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7 July 2011

Richard Dwyer Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Via email: licensingadmin@nunavutwaterboard.org

RE: 2BE-MEA0813 Amendment Application

Environment Canada (EC) has reviewed the above-mentioned amendment application submitted to the Nunavut Water Board (NWB). The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

EC File: 4703 001 015

NWB File: 2BE-MEA0813

Agnico-Eagle Mines Ltd. is applying to amend their existing Type 'B' water licence 2BE-MEA0813 for their Meadowbank Exploration Project, located approximately 70 km north of the Hamlet of Baker Lake within the Kivalliq Region, Nunavut. Activities at the camp include camp operation, mineral exploration, prospecting, geological mapping, geophysical surveys, diamond drilling, fuel vault installation, airstrip construction, baseline data collection, trenching and the installation of a Bulk Fuel Storage Tank with a nominal capacity of five million litres.

The amendment is requesting the Board issue a blanket authorization for drilling activities occurring within the 30-m high water mark which is contrary to Part F (1) of the existing water licence. Under the existing licence, drilling within this area requires approval by the Board on a case by case basis.

The purpose of the 30-m buffer is to protect adjacent water bodies from perturbations, including sedimentation from erosion and toxic insults from runoff related to drill sites. EC is concerned with this amendment since the proponent did not provide a description of the measures it will employ to ensure erosion and runoff is kept in check from drilling activities within the 30-m high water mark. For this reason, EC supports maintaining the restriction in the existing licence.

However, if the Board decides to entertain this amendment, EC recommends the Board request the proponent provide the number of holes it plans to drill within the 30-m high water mark, the location of each hole and its distance from the nearest water body. The proponent should also provide the Board with a list of its erosion and runoff control measures to ensure drilling activities within the 30-m high water mark do not perturb adjacent aquatic ecosystems nor the integrity of the surrounding tundra, including permafrost. To counter runoff or erosion related effects in this sensitive area, planned mitigation measures could include diapering underneath areas of the drill where leaks or drips could occur, building a dyke/berm around the collar of the drill and using secondary containment for all hydrocarbons and chemicals used in drilling

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activities. EC also recommends the proponent be prepared for a sedimentation event by having materials available to construct a silt fence or other barrier to prevent solids from reaching adjacent water bodies.

If there are any changes in the project EC should be notified as further review may be necessary. If you have any questions related to the foregoing, please do not hesitate to contact me by phone at (867) 975-4639 or email at Allison.Dunn@ec.gc.ca.

Yours truly,

Allison Dunn

Sr. Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment-North, EPO, EC, Yellowknife, NT)