Water Resources Division
Nunavut Regional Office
Iqaluit, NU
X0A 0H0

NWB File: 2BW-MEL----
CIDMS #: 497988

December 22, 2011

Re: 2BW-MEL---- – New Type 'B' Water License Application – Phase 1 All Weather Access Road - Agnico-Eagle Mines Ltd.

Please be advised that the Water Resources Division of Aboriginal Affairs and Northern Development Canada have completed a review of the above-referenced water license application that was submitted by Agnico-Eagle Mines Ltd. The Nunavut Water Board circulated this application to interested parties for review on November 25, 2011. All documents related to this application posted on the NWB ftp site were included in my review (see attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact myself by telephone at (867) 975-4282 or by email at Ian.Parsons@aandc-aadnc.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Regional Coordinator

Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Ian Parsons – Regional Coordinator, Aboriginal Affairs and Northern Development Canada

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Re: 2BW-MEL---- – New Type 'B' Water License Application – Phase 1 All Weather Access Road (AWAR)- Agnico-Eagle Mines Ltd. (AEM)

Background

The AWAR will be a 23.8 kilometre extension to an existing road that leads from the Municipality of Rankin Inlet to the Char River. This AWAR will continue from the Char River to the Meliadine Advanced Exploration Project area, thus connecting Rankin Inlet to the Meliadine Advanced Exploration Project. The AWAR is being proposed as a pre-development Phase 1 works project. The AWAR will allow for the transportation of large volumes of fuel to the project area in support of on-going advanced exploration activities. Fuel required by project activities is currently being transported by helicopter from Rankin Inlet.

Recommendations/Comments

Application

AANDC recommends that all relevant leases, permits, conformity checks and screenings as well as any other authorizations be in place and that proper approvals be received before any work commences on the construction of the Phase 1 AWAR.

The submitted application form does not request a water use allowance. However, in subsequent application material and correspondence dated November 9, 2011, AEM states that there will be a water use of up to 200 m^3/day for dust suppression purposes and that this water will come from various sources.

AANDC accepts AEM's letter dated November 9, 2011 describing the amount of water that will be required under this new licence, however, AANDC recommends that AEM specify all known locations where water will be acquired.

Questionnaire

AANDC notes that in Table 1 included in Question 1 of the submitted Questionnaire only 10 water crossings are listed, however, throughout the application 11 water crossings are referenced (3 bridges and 8 culvert crossings). AANDC recommends clarification of all stream crossings and the amendment of this table as needed.

AANDC notes that in Section 7, Subsection 14 of the submitted Questionnaire (Contingency Plans), AEM states that the Fuel Management and Spill Contingency Plans required by Water Licenses 2BB-MEL0914 and 2BE-MEP0813 will be updated to include activities associated with Phase 1 of the AWAR. If there is any increase in fuel storage in the Meliadine Advanced Exploration Project area as a result of an approval to the submitted water license application these plans should be revised to reflect this information. .

Borrow Pits and Quarry Management Plan

The sites for the borrow pits and quarries have been pre-tested and determined to be non- potentially acid generating and metal leaching. The submitted water quality monitoring program appears to be adequate. Water that collects within borrow pits and quarries will be sampled and subsequently discharged (no direct flow into receiving water bodies) after analysis results confirm that the limits for applicable parameters have not been exceeded.

Spill Contingency Plan

The project's Spill Contingency Plan should be revised to include the AANDC Manager of Field Operations as the primary AANDC contact for reporting hazardous material spills. The manager can be reached by telephone at (867) 975-4295 or fax at (867) 975-6445.

AEM should be reminded that they must follow the Government of Nunavut's *Spill Contingency Planning and Reporting Regulations*.

AANDC recommends the use of drip pans and/or other secondary containment device when refuelling or transferring fuel operations are to take place.

AANDC notes that in the External Resources subsection of Section 5 of the submitted Spill Contingency Plan states that AANDC inspections belong to the Inspectors from the AANDC Water Resources Division. This is incorrect. AANDC Inspectors belong to the AANDC Field Operations Division.

AEM should be reminded that as per direction from the Government of Nunavut's Chief Environmental Protection Officer, all transportation of a Class 3 flammable

substance must be conducted in compliance with Transport Canada's Transportation of Dangerous Goods Regulations. Further, vehicles transporting fuel should carry at least 10 square meters of polyethylene material (for lining a trench or depression), a spark-proof shovel & oil absorbent blankets or squares

Monitoring Plan

AANDC recommends that the submitted Monitoring Plan include monitoring provision for ambient conditions (pre-construction) as a baseline or reference for subsequent monitoring events.

Also AANDC would recommend including in the monitoring plan:

1) Dust Suppression
2) Sedimentation/Siltation

1) Dust suppression:

AANDC notes that the use of water for dust suppression purposes is only mentioned in AEM's November 9, 2011 letter to the NWB. AANDC recommends that the submitted Monitoring Plan be revised to include this water usage.

2) Sedimentation and Siltation for stream crossings:

AANDC recommends that the proponent address the issue of sedimentation/siltation at stream crossings (i.e., use of silt curtains, best practices, etc for the prevention/mitigation of this issue). This issue has not been mentioned in any of the reviewed plans

AANDC also recommends addressing, in particular with stream crossing construction (i.e., installation of culverts), the mitigation of debris (sediments) that would accumulate on snow and ice when installing culverts. To further clarify, the installation of culverts is going to take place during winter months (least impact on receiving environment). If this recommendation is not taken into consideration there is a risk of increased sediment loading in affected water bodies during spring freshet.

Reclamation and Post-closure Plan

AANDC recommends that the submitted Reclamation and Post-closure Plan be revised to include a Post-closure Monitoring Plan to verify that receiving water bodies will not be negatively impacted after the completion of closure activities (e.g., erosion and sedimentation loadings)

AANDC also recommends mitigation measures be put in place during reclamation activities to protect the quality of nearby water sources (i.e., mitigate against sedimentation/siltation).

Cc David Abernethy, A/Manager of Water Resources – Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office