



WATER USE INSPECTION REPORT FORM

Date: July 29 th -30 th , 2013	Licensee Rep. Jeffery Pratt -Environmental Coordinator, Kevin Buck- Environmental Superintendent
Licensee: Agnico-Eagle Mines Ltd. (AEM)	License No: 2AM-MEA0815

Comments: A compliance inspection was conducted on the 29th-30th of July, 2013. Jeffery Pratt, Environmental Coordinator accompanied Inspector C. Wilson and A. Shouldice on the inspection of the Meadowbank Gold Project.

Pre inspection compliance review

On July 14th, 2013 Jeffery Pratt provided a response to the inspection report from June 5th-6th. The following is a summary of actions taken by AEM in response to deficiencies identified in the June Inspection report.

- Construction report for Tailing Storage Facility (TSF), Vault Dike, and Diversion Ditches has been submitted to the Nunavut Water Board and the Inspector.
- Areas where tailings were spilled have been cleaned up, with all signs of tailings removed.
- Removal of contaminated soils from quarries 22 and 5 is complete. All contaminated soil has been secured inside the landfarm facility.
- Progress has been made on sorting and separating reject materials entering landfarm.
- Windblown garbage and debris around site has been reduced through a site cleanup initiative.

Outstanding items

- Contaminated soil piled against the rear wall of the landfarm containment berm. AEM has committed to pushing the piles back once the rear pile is aerated. This is an ongoing concern from inspections conducted in 2012, specifically with regards to the containment of contaminated water.
- A Remediation Plan for quarries 22 and 5 is to be submitted with the 2013 Annual Report.
- Removal of a silt curtain in Third Portage Lake. The Licensee informed the Inspector that a dive team has been contracted to complete this task before year end.

Below is a summary of a pre inspection meeting on July 29th, 2013. The attendees include Kevin Buck, Environmental Superintendent; Jeffery Pratt, Environmental Coordinator with Agnico-Eagle Mines Limited; and Erik Allain, Manager Field Operations; Peterloosie Papatsie, Student; Atuut Shouldice, Casual; and Christine Wilson, Water Resource Officer, with Aboriginal Affairs and Northern Development Canada (AANDC).

- Fish out program of Vault Lake started on July 19th, 2013. The end date is projected for mid-September with a total of 58% of all the fish transferred from Vault to Wally Lake.
- A total of 400 fish netted to date in Vault Lake.
- North South Consulting contracted to coordinate fish out program.
- AEM employees are taking part in the release of live fish; this is an environmental initiative to introduce mine employees to the marine life in the area.
- The first barge has arrived and departed from Baker Lake. In total four (4) barges are scheduled to service Meadowbank's shipping needs for this 2013 season.
- The last barge is scheduled to haul the hazardous waste from the site.
- The dust suppression fluid which was being applied to the airstrip is no longer authorized by the charter airline. AEM has return to the application of water before each landing.
- Dust sampling program is being completed this year and will be submitted with the annual report.
- Silt curtain removal has been approved for this year and will commence in 2013.
- Phase two of the Central Dike has been delayed due to unavailable resources.
- A total of ten (10) deposition points for tailings slurry are being utilized around the TSF.
- Non- contact water diversion ditches are completed around the tailings storage facility.

WATER SUPPLY

Source(s): Third Portage Lake	Quantity used: 985396m ³
Owner:/Operator: Agnico-Eagle Mines Ltd.	

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Intake Facilities: NI	Storage Structure: NI	Treatment Systems: NI	Chemical Storage: NI
Flow Meas. Device: NI	Conveyance Lines: NI	Pumping Stations: NI	Screen : NI

Comments:

- As of June 6th, 2013 total water volume consumed was 985396 m³. This is over the allowable limit by more than 250000 m³
- The Proponent foresaw overages in the annual water consumption due to a reduced amount of reclaim water available in the TSF. Tailings deposition was limited to one



side of the facility during the winter months causing a reduction in beaching which contributes to the available reclaim water. AEM applied in April 2013 to the Nunavut Water Board for an additional 1000000 m³ to the total annual water volume. This amendment has not yet been approved by the Board, though the Proponent continues to exceed the licensed amount.

- Water volumes in 2013 have exceeded the licensed amount since May.

WASTE DISPOSAL

Comment:

Waste water

- A map detailing the sumps and pumping station routes was provided to the Inspector.
- A pipe noted during the last inspection was confirmed as a discharge line for seepage water from East Dyke sumps. AEM was approved to discharge the East Dyke seepage water back into Second Portage Lake in 2013. The Inspector was informed by AEM that this discharge location will not be utilized in 2013 as resources are unavailable for sampling.

Tailings and Rock Storage Facilities

Vault

- The construction of the Vault Dyke is complete.
- Waste rock is being sorted and deposited at the vault waste rock storage facility. The Inspector requested a map detailing the proposed monitoring locations within the Vault deposit area.

Portage

- Water reclaim barge continues to be offline in the North Cell of the TSF.
- At the rear of the PRSF an area is filled with potentially contact/tailings water; this water is red in colour, and very cloudy. A road constructed around the PRSF separates this water from a lake referred to as NP-2. This water in NP-2 which borders the PRSF shows signs of seepage from the PRSF contact water sump. Note: the water in NP-2 immediately adjacent to the PRSF contact water sump has white foam floating on top and a red colour of sedimentation on the shore. The vegetation around NP-2 Lake is brown and appears to be dead.
- Samples have been collected at the PRSF contact water sump and NP-2 Lake.
- Results from these samples confirmed that contact water has seeped into NP-2 Lake.
- The Licensee will report to the Nunavut Water Board detailing the entirety of the situation surrounding the seepage water before October 5th, 2013.
- All contact water is to be managed as prescribed in the Water Management Plan (WMP) in accordance with Part H item 19.

Contaminated Soils

- All soils from quarries 22 and 5 have been moved into the Landfarm facility.
- The remediation pilot project is underway; sewage sludge was added to the center of the piles after aeration.
- The Proponent has committed to submitting a Plan with the 2013 Annual report which will consider the measure that must be taken to clean up and monitor quarry 22 and 5.
- All waste water from the landfarm facilities are to be contained within the landfarm. Any discharge from this facility must meet ST-35 discharge limits for fecal coliforms.

Progressive Reclamation

- The Proponent is encouraged to continue to progressively reclaim old buildings, unused equipment and material. This will reduce overall reclamation at the end of mine.
- An additional area has been created in the PRSF to house non-potentially acid generating rock (NPAG) material which will cap the TSF during reclamation.
- The proponent continues to cap the PRSF with 4m of NPAG material which will reduce the amount of reclamation work required during closure activities.

Landfill

- Unacceptable material was found in the landfill; aerosol containers, domestic waste, and oily rags.
- The Proponent will police this facility and operate it as detailed in the Landfill Design and Management Plan.
- Failure to properly police the Land fill facility will result in additional monitoring which will require the logging and reporting of all materials entering the facility to ensure compliance with the criteria set out in the current authorization.



Sewage: Sewage Treatment System: BIODISK

Natural Water Body: Yes	Continuous Discharge (land or water): Water	
Seasonal Discharge: NA	Wetlands Treatment: NA	Trench: None
Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected		
Discharge Quality: NI	Decant Structure: NI	Erosion: NI
Discharge Meas. Device: NI	Dyke Inspection: NI	Seepages: NI
Dams, Dykes: NI	Freeboard: NI	Spills: NI
Construction: NI	O&M Plan: NI	A&R Plan: NI
Periods of Discharge: Cont	Effluent Discharge Rate: NI	

Comments:

During this inspection the Sewage Treatment System (STP) was not inspected.

FUEL STORAGE:

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Berms & Liners: NI	Water within Berms: NI	Evidence of Leaks: NA
Drainage Pipes: NI	Pump Station & Catchments Berm: NI	
Pipeline Condition: NI	Condition of Tanks: NI	

Comments:

Marshaling Facilities

- Expansion of the marshaling facilities tank farm is underway.
- The Inspector was informed by the Proponent that a small excavation that was noted in the 2012 inspection was due to the repair of a tear which occurred during general maintenance.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected	Owner /Operator: Agnico-Eagle Mines Ltd.	
2	AANDC: 2	
Signs Posted: U	SNP: U	Warning: A
Records & Reporting: Annual Report submitted		
Geotechnical Inspection: To be completed in September of 2013		

Comments:

- Waste disposal facilities have been furnished with signage
- Sampling locations are lacking signage. This is ongoing from previous years. All sampling location will be fitted with signage before the November 1st, 2013. These locations will be photographed and logged for sampling consistency purposes and submitted to the Inspector before June 15, 2014.
- A review of the QA/QC and sampling collection protocols is recommended. Sampling and analysis of such samples will be a focus of the next Inspection.

General Comments:

- Quarry 23 is being used as a storage area for old or unused materials and equipment.
- This area is found to be in an unacceptable state; pieces of broken/burnt equipment are located throughout the quarry.
- All maintenance is to be completed in a designated area; many pieces of equipment have hydrocarbon staining beneath them and/or the batteries were found to still be attached. The Proponent will conduct these activities in accordance with Part H item 8.
- During the inspection it was noted that dust control measures needed to be deployed. The Proponent has provided to the Inspector with an account of the measures taken to suppress dust onsite. The results of the on-going dust monitoring program will be submitted to the Inspector before the date of the next inspection.
- Material used during the construction of the airstrip extension is noted along the shore of Third Portage Lake. This material if not to be utilized during construction must be removed before winter as this is considered waste.

Non-Compliance of Act or Licence:

Part H item (8): Failure to implement spill control measures

Part H item (19): Failure to carry out plans to their full extent

AEM is reminded of their duty to report to the Nunavut Water Board before October 5th, 2013 with regards to the situation surround the seepage water at ST-16.

Failure to undertake the actions required as described in this inspection report, and to the satisfaction of the Inspector, may result in enforcement action(s) being undertaken pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.



<div>Christine Wilson</div> <div>Inspector's Name</div>	<div></div> <div>Inspector's Signature</div>
<div></div> <div>Representative Name, Title</div>	<div></div> <div>Representative Signature</div>

Cc: Andrew Keim- A/Manager Field Operations
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