



P.O. Box 119
Gjoa Haven, NU X0B 1J0
Tel: (867) 360-6338
Fax: (867) 360-6369

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2AM-MEA0815/TR/B5

February 1, 2010

Stéphane Robert
Environment Superintendent
Agnico-Eagle Mines Limited – Meadowbank Division
20, Route 395
Cadillac, Quebec, J0Y 1C0

Email: stephane.robert@agnico-eagle.com

Subject: Review of 2008 Annual Report, submitted under Part B, Item 5 and direction for the 2009 Annual Report submission

Dear Mr. Robert,

Agnico-Eagle Mines Limited (AEM or Licensee) submitted the 2008 Annual Report (Report) on April 28, 2009 in accordance with Part B, Item 5 of Licence 2AM-MEA0815. The Report was distributed to interested parties and comments were submitted by Indian and Northern Affairs Canada (INAC), Environment Canada (EC) and Fisheries and Oceans Canada (DFO). Those comments are available on the Nunavut Water Board's (NWB) ftp site, **Username: public, Password: registry** at the following link:

[ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20AND%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815/3%20TECH/1%20GENERAL%20\(B\)/B5%20ANNUAL%20RPT/2008%20Annual%20Report/](ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20AND%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815/3%20TECH/1%20GENERAL%20(B)/B5%20ANNUAL%20RPT/2008%20Annual%20Report/)

The NWB has reviewed the Report and the comments provided by Parties. In order to assist the Licensee with the development of the 2009 Annual Report, due March 31, 2010, the NWB is providing feedback and notes on the 2008 Report for AEM's consideration.

Concordance Table 1.1

The NWB appreciates the concordance table provided by the Licensee, which helped facilitate the NWB's internal conformity assessment of the reporting requirements in the Licence and in particular those of schedule B. The NWB agrees with INAC's submission in that the Report is generally complete.

The NWB anticipates that the concordance table will be expanded for the 2009 Annual Report to include detailed locations for applicable monitoring information requested through Schedule B, Item 13.

Licence Requirement - Schedule B, Item 4: The bathymetric survey(s) conducted prior to each year of shipping at the Baker Lake Marshalling Facility.

Both INAC and EC noted an issue with the lack of a bathymetric survey for the Baker Lake marshalling area. Part I, Item 26 of the Licence required AEM to undertake a bathymetric survey and Schedule I, Item 4 specifies that a survey be undertaken each year prior to shipping. EC was uncertain if shipping occurred in 2008, however the NWB notes appendix E2, *2008 On-Board Vessel Encounter Reports*, which indicates that shipping did take place. The 2008 Annual Report did not provide justification by AEM for the lack of a bathymetric survey prior to shipping in 2008.

The NWB is unsure whether the lack of a 2008 bathymetric survey was an oversight or if other circumstances prevented it from being undertaken. In the case of the latter, the NWB asks that in the future, the Licensee notify the NWB of any instances which may prevent or delay the provision of information.

The NWB notes that, in a letter to the NWB of November 26, 2009, AEM provided an update on the status of this condition. AEM indicated that a bathymetric survey at the Baker Lake marshalling facility was completed July 18, 2009, prior to the 2009 shipping season. The NWB acknowledges that the survey information will be provided in the 2009 Annual Report.

Licence Requirement - Schedule B, Item 5.a: Operational acid/base accounting and paste pH test work used for waste rock designation (PAG and NPAG rock) & Schedule B, Item 5.b: As-built volumes of waste rock used in construction and sent to the Waste Rock Storage Facilities with estimated balance of acid generation to acid neutralization capacity in a given sample as well as metal toxicity;

AEM stated that that because the Project was in the early stages of construction in 2008, no acid/base accounting work was undertaken. However, the NWB notes from Table 4.1 of the Report that waste rock was removed from starter pits and used in construction as well as transferred to the waste dump. Therefore, the NWB identifies with the comments made by INAC and EC, which find this item to be incomplete. The NWB believes that work for the above Items would be undertaken in accordance with the approved *Operational ARD/ML Testing and Sampling Plan*. The implementation schedule for the Plan states that it was being implemented by mine staff effective from the start of mine development in July of 2008. The NWB is unsure why the work was not undertaken and anticipates that the issue will be clarified in the 2009 Annual Report.

Licence Requirement - Schedule B, Item 11: A list and description of all unauthorized discharges including volumes, spill report line identification number and summaries of follow-up action taken.

The NWB reviewed Table 6.1 of the Annual Report, outlining the spills that occurred on-site and the NWB appreciates the diligence with which the spills were recorded.

From the period of June through December 2008, there were 64 incidents recorded. Although the majority of spill incidents involved small amounts of fuel, the NWB is still concerned with the overall number of spills. Section 11.1 of the *Revised and Consolidated Spill Contingency Plan* submitted to the NWB on August 11, 2008 outlined the General Mine Manager's and Exploration Manager's responsibilities. Their responsibilities included evaluating the training required by all staff, and ensuring that all staff are given appropriate training and are retrained as needed. In order to ensure that adequate training is being provided for the prevention of spills, the NWB requests that AEM provide, as part of the 2009 Annual Report under Schedule B, Item 11, a record of spill prevention training given to on-site staff during 2009.

Finally, EC's submission included a request for additional information for specific spills to be provided and the NWB recommends that the 2009 Annual Report include the information requested by EC for the 2008 incidents, as well as for reporting of incidents that may have occurred in 2009.

The NWB appreciates AEM's efforts in compiling the 2008 Annual Report. It is an important and helpful document to the administration of the Licence and project. If you have any questions concerning the above, please do not hesitate to contact me at (780) 443-4406 or via email at dts@nunavutwaterboard.org. If in providing any of the above requested information, AEM is of the opinion that additional time may be required in order to file the 2009 Annual Report on time, and complete, the NWB suggests that a request for an extension be submitted prior to the end of February.

Yours truly,

Original Signed by:

David Hohnstein, C.E.T.
Director Technical Services

DH/tla

Cc: Distribution list