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Nunavut Regional Office
Water Resources Division
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July 23, 2007

Your file - Votre référence
8BC-MEA

Our file - Notre référence
IQA-N 9545-2-2MEAG/ CIDMS 156366

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
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Re: 8BC-MEA / Agnico Eagle Mines Ltd. / Baker Lake Tank Farm and Marshalling Area / Licence Application

Indian and Northern Affairs Canada (INAC) reviewed the Baker Lake Tank Farm and Marshalling Area application submitted by Agnico Eagle Mines Ltd. In conducting our review INAC has considered all information presented on the Nunavut Water Board's FTP-site under the file name 8BC-MEA.

Section 3.7 of the Water Use and Management Plan states "*baseline water quality for surface flow at the marshalling area was not known at the time of writing the report.*" INAC request to know if baseline water quality data has since been presented and when the proponent intends on submitting such data for the public record.

Section 7.2.1 of the Water Use and Management Plan notes that monitoring locations in the ponds will be marked by a highly visible stake that will determine the exact location of the collection point. INAC suggests the sampling locations be selected in concert with the INAC Inspector. Furthermore, the proponent should list the approximate location and number of sample sites for this application. Such information is best presented visually, in the form of a site specific monitoring map. This information will ensure appropriate Surveillance Network Program sites are written into the licence.

Table 11 of the Water Use and Management Plan presents water quality guidelines for regular monitoring parameters, listed are total suspended solids, oil/grease and ammonia. The Water Use and Management Plan suggests the above-mentioned parameters for monitoring based on site activities. INAC suggests the proponent sample for a broader range of parameters, akin to the parameters the INAC Inspector will collect. These parameters include; routine, metals (total and dissolved), ICP Metal Scan and nutrients. Collecting samples for a broader range of parameters certainly adds an element of complexity and cost to the proponent. Given the value of the final receiving water body, Baker Lake, INAC would prefer the collection of

data that may demonstrate other forms of water quality impacts. With respect to the Baker Lake Fuel Tank Farm Geotechnical Detail Design Report, INAC requests the proponent be required to submit an Operations and Maintenance Plan, Spill Contingency Plan, Abandonment and Restoration Plan and a finalized Site Water Management Plan. These plans should be developed to encompass all infrastructure associated with this application.

It is not unusual for projects like the Meadowbank Gold Mine to require construction and the mobilization of equipment and resources in advance of formal project development. At present, two Type B licenses exist for the Meadowbank project (3BC-TEH0707 and 8BC-TEH0708). Additionally, one of these licenses (3BC-TEH0707) is related to the Hamlet of Baker Lake's water license (NWB3BAK9904) for waste and sewage disposal. While pre-development project activities can unfold in ways that a proponent cannot fully anticipate, it can nonetheless be preferable to avoid instances where multiple water licenses cover a single project in a common geographic area given that multiple licenses can render administration, monitoring, inspection, and enforcement more complex. We would be pleased to discuss this concern with the Water Board in the future. Further, we look forward to an opportunity to learn more about the proponents long-term plans for water licensing for the Meadowbank project.

Should you have any questions or comments, please do not hesitate to contact Stephen Bathory or David W. Abernethy, Water Resources Division regional coordinators.

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