

March 27, 2009

Ms. Leslie Payette, Manager of Environmental Administration Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

lpayette@nirb.ca

Dear Ms. Payette:

Re: Request for a 12.8.2 (NLCA) Reconsideration of the Meadowbank Project Certificate Condition 32 (a)

The following letter is provided in response to the Nunavut Impact Review Board's (NIRB) January 27, 2009 request for written submissions from interested parties in preparation for a Public Hearing on the reconsideration of Condition 32 of the Meadowbank Project Certificate.

On its purchase of the Meadowbank Project, Agnico Eagle Mines Limited (AEM) accepted the commitment (Condition 32) that the access road constructed between Baker Lake and the Meadowbank Project was to be maintained and operated as a private access road as set out in the Project Certificate. AEM has honoured this commitment and continues to take the appropriate actions to operate the road as a private access road as mandated by NIRB.

On July 28th, 2009 AEM submitted a written request to NIRB asking that Condition 32a of the Meadowbank Project Certificate requiring "the installation of locked gates at bridges 1 and 4" be amended to read "the installation and operation of a manned gate at km 5 of the AWPAR". For comparative purposes bridge 1 (crossing R02) is located at approximately km 7 and bridge 4 (crossing R09) is located at approximately 50 km along the AWPAR.

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Vancouver, British Columbia V7X 1M8 Tel. 604.608.2557 Fax. 604.608.2559 AEM's objective in requesting the amendment of Condition 32 is to improve the mechanisms that AEM feel are necessary to safely operate the AWPAR and honour the requirement that the road be operated as a private access road. Specifically to install a manned gate at the south end of the road to control all access onto the road versus use of unmanned locked gates to be sited further up the road. AEM has not requested that the private access requirement be removed. The history of events leading to this requested amendment is summarized in the following as background to our submission to NIRB.

In early 2008 AEM installed a lockable gate at Km 5 on the AWPAR. This gate is located at the Baker Lake end of the road, just beyond the last private cabin along this right of way (this cabin pre-existed the road). The gate consists of a crossing barrier that can be manually raised and lowered and an associated gatehouse. The gatehouse is manned by an AEM employee whenever the road is being used to move materials. This employee acts as the Dispatch for all traffic on the road. All vehicles are required to stop and report in at the gate prior to entering or exiting the road (going or coming from Meadowbank).

Dispatch checks and records each vehicle number to ensure that it is an authorized vehicle, records each vehicle number, the number of vehicle occupants, the purpose for the trip, and checks that the vehicle is equipped with an appropriate radio that can be set to the road frequencies and safety equipment (survival kit in winter, buggy whip for the mine and appropriate safety lighting). The gatehouse is equipped with radio and telephone (via satellite link) so that Dispatch can monitor all activity along the road and contact mine security or emergency services if required. If the gatehouse cannot be manned (for some unexpected cause such as blizzard conditions) then the barrier can be lowered and left secured in the down position blocking access to the road. In this manner AEM has operated the road as a private access road since early 2008.

AEM chose not to install a lockable gate at bridges 1 and 4 as required under the Project Certificate for the following reasons:

- The amount of daily traffic along this road makes an unmanned locked gate an
 impractical means of controlling access. In our opinion such a system will result
 in the gates being left unlocked for large amounts of time as drivers will be
 unwilling to close and re-lock the gates behind them;
- We believe that there would be an increased risk of collision from vehicles stopping to lock and unlock these gates at bridges 1 and 4 as other vehicles come up on the stopped vehicle on the road as the bridges are typically at the base of two downhill approaches;
- We believe that these gates will be perceived by the drivers as being an inefficient system causing them to lose time and consequently AEM would be constantly battling human nature to have employees and contractors lock and unlock these two gates on each passage; and

• The two gate system does nothing to ensure safety along the AWPAR. As the road is a private road operated by the mine, the Nunavut Mines Inspector treats the road as part of the mine site and requires that all conditions of the Mining Act are being met in operation of the road. It would be difficult to meet these requirements under the two unmanned gate system. The Mine Inspector requires that AEM monitor all use of the road and has in place a system to ensure that travellers are tracked and known to have arrived at their location in a safe manner.

In our opinion the manned gatehouse is more likely to succeed in controlling unauthorized use of the AWPAR and it allows for better communication and safety along the road as it centralizes all radio communication with respect to who is on the road, what hazards or surprises may be present and where (such as wildlife on the road), and allows for travel times and hence speed along the road to be monitored by Dispatch.

We believe that this modification still ensures that the intent of Condition 32a is being met. In AEM's opinion this modification allows for a more efficient control over unauthorized traffic entering the road. Hence our request to amend Condition 32a of the Project Certificate.

In our opinion this amendment would:

- 1. Not result in any change in the socio-economic impacts associated with the operation of the AWPAR under the amended condition 32a; nor
- 2. Result in any change in the environmental impacts associated with the operation of the AWPAR under the amended condition 32a;

In the fall of 2008 it became evident that the community of Baker Lake were upset with the restriction on use of the AWPAR by all citizens. This resulted in the Hamlet of Baker Lake writing to NIRB to request amendment of Condition 32 of the Project Certificate to have the locked gate moved to Km 90 at the north end of the AWPAR thus allowing unrestricted public access to the first 90 km of the AWPAR.

AEM acknowledges the Hamlet of Baker Lake's desire speaking on behalf of the community to use the road for traditional pursuits such as caribou hunting or to access traditional use lands year round. While we understand the community's objective we are bound by our Project Certificate to operate the road as a private access road. In this submission AEM does not take any position regarding the socio-economic and environmental pros and cons of opening the road up to allow unrestricted access for the pursuit of traditional activities and we defer to the local community and the representatives of government within Nunavut on these public issues.

Our primary concern is with respect to safety. We feel that safety will be significantly compromised if the gates are totally removed from the southern end of the road. In more specific terms our concerns over opening up the AWPAR to unrestricted use are summarized in the following points:

- Safety the AWPAR road was constructed as a single lane road with regular pull offs. Two way radio communications is used by all vehicles currently using the road to identify where all vehicles are and to warn drivers of other traffic so that passing can be safely accomplished. The presence of a dispatcher at the gatehouse ensures that all traffic on the road is recorded and monitored to ensure safe arrival, that hazards are communicated to all vehicles such as wide loads, breakdowns or presence of wildlife and facilitates speed control of vehicles on the road. How will safety be maintained with unrestricted access over the first 90 kilometres. If NIRB directs that the road be open to unrestricted access how can AEM continue to comply with the Nunavut Mines Act on the road;
- Liability If NIRB directs that the road be made unrestricted who becomes liable if an incident/accident occurs:
- Care and Maintenance If AEM is directed to open access to the first 90 km who becomes responsible for ongoing care and maintenance of the road; and
- If NIRB directs that the road be open to the public does the long term responsibility for the road in the future remain with AEM or does this then become a public road under the GN.

While we recognize that this is a public interest issue, we ask whether there are other ways of achieving the needs of the citizens of Baker Lake to use the road for traditional activities while still maintaining the road as a private access road. We have had discussions with the community (the Hamlet, HTO, Community Liaison Committee) and the Kivalliq Inuit Association on possible ways of finding a way to meet these needs while maintaining the road as a private access road. We offer the following as an example of a possible compromise solution:

- 1. AEM would continue to operate the road as a private access road with AEM responsible for care and maintenance;
- 2. AEM would continue to operate a manned gatehouse at KM 5;
- 3. The road would remain closed to cars and trucks owned by the public (i.e., only authorized cars and trucks would have access);
- 4. Residents of Baker Lake who need to access the road for traditional pursuits would obtain a pass from the Baker Lake HTO. Access would be restricted to ATV's only:
- 5. All ATV's accessing the road will be required to report to the gatehouse. The resident would present the pass at the AEM gatehouse and would then be given access to the road. Prior to being given access the AEM dispatch person would:

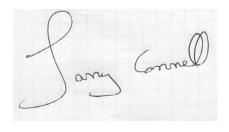
- a. Provide a safety briefing on the road and specifically on the prevailing traffic and road conditions of the day and time;
- b. Record who is traveling on the road, where they are heading and when they expect to return so that other traffic can be warned by radio of their presence;
- c. Have the driver acknowledge that they are traveling on a mining road and have been informed of the risks.
- 6. AEM working with the HTO and Hamlet will develop a set of safety rules and procedures for all ATV's using the road including pulling off the road whenever a truck approaches. These safety rules will published in Inuktitut and English and will be provided to all ATV's at the gatehouse. AEM and the HTO and Hamlet will jointly educate the residents of Baker Lake on these safety procedures through community radio and through community training sessions;
- 7. AEM will make available for borrow buggy whips to be temporarily installed on any ATV using the road to improve there visibility on hills. The buggy whip would be returned to either the gatehouse or AEM Baker Lake office after its use.
- 8. AEM would establish a second barrier at the mine site end of the road to prevent vehicles traveling onto the active mine zone where special safety equipment and training is required under the Nunavut Mining Act. This will consist of a crossing gate constructed at the mine site airstrip terminal building (which also doubles as the site security office. This structure has been sited so that it can be used both to service the airstrip and to control access onto the mine site.
- 9. AEM would establish a no shooting zone along the road so that mine workers and travellers are not inadvertently exposed to risk of accidental shooting.
- 10. AEM would reserve the right to refuse future access to the road by individuals who do not respect the rules on safety, speed and the no shooting zone when using the road.

In searching for a compromise accommodation with the Community; the above scenario or a similar variation is AEM's preference on how the AWPAR should be operated in the future. We do not advocate moving the gate away from the south end of the road as we see this causing a number of other concerns surrounding safety, liability and care and maintenance. We do however look to work with the other stakeholders to find ways of honouring the original intention of the NIRB decision to limit open access on the AWPAR while looking for ways to meet the community's needs and desire to use the road to continue their traditional pursuits.

Should you have any questions on our submission please feel free to contact the undersigned at lconnell@agnico-eagle.com (604-608-2557 ext 7222).

Regards;

Agnico-Eagle Mines Limited – Meadowbank Division



Larry Connell, P.Eng. Corporate Manager of Sustainable Development