



May 20th, 2022

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Sent via email:

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Re.: Spill 2021-392, Warning Letter – Follow-up letter

This letter is a follow-up to your letter dated April 12th, 2022, to Agnico Eagle Mines Limited (Agnico Eagle), regarding the alleged contravention of the water licence 2AM-MEA1530 Part F, Item 12, and Section 90.1 (1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

Background:

On September 10th, 2021, Agnico Eagle was made aware of a potential environmental discharge during a transfer of water between the secondary containment of diesel tanks #5-6 towards the secondary containment of diesel tanks #3-4 at the Baker Lake Marshalling Facility. Within hours of the Environment Department being notified, Agnico Eagle reported the incident through the NT-NU Spill Hotline and directly to CIRNAC Inspectors Christine Wilson and Jakob Voisey. The investigation was launched immediately and revealed the likelihood of approximately 280m³ of potentially contaminated water having reported to the environment instead of to secondary containment of tanks #3-4. Water quality and soil samples were taken in multiple locations in the secondary containment of the diesel tanks, in the environment along the potential flow path and in Baker Lake itself. Following the initial spill report, on September 20th, 2021, Agnico Eagle contacted Christine Wilson to communicate the preliminary volumetric information and available environmental sample results. A follow-up report was submitted to regulators on September 30th, 2021 presenting environmental results showing no evidence of significant contamination and the sequence

of events that may have led to this event. This follow-up report was also highlighting the following:

- The environmental discharge was caused by the misplacement of the discharge pipe during water transfer activities.
- Remaining water in the secondary containment of tanks #5-6 contained Total Oil and Grease levels of 1.4 and 1.7mg/L, compared to effluent limit of 5mg/L as per the Water License. All laboratory-analyzed parameters were below effluent limit criteria.
- Daily water samples taken in Baker Lake presented no measurable impact of the discharge.
- Acute lethality samples taken in Baker Lake presented 100% survival rate for *Rainbow Trout* and *Daphnia Magna*.
- Out of the 8 soil samples taken in the expected discharge flow path, one sample presented a hit of hydrocarbons in the F2-F4, of 380ug/g and 100ug/g for F3 (C16-C34) and F4 (C34-C50) respectively, which are under the industrial CCME guideline.

Corrective Actions and Due Diligence:

Agnico Eagle treats compliance matters very seriously and is committed to achieving exemplary environmental performance at all of its operations. In fact, Agnico Eagle has an explicit goal of achieving zero non-compliance events, by applying best practices and by continuously improving environmental management. Furthermore, Agnico Eagle is committed to diligent disclosure of environmental performance. Following all exceedances and non-compliance, an investigation is launched to understand the causes, and what remedial actions can be implemented to avoid reoccurrences, which are detailed in the follow-up reports provided to regulators.

Following the submission of the follow-up report, Agnico Eagle further completed its *Core Receiving Environmental Monitoring Plan* (CREMP) in Baker Lake, which was submitted as part of the Annual Report, on April 15th, 2022. As part of the CREMP, monitoring samples took place in Baker Lake in 3 areas, including in the area of Agnico Eagle's infrastructure in Baker Lake. This program serves to monitor the water quality in lakes with the potential of being impacted by the project. The 2021 CREMP report states that concentrations measured in water at Baker Lake in 2021 were comparable to results reported in previous annual monitoring reports.

To prevent re-occurrence of an un-authorized water discharge from secondary containment caused by a misplacement of the discharge pipe or by any other human error, Agnico Eagle conducted an extensive review of the way water is managed, specifically during construction activities where more contractors are involved. To that end, 3 key actions were implemented:

- 1) Review and update of fuel, liquid and hazardous material policy and associated verification procedure during construction activities.
 - All ongoing and new construction projects were reviewed for potential environmental impacts.

- An internal environmental permit was developed for all activities relating to water works, excavations and tundra. This permit requires approval from the environmental supervisor as well as the construction supervisor and highlights environmental requirements for the construction project, including required notices to regulators.
- 2) Increased environmental awareness & monitoring at the Meadowbank Complex, specifically near the Baker Lake infrastructure.
- Onboarding process for new construction workers was reviewed to include additional information regarding the environment, legal requirements and presents the environmental permit previously described.
 - The Environment department has also increased its environmental monitoring workforce for the summer periods to continuously monitor and educate workers regarding environmental issues. These workers will also be able to increase the presence around the Baker Lake infrastructure, as the global pandemic restrictions are easing.
 - Signs have been posted stating: “Environmental authorization required for pumping”. These signs have been installed next to the secondary containment of the Baker Lake Tank Farm, as well as other critical locations around the Meadowbank Complex.
- 3) Implementation of environmental review process for all projects requiring a modification of change (MOC) process.
- The MOC process is a process implemented at the Meadowbank Complex to document, organize, authorize and implement changes to systems and infrastructure around the site. Following the event, the process was reviewed to further detail the required environmental information, and to systematically include all aspects during the approval process (compliance inspections, water management, environmental supervision and legal requirements).

Agnico Eagle is confident that the implementation of corrective actions outlined above will reduce the risk of future such occurrences.

Should you require any additional information, please do not hesitate to contact the undersigned.



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