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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

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File: 2AM-MEA815/G1

October 13, 2009

Stéphane Robert  
Environment Superintendent  
Agnico-Eagle Mines Ltd.  
Baker Lake Office  
P.O. Box 540  
Baker Lake, Nunavut X0C 0A0  
By email: [stephane.robert@agnico-eagle.com](mailto:stephane.robert@agnico-eagle.com)

**Subject: Submission of a request for Modification of the Marshalling Area Bulk Fuel Storage Facility, under Water Licence 2AM-MEA0815, Part G, Item 1**

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Dear Mr. Robert,

The Nunavut Water Board (NWB) would like to acknowledge receipt of the above-cited request for modification on July 30, 2009, from Agnico-Eagle Mines Ltd. (AEM), submitted in accordance with Part G, Item 1 of Licence 2AM-MEA0815.

Since receipt of the correspondence and in follow-up to the notification, the NWB has received additional information from the Nunavut Planning Commission (NPC) on August 6, 2009 indicating that the NPC did not need to review for conformity the change to the project in connection with condition 27 and condition 42 of Project Certificate No.004 and related conditions of the current NWB Water Licence. As well, the NWB has been provided confirmation from the Nunavut Impact Review Board, dated September 25, 2009 indicating 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.

On September 29, 2009, the NWB advised the Licensee that 10 days were required to review the modification request.

The NWB has in its review, determined that the proposed expansion of the Marshalling Area Bulk Fuel Storage Facility from 40 million litres (ML) of diesel fuel to 60 ML of diesel and an additional 2 ML of jet fuel is not consistent with the definition provided under Licence 2AM-MEA0815 Schedule A – Scope, Definitions, and Enforcement which states:

**“Marshalling Area Bulk Fuel Storage Facility”** means the facility, constructed to contain a nominal capacity of approximately twenty (20) million litres of diesel fuel and all associated infrastructure, as described in the Application dated April 8, 2007 and all supporting documentation;

As the modification conflicts with the Licence, Part G, Item 1(b)<sup>1</sup> applies requiring the Licensee to submit an amendment application detailing the request. Also, as part of an amendment application the NWB is requesting additional information be provided by AEM with respect to design specifications, mitigation measures and monitoring requirements. Specifically, the NWB is requesting additional information on the design specifications of the facility expansion, including:

- a. Design stamped and signed for Construction drawings showing details of the facility expansion, overall site plans, grading details, pad and backfill details, profiles and cross-sections and details;
- b. Design specifications including information on construction material that meets the requirements of Part D, Item 8, geotechnical concerns, liner specifications or other secondary containment requirements suitable for the bulk storage of fuel products,

Based on the information provided to date and on section 174(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the NWB does not anticipate the application for amendment will require a public hearing as provided:

174.1 The regulations made under paragraph 33(1)(c) of the *Northwest Territories Waters Act* are deemed, in relation to the use of waters or the deposit of waste in Nunavut, to prescribe, as classes of applications that are exempted from the requirement of a public hearing, the classes of applications in relation to the following:

- (a) in the case of a Type A licence,
  - (i) any amendment that does not affect the use, flow or quality of waters or alter the term of the licence,

Should you have any questions regarding the above, please do not hesitate to contact the undersigned by phone at (780) 443-4406 or at [dts@nunavutwaterboard.org](mailto:dts@nunavutwaterboard.org) ; or Richard Dwyer, Licensing Administrator at [licensingadmin@nunavutwaterboard.org](mailto:licensingadmin@nunavutwaterboard.org).

Yours truly,

*Original signed by:*

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

Cc: Kivalliq Distribution

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<sup>1</sup> “Such modifications do not place the Licensee in contravention of the Licence or the Act;”