



NIRB File No.: 03MN107
NWB File No.: 2AM-MEA0815

September 25, 2009

Thomas Kabloona
Chairperson
c/o Dionne Filiatrault
Nunavut Water Board
Gjoa Haven, NU

Via email: exec@nunavutwaterboard.org

Re: Exempt from Screening – Agnico-Eagle Mines Ltd's Baker Lake Fuel Tank Farm Expansion for the Meadowbank Gold Mine Project (NIRB File No. 03MN107)

Dear Ms. Filiatrault:

On July 30, 2009 the Nunavut Impact Review Board (NIRB or Board) received correspondence from Agnico-Eagle Mines Ltd (AEM) requesting that consideration be given to an amendment of the Meadowbank Gold Mine Project (Project). Further, on August 6, 2009, the NIRB received notification from the Nunavut Planning Commission (NPC) which indicated the NPC would not be issuing an additional conformity determination (Keewatin Regional Land Use Plan) for the proposed amendment.

The NIRB previously conducted an extensive environmental review of the Project pursuant to Article 12, Part 5 of the Nunavut Land Claims Agreement (NLCA), at the conclusion of which the Board determined that the Project should be allowed to proceed pursuant to terms and conditions contained within the NIRB's Project Certificate (No. 004), later issued on December 30, 2006.

The proposed amendment to the Project involves an increase to the storage capacity of the fuel tank farm located within the municipal bounds of the Hamlet of Baker Lake. The existing tank farm which was previously assessed and approved consists of four 10 million litre (ML) diesel fuel tanks. The proposed amendment would see a total increase in the storage capacity of this facility by 22 ML. The proposed increase requires the addition of two 10 ML diesel fuel tanks and one 2 ML tank used to store jet fuel. The justification for proposing this increase to fuel storage stems from an underestimated requirement for annual operating supplies, specifically the diesel fuel required to provide power to the mine site.

AEM has estimated that the proposed expansion will result in an increase of approximately 5 hectares in the footprint impacted by the Meadowbank project, in addition to increased greenhouse gas emissions, and a requirement for additional fuel truck loads travelling between the Baker Lake fuel storage tank farm and the Meadowbank mine site.

Please note that Section 12.4.3 of the NLCA states that:

"Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original project proposal; or*
- (b) its inclusion would significantly modify the project.”*

In its consideration of the applicability of Section 12.4.3 (NLCA) to the proposed amendment, the NIRB reviewed the following documentation:

1. Meadowbank Gold Mine Project Certificate No. 004 (issued December 30, 2006);
2. Correspondence and project proposal information from AEM to the NIRB (July 30, 2009);
3. Correspondence and project proposal information from AEM to the Nunavut Water Board (July 30, 2009); and,
4. Correspondence from the Nunavut Planning Commission to the NIRB (August 6, 2009).

After completing a review of the information above, the NIRB proposed that the request for this amendment does not change the general scope of the original project activities, and that the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. The NIRB therefore proposed that Section 12.4.3 (NLCA) applies to exempt further screening of the proposed amendment to the Project, and on August 10, 2009 the NIRB invited interested parties to provide comments regarding the applicability of Section 12.4.3 (NLCA) to the proposed amendment.

The following represents a summary of parties' comments received by the NIRB on or before August 24, 2009:

Government of Nunavut – Department of Environment (GN-DOE)

- No concerns regarding the applicability of Section 12.4.3 (NLCA) to the proposed amendment.
- Recommend the additional fuel storage requirements be included in comprehensive lease to be signed by AEM.
- Amendment may potentially require AEM to post additional financial security to cover incremental risk associated with facility expansion.

Indian and Northern Affairs Canada (INAC)

- Recommend that revised operational and emergency response procedures be subject to review and comment.
- Proponent should clarify which protective methods and best practices will be employed for the construction and containment of additional fuel tanks and storage areas.
- The Proponent should outline how it intends to comply with the *Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations* which came into force June 12, 2008 (*Canadian Environmental Protection Act*, 1999).
- As the activity was not part of original project description, the Proponent should provide a rationale and justification for the proposed storage of Jet A fuel at the Baker Lake tank farm facility, and outline any additional or different activity that is anticipated.
- The Proponent should also, within the context of the environmental impacts of the amendment, discuss additional barge shipments of fuel that may be required as a result of the increased fuel requirements for the Meadowbank Project.

On September 1, 2009 staff of the NIRB hosted a public information session in Baker Lake to discuss the recently approved reconsideration of Condition 32 of the Meadowbank Project Certificate with residents of Baker Lake. In conjunction with this presentation, NIRB staff also introduced AEMs proposed expansion to the fuel storage facility in Baker Lake and took questions from community members in attendance.

On September 11, 2009, the NIRB invited interested persons and agencies of Baker Lake and the Meadowbank distribution list to provide comments regarding the proposed amendment to the Meadowbank project. On or before September 21, 2009, the NIRB received additional comments from Boris Kotelewetz of Arctic Fuel Enterprises, and the Government of Nunavut – Department of Culture, Language, Elders and Youth. The following is a summary of comments received:

Boris Kotelewetz – Arctic Fuel Enterprises

- AEM's proposal offers no justification for the construction of a Jet A fuel storage tank.
- AFE has in past, provided Jet A fuel to the Meadowbank Gold Mine project and the current application segregates AEM's need for fuel from that of the community.

Government of Nunavut – Department of Culture, Language, Elders, and Youth (GN-CLEY)

- There are known archaeological sites within the vicinity of the marshalling area which the Proponent is required to leave undisturbed unless properly mitigated by a professional permit holding archaeologist (sites were recorded during baseline studies).
- The Proponent is required to commission a site assessment on those archaeological sites identified during the Baseline Studies prior to the Baker Lake tank farm expansion.

Based upon a review of the relevant documentation, parties' comments provided to the NIRB, and the comments received at the public information session in Baker Lake, the Board is hereby notifying the Nunavut Water Board that Section 12.4.3 (NLCA) applies to the Baker Lake fuel tank farm expansion as proposed by AEM, and as such, the modifications therein are exempted from further screening.

For your information, as stated in the comment submission received from the GN-CLEY, the Proponent will be required to commission a site assessment on those archaeological sites identified in the fuel tank farm area, and that this assessment will need to be completed prior to undertaking any works to expand the fuel tank farm. The archaeological site assessment should be forwarded to the GN-CLEY and the NIRB upon completion. Additional follow-up information may also be required through the NIRB's Monitoring program for the Project, pursuant to Part 7, Article 12, NLCA.

Any questions regarding the Meadowbank Gold Mine Project may be directed to the NIRB's Monitoring Officer for the file, Amanda Hanson, at ahanson@nirb.ca or via telephone at (867) 983-4615.

Sincerely,



Ryan Barry
Director, Technical Services

For:

Stephanie Autut
Executive Director

Cc: Honourable Chuck Strahl, Minister, Indian and Northern Affairs Canada
Stephane Robert, Environment Superintendent, Agnico-Eagle Mines Ltd.
Meadowbank Distribution List