identified sites of concern along the road and at the mine to give AEM a record of how AEM is doing in avoiding impact and to provide recommended actions for AEM to take.

FMA in turn contacted the GN Department of Culture, Language, Elders and Youth (CLEY) prior to finalizing submission of their proposal to AEM to ensure that we were incorporating your department's concerns and issues in this years planned work.

In the pre-development environmental assessment work conducted for Cumberland Resources there were five sites identified in close proximity to the proposed Meadowbank Project sea lift freight marshalling area and tank farm. Through FMA we asked for specific coordinates for these sites to ensure that we transferred them onto our base mapping. FMA spoke with Julie Ross and reported that there were some issues with the archaeological site forms provided for these sites, including an incorrect UTM, and FMA have been trying to sort out discrepancies with CLEY. FMA provided us with a revised map showing the site locations, provided by CLEY. They noted that the location of LbJx-14 had been revised and is now also likely an issue for our project.

LbJx-14, LbJx-15 and LbJx-16 are all listed as indigenous historic campsites containing tent rings and likely other cultural materials. FMA reported that through conversations with Julie Ross at CLEY, CLEY indicated that they will require:

- 1) an Archaeological Impact Assessment (AIA) of the tank farm expansion under snow-free conditions (ie. a ground survey in which we would assess the proposed area of expansion to ensure that no unrecorded archaeological sites are present)
- 2) site revisits of the three sites that may have been impacted by the marshalling area (LbJx-14, LbJx-15 and LbJx-16). These sites were not likely adequately assessed when they were originally identified in 1999 and/or 2003 as the scope of work did not appear to be a full AIA of the area.

It is important to note the following:

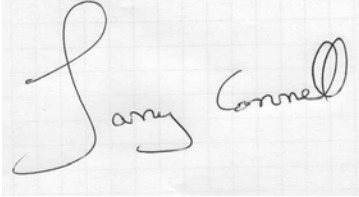
- ✓ Cumberland Resources conducted baseline archaeological studies for the Meadowbank Mine in 1999 and 2003; this included studies at the mine area, and along the proposed winter road, and also included some surveys at the then-proposed project marshalling area (tank farm). Sites LbJx-13, LbJx-14, LbJx-15 and LbJx-16 were recorded during the 2003 studies.
- ✓ Cumberland Resources submitted an updated archaeological baseline assessment report for the proposed all-season road and borrow sources in May of 2007 under Permit 2006-027A that was prepared by FMA Heritage Inc. on its behalf; and
- ✓ The full marshalling area as proposed by Cumberland Resources (as shown on the map sent by CLEY to NIRB on September 21, 2010) was not constructed by AEM. What was built is a much smaller marshalling area. The section labeled as AN Storage Area was not constructed.

It is our intent to start the 2010 archaeological assessment work as soon as we can obtain the necessary work permits from your department. FMA Heritage Inc has been given the go ahead approval by AEM for the 2010 field work as proposed. FMA has been in contact with CLEY regarding obtaining the required authorizations to conduct field studies in 2010 prior to any proposed construction activities at the tank farm. AEM is

committed to meeting its obligation to the protection of the archaeological sites that are located around our infrastructure and particularly around the tank farm expansion and the marshalling area. To this end we have asked FMA to conduct an audit of all sites previously identified and to propose a suitable program of ongoing monitoring.

Regards

**Agnico-Eagle Mines Ltd.**

A handwritten signature in black ink on a light gray grid background. The signature is written in a cursive style, with the first name 'Larry' and the last name 'Connell' clearly legible.

**Larry Connell, P.Eng.**  
**Corporate Director of Sustainable Development**

cc:

Nunavut Impact Review Board

Nunavut Water Board

Mr. Gordon MacKay – GN Department of Economic Development and transportation