

WATER USE INSPECTION REPORT

Date: July 29th,2008	Licensee Rep. (Name/Title): Ryan VanEngen
Licensee: Agnico Eagle	Licence No: 2BE-MEA0813 (amendment pending)

WATER SUPPLY

Source(s): Third Portage Lake / Mine site	Quantity used: Unknown – Unknown
Owner:/Operator: Agnico-Eagle Ltd.	

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Intake Facilities: NI	Storage Structure: A	Treatment Sys: NA	Chemical Storage: NA
Flow Meas. Device: NA	Conveyance Lines: NA	Pumping Stations: NA	Screen : NA

Comments: Water for the exploration camp is currently treated and trucked from the mine site to the Exploration Camp. Pumping water directly from the lake had not begun during the period of Inspection.

WASTE DISPOSAL

<b>Sewage: Sewage Treatment System (Prim./Sec/Ter.): Direct discharge to Marine Environ.</b>		
<b>Natural Water Body: Mine site</b>	<b>Continuous Discharge (land or water): Continuous</b>	
<b>Seasonal Discharge: NA</b>	<b>Wetlands Treatment: NA</b>	<b>Trench: NA</b>

Comments: Sewage wastes are being hauled to mine site for treatment and discharge.

Solid Waste:

Landfill: Pedning – To be constructed	Burn & Landfill: NA	Other: Incinerator & backhaul
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Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality:	Decant Structure:	Erosion: A
Discharge Meas. Device: NA	Dyke Inspection: NA	Seepages: A
Dams, Dykes: NI	Freeboard: A	Spills:
Construction: NI	O&M Plan:	A&R Plan:
Periods of Discharge: NA.	Effluent Discharge Rate: NA	

Comments: Solid waste is currently being hauled to the mine site for incineration. Some materials are also being hauled to an unlicensed facility in Baker Lake, Nunavut. Waste was piling up in camp, Inspector provided a direction to remove wastes.

FUEL STORAGE:

Waste Oil Storage: None noted                      Owner/Operator: Agnico-Eagle Ltd

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Berms & Liners: U	Water within Berms: U	Evidence of Leaks: NI
Drainage Pipes: A	Pump Station & Catchments Berm: NI	
Pipeline Condition: NA	Condition of Tanks: A	

Comments: Water was noted being pumped outside the 5 million litre tank adjacent to the community of Baker Lake. Agnico-Eagle was directed to cease this activity and provide a report to the Inspector. Secondary Containment around the transfer areas of the Exploration Camp was not noted and is required.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected		Owner /Operator: Agnico-Eagle Ltd.	
2		INAC: Potable water, Effluent/ Runoff	
Signs Posted	SNP: None		Warning: U
Records & Reporting: Annual reporting ( sampling and analysis) is required, Follow up in September.			
Geotechnical Inspection: N/A			

Non-Compliance of Act or Licence: Drilling on Island located at N65 00 00.4 X W96 03 16.6 in Tehek lake was noted during Inspection. Inspector noted drills were within 30 m of water. An Inspector’s Direction to cease activity and remediate inland is ordered. Secondary Containment and waste management are issues that must be addressed by period of next Inspection in September, 2008.