

November 26, 2009

*Via Email*

Mr. Richard Dwyer  
Licensing Administrator  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
Phone: (867) 360-6338  
[licensingadmin@nunavutwaterboard.org](mailto:licensingadmin@nunavutwaterboard.org)

Dear Mr. Dwyer,

**Re: Water License 2AM-MEA0815 – Update on License Condition Status**

On November 20, 2009, Agnico-Eagle Mines Limited – Meadowbank Division (AEM) received correspondence from the Nunavut Water Board (NWB) requesting a status update on six conditions of Water License 2AM-MEA0815. As requested, a response on the current status of each condition is included in the following sections.

**Part D, Item 26**

***The Licensee shall submit a Construction Summary Report to the Board, within ninety (90) days following the completion of each structure designed to contain, withhold, divert or retain Waters or Wastes. The Construction Summary Report shall be prepared by a qualified Engineer(s) in accordance with Schedule D, Item 1.***

To date, the following structures, as identified by Part D, Item 26 have been completed:

Structure	Completion Date	Status of Construction Summary Report
East Dike	July 2009	Final version completed
West Channel Dike	June 2009	Draft version completed

The as-built report of the East Dike will be sent to the NWB by December 4, 2009. The as-built report for the Western Channel Dike will be sent to the NWB by December 31, 2009.

The remaining structures listed below are either under construction or planned for construction as the Meadowbank Project progresses. The associated construction summary reports will be submitted to the NWB 90 days following construction completion:

Structure	Estimated date of Construction Completion
Bay-Goose Dike	Spring 2011
South Camp Dike	Spring 2010
Central Dike	2012
Stormwater dike	Fall 2010
Saddle Dam 1 and 2	Fall 2010
Saddle Dam 3, 4 and 5	2013
Vault Dike	2013

#### **Part H, Item 1**

***The Licensee shall submit to the Board for review, at least ninety (90) days prior to the commencement of Operations, a revised and consolidated Emergency Response Plan. The revised Plan shall cover the activities included in the scope of the Licence taking into account as-built designs and emergency preparedness to include the consequences of failure of any dikes.***

The revised Meadowbank Emergency Response Plan will be submitted by December 4, 2009.

#### **Part I, Item 3**

***The Licensee shall submit to the Board for approval, within thirty (30) days of Licence approval, a Ground Water Monitoring Plan.***

***Groundwater Monitoring Plan approved on June 30, 2009. Addendum required 60 days following installation of groundwater monitoring wells.***

Four monitoring wells were installed at the site in 2003, three of which subsequently developed internal damage and could no longer be operated. In 2006, the three defective monitoring wells were replaced, but the replacement wells also became inoperable after the first round of sampling. A more robust monitoring well design was developed and two of the inoperable wells were replaced in 2008.

The installation of the third monitoring well has been deferred until verification of the effectiveness of the 2008 designs. Field activities related to the 2009 groundwater monitoring program were carried out between August 19 and September 9, 2009. One of the new monitoring wells could not be sampled because of the formation of an ice bridge inside the well pipe which prevented groundwater from entering the well. The 2009 Groundwater Monitoring Report concluded that the new design of the replacement monitoring wells is more robust than previous years although some components require further modification before a new well is installed.

Installation of the final well is anticipated in 2010 at a location to be determined within the tailings basin in the northwest arm of Second Portage Lake. In light of this, AEM requests the requirement for the addendum be deferred to 60 days following installation of the final well in 2010. This timing will allow for the most up-to-date information to be incorporated into the plan.

**Part I, Item 17**

***The Licensee shall submit to the Board for approval, within six (6) months following construction of each the Mine Site Bulk Fuel Storage Facility and Marshalling Area Bulk Fuel Storage Facility, a plan for the environmental and performance monitoring of each Facility.***

Construction of the Bulk Fuel Storage Facility in Baker Lake was completed in August 2009. The associated Environmental and Performance Monitoring Plan for the Bulk Fuel Storage Facilities at the Mine and in Baker Lake will be submitted to the NWB by December 31, 2009.

**Part I, Item 23**

***The Licensee shall file a letter with the Board confirming application for accreditation for the on-site environmental laboratory prior to commencing Operations.***

To date, the AEM on-site laboratory has not formally applied for accreditation. Laboratory accreditation in Canada is run by an organization called CALA (Canadian Association of Laboratory Accreditation); this organization was formerly called CAEAL (Canadian Association of Environmental and Analytical Laboratories). Under the CALA guidelines, a lab may not apply for accreditation until the lab has completed all of its required proficiency testing and passed its results. It is only under special circumstances that a lab will be allowed to apply without all of the proficiency testing results; the AEM on-site lab does not fall under the special circumstances category.

Proficiency testing under the CALA program occurs only twice per year, in April and October. As the AEM laboratory was not fully operating in April, we were forced to wait until October of this year to complete our proficiency testing.

The AEM on-site laboratory will seek accreditation for these parameters: Total Suspended Solids (TSS), pH, and gold. AEM has submitted samples for its proficiency testing. Samples for TSS and pH were sent to CALA on November 8, 2009. We anticipate receiving the results from our proficiency testing within 3 months, by the end of January 2010. At this time AEM will formally apply for laboratory accreditation.

All environmental samples will be sent to an external accredited laboratory for analysis, until such time that the laboratory receives its accreditation.

**Part I, Item 26**

**The Licensee shall confirm bathymetric survey at the Baker Lake Marshalling Facility.**

A bathymetric survey at the Baker Lake marshalling facility was completed July 18, 2009, prior to the shipping season. The survey information will be provided in the 2009 annual report.

AEM appreciates the understanding of the NWB as we continue to work diligently towards satisfying the conditions of Water License 2AM-MEA0815 in a timely manner. Should you have any questions regarding this submission, please contact me directly at 819-763-0229 or via email at [stephane.robert@agnico-eagle.com](mailto:stephane.robert@agnico-eagle.com).

Regards,



Stéphane Robert  
Environment Superintendent

cc: *Ian Rumbolt, Indian and Northern Affairs Canada*  
*David Abernethy, Indian and Northern Affairs Canada*  
*Luis Manzo, Kivalliq Inuit Association*