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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

**File: 2AM-DOH1335
Modification**

August 3, 2022

Jamie Quesnel
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RE: Licence No: 2AM-DOH1335 Type “A”, Doris-Madrid Project; Agnico Eagle Mines Limited; Modification - Development of Madrid East Naartok Portal.

Dear Mr. Quesnel:

On June 10, 2022, the Nunavut Water Board (NWB or the Board) received a request for Modification (Request) by Agnico Eagle Mines Limited (Agnico Eagle or Licensee) for the development of the Madrid East Naartok Portal. This notification is required under the Type “A” Water Licence 2AM-DOH1335 Part G – Item 1.

The NWB notes that the Nunavut Planning Commission (NPC) reviewed this modification and determined on May 27, 2022,¹ that the proposal is exempt from screening by the Nunavut Impact Review Board (NIRB).

The Notice of Modification outlined Agnico Eagle’s plans to access the Madrid East underground from a previously assessed portal at the approved Madrid East Naartok location via the existing and approved Crown Pillar for Madrid. This option was assessed by Agnico Eagle in 2019-2020 although a request for modification was not made at that time. Related infrastructure at the Naartok portal area will be similar to what has been permitted at the existing Madrid East Portal and includes water management infrastructure, vent raise, laydown area, power generation, and access roads. Approved quarries will be used as source of material for civil work. The construction activities are scheduled to commence in Q3 2022.

On June 10, 2022, the NWB distributed the Notice of Modification for a 30-day public review, parties were invited to submit comments by July 11, 2022. Submissions were received on June 16, 2022 from Environment and Climate Change Canada (ECCC) and on July 11, 2022, from Crown-Indigenous Relations and Northern Affairs (CIRNA), stating they had no comments

¹ NPC Determination Letter RE: NPC File No: 149768 [Naartok Portal], dated May 27, 2022.

regarding this Request On July 11, 2022, comments were received from Kitikmeot Inuit Association (KIA).

Agnico Eagle provided responses to KIA's questions on July 19, 2022. Following is a summary of the KIA comments/questions and Licensee's responses.

1. What is the increase in the area of the rockfill pads of the Madrid North (MN) site associated with the expansion of the Waste Rock Storage Pad (WRSP) and the rockfill pad required for the infrastructure at the Naartok East Crown Pillar (NECP) area?

Agnico Eagle's response:

- The increase in area of the rockfill pad of the MN site associated with the expansion of the waste rock pad is approximately 34,000 m². The increase in rockfill pad area for the infrastructure at the NECP area is approximately 7,000 m².
2. Given the proposed expansion of the waste rock facility from 0.646 MT to 1.3 MT, what is the impact on the hydrology of the local watershed that would be reporting to the MN Contact Water Pond (CWP). Is there any impact to the volume of water reporting to the MN CWP during the design storm event? Do the impacts to the hydrology of the local watershed require any design or operational changes to the MN CWP?

Agnico Eagle's response:

- This proposed CWP design was first presented as part of the 2017 FEIS and has a catchment area of 110,000 m². The impact to the volume of water reporting to the CWP during the design storm event is based on the respective catchment area and the design precipitation. Both the as-built and proposed pond have been designed with the capacity to contain at a minimum the contact water from the 1:100 year, 24-hour storm event (55 mm), and the maximum daily snowmelt (18 mm).
 - Minor changes to the footprint of the proposed CWP may occur once the catchment area and pond size are sized appropriately for the proposed WRSP.
 - There are no operational or design basis changes required based on the proposed Madrid CWP. Specific operational criteria and design objectives will remain the same.
3. What is the revised schedule for backfilling of the NECP excavation? If left until the end of mine life, what is AEM's rationale for not considering backfilling of the excavation as a closure cost? What is the volume of rockfill required for backfilling the NECP excavation and what are the costs of backfilling the excavation? Given the upper slopes of the excavation consists of frozen overburden, what contingency measures will be implemented, if permafrost degradation occurs during the extended period prior to backfilling?

Agnico Eagle's response:

- Backfilling of the NECP excavation will be done at closure as the portal will continue to be in use during Operations. The required rockfill volume for the NECP is estimated at 152,000 m³. As part of the Madrid North tranche, financial security was allocated to dismantle the Madrid North concentrator. At this time, Agnico Eagle is not planning to build the Madrid North Concentrator and is proposing to replace the amount of money allocated to reclaim this infrastructure to backfill the NECP infrastructure instead.
- Another option would be to use the contingency that was allocated under the Madrid North tranche to cover these additional activities. Agnico Eagle would like the Kitikmeot Inuit Association to advise on the preferred option or provide guidance if another option should be selected.
- The upper slopes of the NECP are protected by a thermal cover and are visually inspected and surveyed monthly. Additionally, the water level within the NECP is surveyed monthly to monitor the freeboard to the frozen overburden located on the upper slopes. The level of monitoring at the NECP ensures that signs of permafrost degradation can be detected early – before significant degradation can occur.
- If signs of permafrost degradation are detected, mitigation methods may include increasing the thickness of the thermal cover to provide additional insulation and flattening the upper slopes of the NECPR to reduce overall slope angle.

On July 22, 2022, the KIA confirmed that the responses from Agnico Eagle are acceptable.

Copies of all documents received in support of the Request can be accessed through the NWB's Public Registry and FTP site using the following Link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH1335%20AEM/3%20TECH/G%20MODIFICATIONS/Naartok%20Portal>

Agnico Eagle has submitted updated management plans along with this Notice of Modification. These plans include Hope Bay Project Doris and Madrid Water Management Plan, dated June 2022 and Hope Bay Project, Waste Rock, Ore and Mine Backfill Management Plan, dated March 2022. These plans are being approved by the Board along with this approval.

NWB's Review and Decision

The NWB has reviewed the Notice of Modification and related submissions, and finds the Modification functional and generally satisfying Licence requirements. The Board acknowledges that this Modification doesn't require any amendments to Licence conditions, and advises Agnico Eagle that all relevant monitoring should be completed to ensure that the site is stable once activities are completed. Therefore, by way of this correspondence and in accordance with Part G, Item 2 of the Licence, the Board authorizes Agnico Eagle to undertake the development of the Madrid East Naartok Portal.

Further, in keeping with Part G, Item 4 of the Licence's terms and conditions, the submission of post-construction information, including as-built plans and drawings, shall remain applicable to this authorization. The Board also advises that a Construction Summary Report should be provided as per Licence terms and conditions.

The Licensee is advised that the Board's review of this document is a verification that the proposed activity is consistent with the existing terms and conditions of the Licence and more specifically with Part G, and may proceed in accordance with the design specifics and drawings provided. It should be noted that the Board's acceptance is NOT intended or offered as any representation regarding the suitability of the plans nor third-party verification of the design, construction, planning or engineering discussed in the Request and accompanying documents.

Should you have any questions regarding the above, please contact the NWB Licensing Department by email to licensing@nwb-oen.ca or by phone at (867) 360-6338.

Sincerely,

Lootie Toomasie
Nunavut Water Board, Chair

LT/as/rqd

Cc: Distribution List – Doris North