



Inspection Report

License #: 2BE-MEA0813

Inspector: A. Keim

CIDMS # 391487

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|--------------------------|--|-------|---------------------------------|
| Client | Agnico-Eagle Mines Ltd | | |
| Mailing Address | Louise Grondin, VP Environment Agnico-Eagle Mines Ltd. #375-555 Burrard Street Two Bentall Centre Vancouver, BC V7X 1M4 Email: louise.grondin@agnico-eagle.com | | |
| Inspection site location | Meadowbank Exploration | | |
| Contact name | Sylvain Doire and Stephan Robert | Title | Environmental Superintendent |
| Last inspection date | July 29th, 2008 | | |
| Inspection start date | August 8, 2009 | | |
| Region | Kivalliq | | |



INAC, Nunavut District
Box 100
Building 918
Iqaluit, NU, X0A 0H0

Submitted Via E-Mail

Our File: 2BE-MEA0813

Your File: _____

CIDM # 391487

February 25, 2010

Louise Grondin, VP Environment
Agnico-Eagle Mines Ltd.
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RE: Water Licence Inspection August 8, 2009

The following inspection report is generated on the information collected during a compliance inspection carried out at the Meadowbank Exploration Project and facilities located at latitude 61°1'52"N and longitude 96°9'22"W in the Kivalliq Region of the Nunavut Territory. The inspection was conducted to determine compliance with the terms and conditions of the Water License (2BE-MEA0813) issued to Agnico-Eagle Mines Ltd. by the Nunavut Water Board (NWB).

The report references the applicable parts of the Water License (2BE-MEA0813) and the findings observed under each of those parts. During the writing of this report a compliance review was undertaken of the documents, plans and manuals filed by the Licensee and located on the Nunavut Water Board's FTP site.

At the time of inspection the Camp and associated drilling activities were approved under the current Water License. The Annual Report for 2008 was found to be incomplete by the Nunavut Water Board on Feb 9th, 2010 and subsequently has not been approved. Additionally the Licensee has requested an extension of 30 days to submit the 2009 Annual Report. A submission to the NWB for works and modifications to the Licensee's on Ice Drilling activities is to be submitted by Feb 19th, 2010.

Issues noted in previous Inspections;

- Drilling and fuel storage within 30 meters of water.
- Failure to contain cuttings from drilling operations.
- Records detailing the back-haul of hazardous and other wastes were not available for review.
- Combustible and kitchen wastes were being stored adjacent to the main camp buildings in large quantities in a Dump-truck box. A direction to remove this material was provided during the inspection.
- The grey water sump was not constructed to prevent surface erosion of the tundra. Work was directed to address this deficiency during the Inspection.
- Secondary containment is insufficient at the Camp.
- Carbon filters must be installed on secondary containment drainage of drummed fuel storage to prevent the release of contaminated contact water that has built-up inside the secondary containment.
- Secondary containment at the drill and fuel transfer areas is required.

Issues noted during the August 8, 2009 Inspection;

- Camp sump remains insufficient to prevent erosions and run off into the environment.
- A filter has not been installed on the sump outfall.
- Hydrocarbon contaminated soils are to be moved from Quarry 6 and Forward camp locations and stored in Quarry 22 pending the construction of the Land Farm. Land farm facilities are to be constructed in 2010.
- Accumulation of water within secondary Containment is to be sampled and treated (Prior to discharge) and if found to be above the CCME guidelines for the Protection of Aquatic Life.



The Inspector noted the following deficiencies or instances of non-compliance with either the current water license or the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

Non-Compliance: Issues identified during the inspection and/or review of relevant material

Issues with a known or anticipated human health impacts;

- None

Issues where there is a known or anticipated environmental impairment;

- Secondary Containment (and treatment system for accumulated water) is required for fuel storage.
- Sump discharge improvements are still required.
- Release of water from within the secondary containment without testing or treatment- To date the required BTEX sampling results were not provided as directed by the Inspector.
- Hydrocarbon contaminated soils are to be transferred as per Direction of the Inspector.

Issues where there is a known or suspected violation of a requirement of the Water License;

- Records of backhauling of waste, both hazardous and non hazardous must be available for review during the period of inspection.

A. Keim

Inspector's Name

Inspector's Signature

Cc:

Peter Kusugak - Manager Field Operations Section- Indian and Northern Affairs Canada
Phyllis Beaulieu – Manager licensing – Nunavut Water Board



























