

Appendix F2

Letter: Update on Clean-up of Spill at KM23 on the All Weather Private Road

August 4, 2012

Andrew Keim
A/Manager Field Operations
Aboriginal Affairs and Northern Development Canada
Box 100 Building 918
Iqaluit, Nunavut XOA OHO
Ph: 1-867-975-4289
Fx: 1-867-979-6445
Andrew.Keim@aadnc-aadnc.gc.ca

RE: Update on Clean-up of Spill at KM23 on the All Weather Private Road

Mr. Keim,

This is to advise you of the progress that has occurred and further actions being put into place regarding the clean-up of the spill which occurred on at KM 23 on the AWPR.

Progress

Agnico Eagle Mines (AEM) treated contaminated water from the 4 collection ponds, at km 23, through the activated carbon filtration system for 12 days during July, 2012. A total of 175,000 L has been treated to date.

Sample analysis results (July 20, 2012) of the water in Pond #4 (see attached Figure) indicate the water has "No Detect" levels of petroleum material and lead (see Table 1 below and the attached analytical certificate). As a result, AEM will now fill in the Pond #4 excavation with NPAG material.

Table 1 - Pond #4 Results

Parameter	Maximum Average Concentration (Part F, Item 6)	Pond#4 Results
Benzene($\mu\text{g/L}$)	370	<0.3
Toluene($\mu\text{g/L}$)	2	<0.3
Ethylbenzene($\mu\text{g/L}$)	90	<0.3
Lead($\mu\text{g/L}$)	1	<0.0003
Oil and Grease(mg/L)	15 and no visible sheen	<1

Also please note that water discharged after treatment meets discharge criteria shown in Table #2 (Part F, Item 6). The Certificates of Analysis are attached for your records.

Regional Office:
93, Rue Arseneault
Bureau 202
Val d'Or, Quebec J9P 0E9
Tel: 819-825-3744

Baker Lake Office:
P.O. Box 540
Baker Lake, Nunavut X0C 0A0
Tel: 867-793-4610 Fax: 867-793-4611

Table 2 - Discharge Water Results

Parameter	Maximum Average Concentration (Part F, Item 6)	7/5/2012	7/11/2012	7/15/2012	7/18/2012
Benzene($\mu\text{g/L}$)	370	<0.3	<0.3		<0.3
Toluene($\mu\text{g/L}$)	2	<0.3	<0.3		<0.3
Ethylbenzene($\mu\text{g/L}$)	90	<0.0003	<0.0003		<0.0003
Lead($\mu\text{g/L}$)	1	<0.0003	<0.0038	<0.0003	<0.0003
Oil and Grease(mg/L)	15 and no visible sheen	<1	<1		2

Further Action

Agnico-Eagle will continue with the clean-up of the Km 23 spill area. Ponds 1, 2, and 3 will stay open and treatment will re-commence in mid-August. We will re-assess the site after the treatment program is complete to determine the next steps in which to take.

As a precaution we will leave the protective maritime booms in the river to ensure protection of this water. For your information, a sample taken from the river on July 18, 2012 indicates "No Detect" for petroleum constituents and lead (see results in Table 3 below and the attached analytical certificate).

Table 3 - River Water Sample

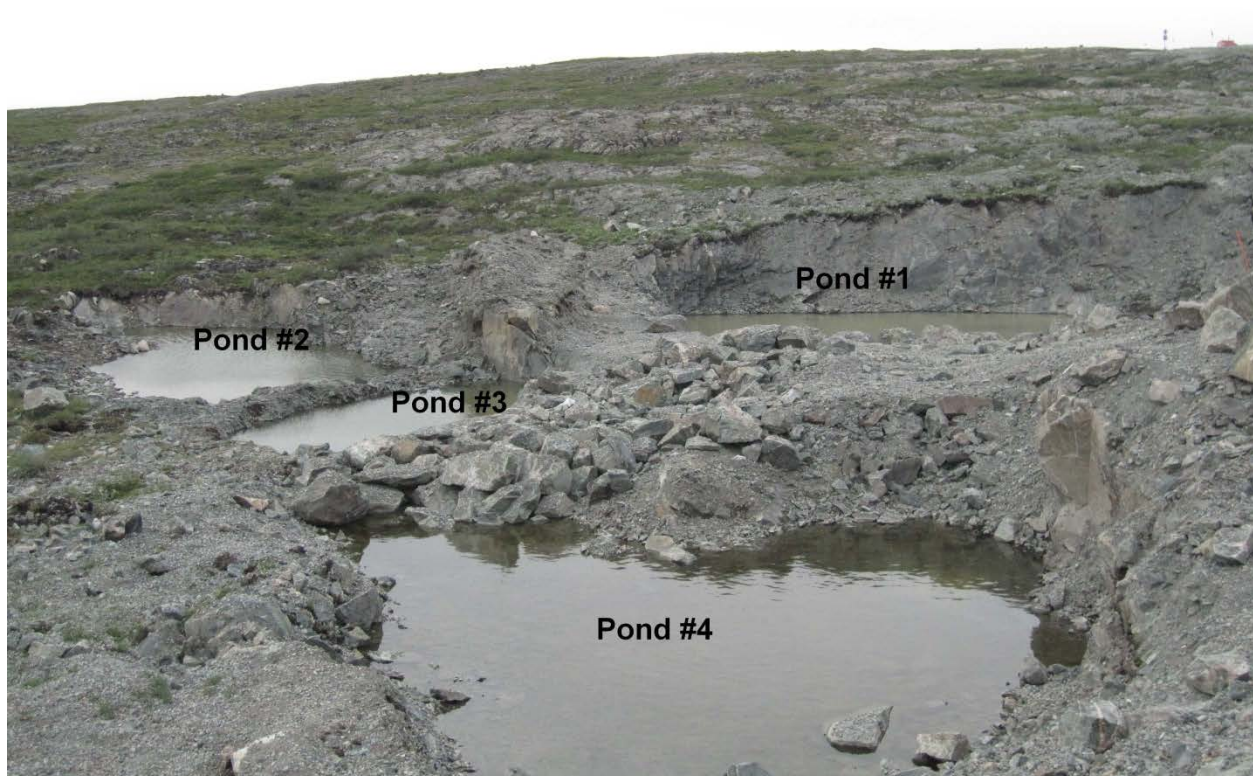
Parameter	Maximum Average Concentration(take out as the river has CCME criteria)	7/18/2012
Benzene($\mu\text{g/L}$)	370	<0.3
Toluene($\mu\text{g/L}$)	2	<0.3
Ethylbenzene($\mu\text{g/L}$)	90	<0.0003
Lead($\mu\text{g/L}$)	1	<0.0003
Oil and Grease(mg/L)	15 and no visible sheen	<1

I trust this course of action meets with your approval. Should you have any questions or concerns please feel free to contact me at jeffrey.pratt@agnico-eagle.com.

Sincerely,


Jeffrey Pratt
Environmental Coordinator
Agnico-Eagle Mines Ltd.
Meadowbank Division
(867) 793-4610 ext. 6728
jeffrey.pratt@agnico-eagle.com

CC: Kevin Buck, AEM; Steve Hartman, KIA; Christine Wilson, AANDC



September 19th, 2012

Andrew Keim
A/Manager Field Operations
Aboriginal Affairs and Northern Development Canada
Box 100 Building 918
Iqaluit, Nunavut XOA OHO
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Fx: 1-867-979-6445
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Mr. Keim,

This is to advise you of the progress that has occurred and further actions being put into place regarding the clean-up of the spill which occurred at KM 23 on the AWPR.

Progress

As you are aware from my previous correspondence dated August 4, 2012, sample analysis results from Pond # 4 were below detection levels therefore treatment was stopped at this location.

Agnico Eagle Mines (AEM) treated contaminated water from Ponds #1, #2 and #3 (see attached Figure 1), at km 23, through the activated carbon filtration system for 25 days from July 22nd to August 26th, 2012. 350,000 L has been treated within that period.

In all, a total of 525,000 L has been treated with this system from the start of the clean-up in July 2012.

Sample analysis results (September 4th, 2012) of the water in Pond #1, 2 indicate the water has "No Detect" levels for BTEX compounds and lead. Analysis results of Pond # 3 samples are not available as yet but are expected soon. (see Table 1 below and the attached analytical certificates

Table 1 - Pond #1, 2 and 3 Results

Parameter	Maximum Average Concentration (Part F, Item 6)	Pond#1 Results	Pond#2 Results	Pond#3 Results
Benzene (µg/L)	370	<0.3	<0.3	Waiting for results
Toluene (µg/L)	2	<0.3	<0.3	Waiting for results
Ethylbenzene (µg/L)	90	<0.3	<0.3	Waiting for results
Lead (ug/L)	1	<0.0003	<0.0003	Waiting for results
Oil and Grease (mg/L)	15 and no visible sheen	<1	<1	Waiting for results

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Also please note that water discharged after treatment met the discharge criteria shown in Table #2 (Part F, Item 6 of our Water License). The Certificates of Analysis are attached for your records.

Table 2 - Discharge Water Results

Parameter	Maximum Average Concentration (Part F, Item 6)	08/19/2012
Benzene (µg/L)	370	<0.3
Toluene (µg/L)	2	<0.3
Ethylbenzene (µg/L)	90	<0.0003
Lead (ug/L)	1	0.7
Oil and Grease (mg/L)	15 and no visible sheen	<1

Further Action

Due to the fact that the water in Ponds 1, 2, and 4 has “no detect” levels of parameters of concern, namely BTEX compounds and Oil and Grease AEM considers remedial measures to be complete for the clean-up of these ponds.

They will now be re-filled, before, winter with NPAG materials. The site will be contoured as much as possible to its natural state. When results for Pond #3 are received, which are expected to meet the criteria listed above, it will also be re - filled as per Ponds 1, 2 and 4.

As a precaution we will leave the protective maritime booms in the river to ensure protection of this water during the re-filling of the ponds ponds. In addition, we will conduct sample monitoring in the spring, during freshet, as well as in the fall (low water conditions) for petroleum constituents. I trust this course of action meets with your approval. Should you have any questions or concerns please feel free to contact me at 819-759-3555 Ext: 6728.

Sincerely,



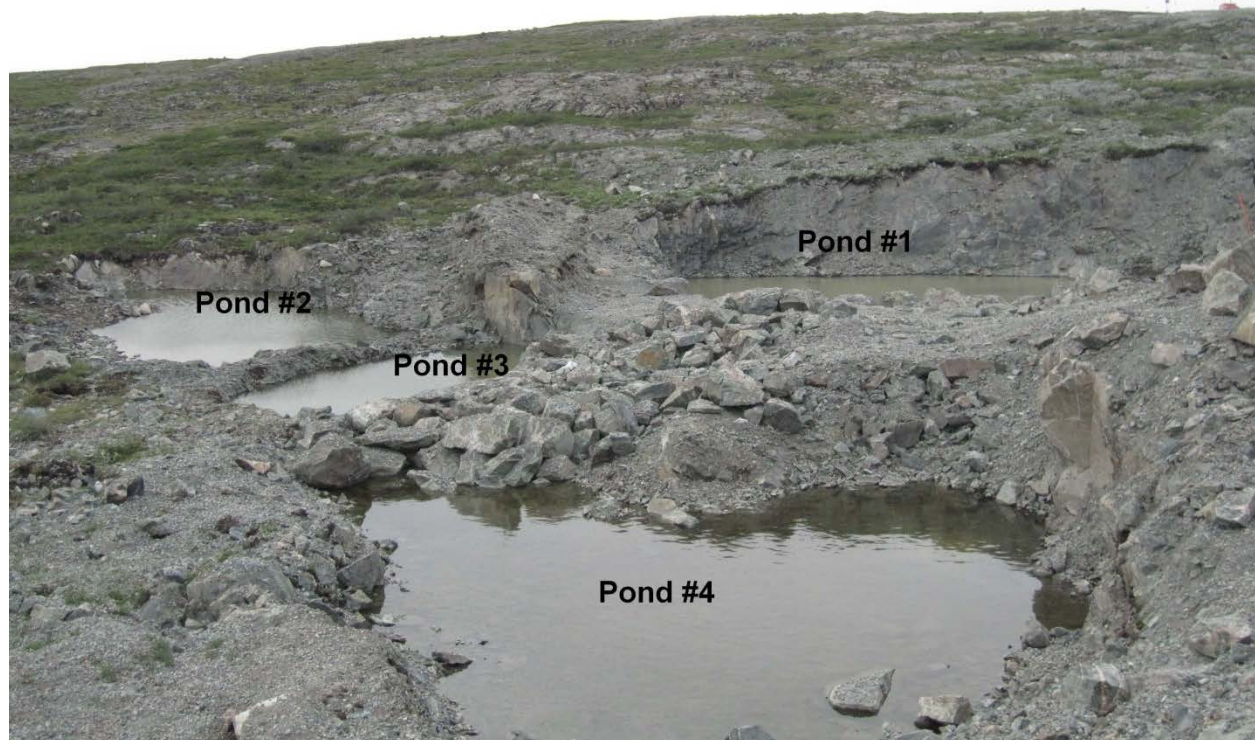
Jeffrey Pratt
Environmental Coordinator
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CC: Kevin Buck, AEM; Steve Hartman, KIA; Christine Wilson, AANDC

Figure 1 – Identification of Ponds – Km 23



September 24th, 2012

Andrew Keim
A/Manager Field Operations
Aboriginal Affairs and Northern Development Canada
Box 100 Building 918
Iqaluit, Nunavut XOA OHO
Ph: 1-867-975-4289
Fx: 1-867-979-6445
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Progress

Sample analysis results (September 24th, 2012) of the water in Pond #3 indicate the water has “No Detect” levels for BTEX compounds and lead, aside from a mere detection of Benzene which is well below the Maximum concentration. (see Table 1 below and the attached analytical certificate)

Table 1 - Pond #3 Results

Parameter	Maximum Average Concentration (Part F, Item 6)	Pond#3 Results
Benzene (µg/L)	370	0.4
Toluene (µg/L)	2	<0.3
Ethylbenzene (µg/L)	90	<0.3
Lead (ug/L)	1	<0.0003
Oil and Grease (mg/L)	15 and no visible sheen	<1

Further Action

Due to the fact that the water in Pond 3 has “no detect” levels or well below the maximum average concentration of parameters of concern, namely BTEX compounds and Oil and Grease AEM considers remedial measures to be complete for the clean-up of this pond.

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Ponds 1, 2, and 4 have now been re-filled with NPAG materials. Pond 3 will be re-filled before winter. The site will be contoured as much as possible to its natural state. Once the Pond 3 is filled, and contouring is completed AEM will forward you pictures of the remediated site.

As a precaution we will leave the protective maritime booms in the river to ensure protection of this water during the re-filling of the ponds ponds. In addition, we will conduct sample monitoring in the spring, during freshet, as well as in the fall (low water conditions) for petroleum constituents. I trust this course of action meets with your approval. Should you have any questions or concerns please feel free to contact me at 819-759-3555 Ext: 6728.

Sincerely,



Jeffrey Pratt
Environmental Coordinator
Agnico-Eagle Mines Ltd.
Meadowbank Division
(867) 793-4610 ext. 6728

CC: Kevin Buck, AEM; Steve Hartman, KIA; Christine Wilson, AANDC

Analytical Report

Lab number: V-22024

Sample name: Km 23 Pond-3

Sampling date: September 11, 2012

Sampling location: Km 23 Pond-3

Sampling hour: 14:45

Parameter	Result	Method name	Analysis date
BTEX (L)		M-COV-1.0	
- Benzene	0.4 µg/L	M-COV-1.0	September 20, 2012
- Toluene	<0.3 µg/L	M-COV-1.0	September 20, 2012
- Ethylbenzene	<0.3 µg/L	M-COV-1.0	September 20, 2012
- o-xylène	<0.3 µg/L	M-COV-1.0	September 20, 2012
- (m,p) xylène	<0.3 µg/L	M-COV-1.0	September 20, 2012
- Total Xylene	<0.3 µg/L	M-COV-1.0	September 20, 2012
Total oil and grease	<1 mg/L	M-HYD-1.0	September 21, 2012
Lead (Pb)	<0.0003 mg/L	Sous-traitance\Multilab Direct	September 20, 2012

Sauf indication contraire, tous les échantillons ont été reçus en bon état.
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800, 5ième avenue
Val d'Or (Québec)
J9P 1S9
Téléphone : (819) 874-0350
Fax / Téléc : (819) 874-0360
E-mail: valdor@multilab-direct.com
Site web: www.multilab-direct.com

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Regional Office:
93, Rue Arseneault
Bureau 202
Val d'Or, Quebec J9P 0E9
Tel: 819-825-3744

Baker Lake Office:
P.O. Box 540
Baker Lake, Nunavut X0C 0A0
Tel: 867-793-4610 Fax: 867-793-4611