



August 2, 2007

Ms Dianne Filiatralut  
Executive Director  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut  
X0B 1J0

Email: [exec@nunavutwaterboard.org](mailto:exec@nunavutwaterboard.org)

Dear Ms. Filiatralut,

Re: **Meadowbank Project – Application for Type B Water License for the Baker Lake Tank Farm and Marshalling Area – Response to comments posted on the NWB website**

As mentioned during our telephone conversation earlier this week, timely construction of the Baker Lake Tank Farm is critical to the Meadowbank project because of the short shipping season for delivery of the fuel to Baker Lake.

This fuel is required to supply the ongoing exploration and road construction activities and will be necessary to undertake the mine site preparation and construction activities that will be covered in our Type A Water License application for the Meadowbank project in preparation. The fuel has been ordered and should be delivered in September 2007.

In that context, the Type B Water License for the Baker Lake Tank Farm and Marshalling area is critical. It is with that in mind that we monitored your website for comments on the license application from the various government agencies.

The purpose of this letter is therefore to provide an immediate response to the comments from Indian and Northern Affairs Canada (INAC), Environment Canada (EC) and the Government of Nunavut (GN) and help ensure that the licensing process proceeds as smoothly as possible.

## Relation between the Type B Water License for the Baker Lake Facilities and the Type A Water License for the Meadowbank project

A common element found in the INAC, EC and GN comments is the fact that, ideally, the Baker Lake facilities should have been included in the Type A Water License application for the Meadowbank project. We understand that from the point of view of control, the agencies would prefer one license with one set of rules to monitor. We, however, have to work within the constraints imposed by the short shipping season to Baker Lake and it is critical for the project that we do not wait for the Type A Water License before being allowed to receive fuel and material at Baker Lake. It is worth noting that the whole Meadowbank project, including the Baker Lake facilities, was subjected to the Nunavut Impact Review process and as such the environmental assessment of the project was all encompassing. However, in order to accommodate both the agencies' requirements and Agnico-Eagle's operational needs, we are willing to commit to an amalgamation of the Baker Lake Facilities Type B water license with the Meadowbank project Type A water license once it is received.

## Contingency Plan

As requested by the GN and INAC, a contingency plan for the Baker Lake Facilities will be submitted to the authorities before the Fuel Tank and Marshalling Area are placed in service. As requested by the GN, we will include in this plan a step to notify the Hamlet of Baker Lake in the event of a spill and contingency measures that would cover barges over-winter on the shore of Baker Lake consistent with the plan previously approved by the Department of Environment (DOE). This contingency plan will eventually form part of the Meadowbank project overall contingency plan, as requested.

## Water Quality

In response to INAC's comments on the location of the water quality monitoring in the collection ponds, we think that establishing this location with the INAC inspector makes sense. We will submit a draft monitoring location map to the INAC inspector with the sampling protocol for comments and will incorporate it into the license monitoring requirements. We also agree with INAC's comment to widen the sampling parameters to include elements such as metals and drinking water parameters, given the fact that Baker Lake is used as a drinking water supply for the Hamlet. The revised elements list will be included in the draft sampling protocol that will be submitted to the inspector for review.

As requested, a baseline water quality survey of Baker Lake in proximity to the facilities will be performed before September 30th and copies of the results will be sent to INAC and any other interested agencies.

## Other Plans

As requested by INAC, the following plans will be submitted to the authorities upon completion of the facilities' construction: Operation and Maintenance Plan, Abandonment and Restoration Plan and a finalised Water Management Plan. The abandonment and restoration plan will include provisions for soil testing, treatment and site remediation. An amount of \$50 000 has been placed for that purpose in the security estimate submitted in July.

I hope the information contained in this letter is to your satisfaction. Should you have any questions on this information or on any other matter concerning the license B application, please do not hesitate to contact me.

Sincerely,

Louise Grondin  
Vice-president Environment  
Agnico-Eagle Mines Limited

cc: Stéphane Robert, AEM  
Martin Bergeron, AEM  
Dan Kivari, AEM  
Paul-Henri Girard, AEM