WATER USE INSPECTION REPORT

Date: July 7, 2011	Licensee Rep. (Name/Title): John Witteman	
Licensee: Agnico Eagle Mines Ltd. (Agnico)		Licence No.: 2BB-MEL0914

- As per the 2009 and 2010 inspections, upgrades to the walkways throughout the camp have been completed. Approximately 36000 m³ of gravel was used for the upgrades to limit the amount of erosion around the site.
- The unauthorized contaminated soil storage (landfarm) located behind the ore stockpile has been removed and no further action is necessary.
- 90,000 meters of core to be drilled this year compared to 35,000 meters taken last year.
- Another bulk sample (approx. 10,000 tonnes) is scheduled to be removed from the underground portal this year.
- There are 8 drills onsite, but only 6 were operating at the time of the inspection.

WATER SUPPLY

Source(s): Meliadine Lake	Quantity Used: 687 cubic meters (m³)
Owner:/Operator: Agnico Eagle Mines Ltd.	

Intake Facilities: A Storage Structure: A Treatment Systems: A Chemical Storage:			<u>'</u>
Flow Meas. Device: A	Conveyance Lines: NI	Pumping Stations: A	Screen : NI

Comments: Water for the camp is treated with Chlorine and UV. The pumping and treatment stations appear to be well maintained and log records of treatment and usage are up to date and onsite. Total water usage up to July 7 is 687 m³ or approximately 16.2 m³ per day; the allowable water usage permitted in the licence is 290 m³ per day for camp and drills (Amendment #1).

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): Primary

Natural Water Body:	Continuous Discharge (land or water): Continuous		
Seasonal Discharge: NA	Wetlands Treatment: NA	Trench: NA	

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

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Discharge Quality:	Decant Structure: ∪	Erosion:
Discharge Meas. Device:	Dyke Inspection:	Seepages:
Dams, Dykes: U	Freeboard:	Spills:
Construction:	O&M Plan:	A&R Plan:
Discharge:	Effluent Discharge Rate: Unknown	

Comments: Camp sewage is collected in primary tank and when it reaches a certain level the lift station pumps it to the Bio-disk (Little John). The sewage discharge gets treated with UV, but at the time of the inspection was not working. Chlorine was being used to treat the sewage effluent before being discharged to a containment structure filled with rock/sand/gravel to further treat the water. A ball float controls the discharge flow from this structure when it fills to a certain level. Sewage sludge is removed from the Bio-disk and used at drill sites for reclamation. Camp grey water still being discharged on the ground, but will be redirected to the Biodisk later this summer.

- The grey water discharge area is in poor shape with very little treatment (no sumps holding the water). As soon as the grey water pipes are directed to the biodisk, the discharge area should be reclaimed.
- A barrel with Aluminum Sulphate written on it was found in the grey water discharge area. This barrel must be removed and place with the other chemicals preferably in secondary containment.

Solid Waste:

Owner/Operator: Agnico Eagle Ltd.

Landfill: N/A	Burn & Landfill: NA	Other:
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Comments: All food wastes and organics/paper products are incinerated onsite. All other wastes including wood, metals etc are stored until it can be transported back to Rankin Inlet to be disposed off in the landfill. The incinerator appeared to be working properly at the time of the inspection; ash from the incinerator is stored in drums onsite. A request for a landfill will be sent to the NWB for approval, but at the time of the inspection the request had not been sent.

 Materials (wood, metals, piping, wires etc) from the Meliadine East Project are stored to the East of the new accommodation trailers. A general clean up and organizing of this area is needed.

- Ash from the incinerator is stored in drums onsite and will be either transported back to Rankin for disposal or deposited in the landfill if it is approved by the NWB.
- General clean up is required around the camp especially near the incinerator, drillers area, and east of the new accommodations.

FUEL STORAGE:

Waste Oil Storage:

Owner/Operator: Agnico Eagle Ltd.

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

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

Comments: There are three 50,000 L and one 5000 L tanks that contain P50 fuel near that supply the generators. Three 50,000 L tanks are stored to the West of the camp and contain AV gas; however, there was only a small amount of AV gas onsite at the time of the inspection. A resupply of P50 (1 million Litres) and AV gas (250,000 Litres) is scheduled to be airlifted (helicopter) in the next few weeks.

- Fuel drums and oil located near both the old and new generators did not have secondary containment. Secondary containment is required.
- 21 drums of fuel stored near the helicopter landing pad should be placed in secondary containment.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collec	Gamples Collected Owner /Operator: Agnico Eagle Ltd.		gnico Eagle Ltd.
Yes		INAC:.2 samples taken (MEL-1, MEL-4)	
Signs Posted	SNP: A		Warning: Posted
Records & Reporting: A			
Geotechnical Inspection: NI			

Comments: Two samples were taken during the inspection, one at the raw water intake (MEL-1) and another at the final sewage discharge point before entering into Meliadine Lake (MEL-4).

Non-Compliance of Act or Licence:

- Minor hydrocarbon spills should be cleaned up as soon as possible and a general clean
 up is required at various locations around the site. The drillers shack and storage area in
 particular need to be cleaned up and fuels, oils, and batteries must be properly stored
 and contained.
- All fuels, oils and chemicals should be properly stored in secondary containment.
- The grey water should be redirected to the biodisk unit and the grey water discharge area (sump) must be reclaimed by treating and backfilling.

lan Rumbolt Sent by E-mail

Inspector's Name Inspector's Signature