

Agnico Eagle Mines Limited – Meadowbank Division

2AM-MEA1526

**PROPOSED MODIFICATION
NWB IN-PIT TAILINGS DISPOSAL
RESPONSES TO FINAL CONCERNS**

August 31, 2018

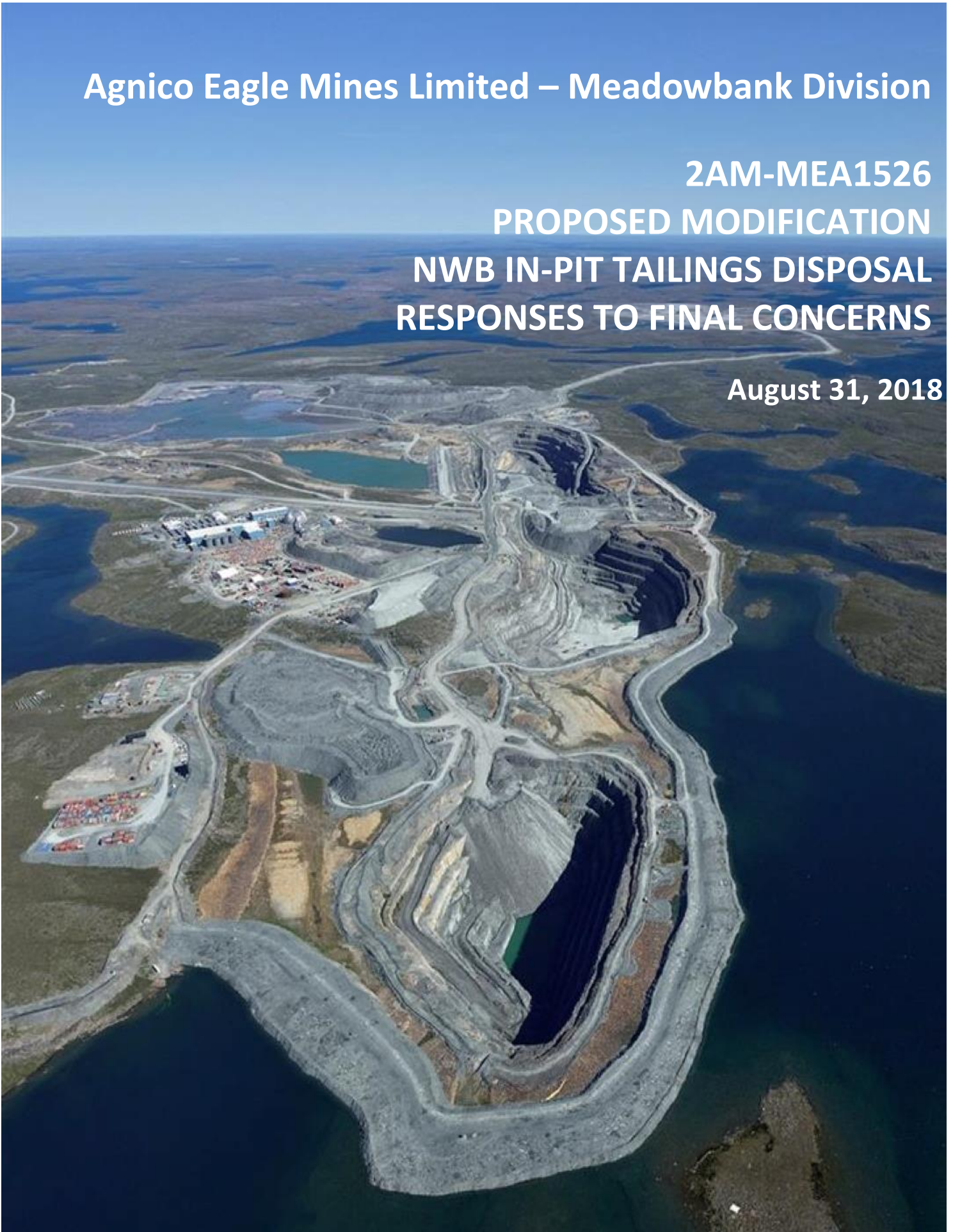


Table of Contents

Environment and Climate Change Canada	2
Crown-Indigenous Relations and Northern Affairs Canada.....	6
Fisheries and Oceans Canada	7
Kivalliq Inuit Association	10

ENVIRONMENT AND CLIMATE CHANGE CANADA

Interested Party:	Environment and Climate Change Canada (ECCC)	Rec No.:	General Concern
Re:	General Concern		

Concern:

ECCC is generally satisfied with the comment responses provided by Agnico Eagle Metals Ltd. (the Proponent or AEM) on August 17, 2018 to ECCC's August 3 Technical review comments; however, the time frame for the commitments should be clarified with respect to the predicted timing of closure.

The following timing for closure has been provided by AEM:

According to the Technical Memorandum on potential water treatment requirements (SNC-Lavalin, July 4, 2018) in-pit deposition activities are planned to end January 2022 . However, the Water Balance and Water Quality Forecast (Sept. 12, 017) Figure 3-1 shows deposition concluding after Dec. 2022, i.e. January 2023.

Submission of the Final Closure Plan is due 12 months before the end of mining, so the Final Closure Plan would be due January 2021 or 2022 (if there are no future ore bodies developed). AEM is planning for a 3 to 5 year treatment period based on reclaim water volume. The current licence expires in July of 2025. Thus the Final Closure Plan would be submitted and much of the water treatment done subject to this licence.

Agnico Eagle's Response

For clarity, the Final Closure Plan would be due in January 2021, 12 months prior to the completion of mining and deposition in January 2022. As noted by ECCC, this projected timing assumes that no future ore bodies are developed.

Interested Party:	Environment and Climate Change Canada (ECCC)	Rec No.:	ECCC#1
Re:	Treatment of Reclaim Water		

Concern:

AEM has agreed to plan for stability of treatment residuals for treatment outside of the pit as recommended by ECCC. Treatment would be introduced at the end of tailings deposition, and AEM states that the final treatment plant details will be included in the Final Closure Plan (due 12 months prior to end of mining). At that time there will be additional data to inform planning, which would satisfy this recommendation by ECCC.

Agnico Eagle's Response

Agnico Eagle agrees and thanks ECCC for this confirmation that their recommendation has been resolved by Agnico Eagle's response.

Interested Party:	Environment and Climate Change Canada (ECCC)	Rec No.:	ECCC#2
Re:	Sulphate and Major Ions		

Concern:

ECCC had identified concerns with management and treatment of high-sulphate and total dissolved solids (TDS) wastewater, and recommended further work be done by AEM well in advance of closure planning and prior to re-flooding. AEM has agreed to this, and ECCC is satisfied this can be addressed in the regulatory process prior to submission of the Final Closure Plan.

Agnico Eagle's Response

Agnico Eagle agrees and thanks ECCC for this confirmation that their recommendation has been resolved by Agnico Eagle's response.

Interested Party:	Environment and Climate Change Canada (ECCC)	Rec No.:	ECCC#3
Re:	Mitigation: Capping of Tailings		

Concern:

AEM has agreed that they will evaluate the feasibility of capping the tailings, and identify conditions where this may be warranted. In addition, AEM has agreed to monitor pore water quality and identify potential mitigation strategies, if needed. This is anticipated to be done in the period leading up to development of the Final Closure Plan, which would satisfy this recommendation by ECCC. However, timing should be identified for the monitoring and identification of mitigation strategies.

Agnico Eagle's Response

As noted, the monitoring and identification of mitigation strategies will be considered throughout operations and final recommended mitigation strategies will be included in the Final Closure Plan, currently estimated to be submitted in January 2021.

CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA

Interested Party:	Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	Rec No.:	General Concern
Re:	General Concern		

Concern:

Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) confirms that Agnico Eagle Mines Ltd.'s final written responses (August 17, 2018) regarding the "In-pit Tailings Disposal Modification" at Meadowbank Gold Mine Project address 4 out of 7 concerns. Three of CIRNAC's concerns remain outstanding and include: thermal monitoring and hydrogeological connectivity; flooding strategy; and Interim Closure and Reclamation Plan and Security.

Agnico Eagle's Response

As very limited detail was provided to the Board by CIRNAC on this topic, Agnico Eagle will discuss with CIRNAC the three outstanding concerns for further clarification and will provide a more detailed response to the Board on these topics as soon as possible.

FISHERIES AND OCEANS CANADA

Interested Party:	Fisheries and Oceans Canada (DFO)	Rec No.:	DFO-FPP #1.1a and #1.1b
Re:	Fish and Fish Habitat Offsetting		

Concern:

DFO-FPP acknowledges that AEM has provided additional information for the tailings deposition regarding 'Habitat 7', which is the habitat category comprised of fines. However, DFO-FPP notes that five out of the seven case studies provided by AEM to support their response did not have information related to fish/ecological surveys. In the two case studies that did conduct fish surveys, the lake classifications do not allow for direct comparison to arctic lakes. DFO-FPP acknowledges the general lack of information on arctic lake ecology, but notes that Second Portage and Third Portage lakes are classified ultraoliotrophic lakes (Final Environmental Impact Statement, sec. 4.12.8, p. 56-57; PRI: 281513 (October 2005), whereas Mandy Lake near Flin Flon Manitoba, which was provided as an example, is classified as meso-eutrophic.

AEM's response indicated that "Mandy Lake has diverse and abundant biota..."(p.15). However, DFO-FPP notes that comparison to the in-fill pits indicates habitat conditions are not the same. DFO-FPP understands Portage Pits and Goose Pit are expected to have an 8m water cover on the tailings, with the expectation being that benthic organisms will establish themselves on the new bottom habitat. However, there is no evidence provided to indicate that an organic layer will cover the entire surface of the tailings – which are the conditions described for Mandy Lake. As previously mentioned, DFO-FPP acknowledges that AEM "agrees with ECCC to evaluate the feasibility for capping the tailings and identify conditions where this may be warranted in the final closure plan" (AEM's Response to IR ECCC#3a Response, p. 4).

DFO-FPP also notes that AEM indicated that "Babine Lake (BC), Buttle Lake (BC), Summit Lake (BC), Fox Lake (Manitoba) and Garrow Lake (NWT) environmental monitoring of lakes found insignificant impacts on lake and aquatic populations due to historical subaqueous tailings deposition in these lakes" (AEM's Response, p. 6). DFO-FPP notes that AEM did not provide references for the lakes other than Buttle Lake in the Table 1.2.b, and that Buttle Lake did not conduct habitat/fisheries surveys work.

Furthermore, DFO-FPP notes that there is remaining uncertainty with respect to the potential time-lag for return to functionality of fish habitat. For example, DFO-FPP notes that in the Mandy Lake case study (Section 6.1, p.10) provided, it is reported that the information collected was 32 years after tailings had been submerged, with no information provided on when in the 32 year period that habitat became functional.

Agnico Eagle's Response

Agnico Eagle requires more clarity from DFO-FPP to respond, and so will discuss this further with DFO-FPP and provide a further written response to the Board following that discussion.

Interested Party:	Fisheries and Oceans Canada (DFO)	Rec No.:	DFO-FPP#1.2.a & #1.2b
Re:	Fish and Fish Habitat Offsetting		

Concern:

DFO-FPP acknowledges that AEM has committed to working with DFO-FPP with regards to the calculation of offsetting and requirements for this proposed project.

Agnico Eagle's Response

Agnico Eagle agrees.

Interested Party:	Fisheries and Oceans Canada (DFO)	Rec No.:	DFO-FPP#1.3
Re:	Fish and Fish Habitat Offsetting		

Concern:

DFO-FPP does not necessarily agree that, as AEM responded, "...the existing contingency options presented in Agnico Eagle (2012) remain viable." (AEM's Response, p. 12). However, DFO-FPP acknowledges that AEM is committed to working with DFO-FPP regarding contingency options.

Agnico Eagle's Response

Agnico Eagle agrees on working with DFO-FPP.

KIVALLIQ INUIT ASSOCIATION

Interested Party:	Kivalliq Inuit Association (KIA)	Rec No.:	NA
Re:	Meadowbank Water Compensation Agreement		

Concern:

As a result of AEM's proposal to modify the method of tailings disposal for the Meadowbank Project, KIA is in the process of reviewing the Water Compensation Agreement for the Meadowbank Project.

KIA anticipates being in a position to notify the Nunavut Water Board in the near future that we have reached agreement on an amended Water Compensation Agreement.

Agnico Eagle's Response

As the Board is aware, the Meadowbank Project is subject to an existing Water Compensation Agreement between KIA and Agnico Eagle. Agnico Eagle will discuss the topic of water compensation further directly with the KIA, but at this time it is not of the view that in-pit deposition will have any substantial negative effects on the quality, quantity or flow of waters on, in or flowing through Inuit Owned Lands or the consumption of such waters. Agnico Eagle is also not of the view that additional water compensation is triggered by the in-pit deposition proposal, having regard to the factors set out in section 61 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, including:

- (a) provable loss or damage;
- (b) potential loss or damage;
- (c) any adverse effect on the quality, quantity or flow of waters;
- (d) the extent of the use of waters by persons who would be adversely affected;
- (e) any nuisance, inconvenience or disturbance, including noise; and
- (f) the cumulative effects of the use of waters or deposits of waste proposed by the applicant and any existing uses of waters and deposits of waste.

As noted in previous submissions, Agnico Eagle is of the view that the in-pit deposition proposal has no changes in the water quality; the flows would remain the same as per the existing closure plan and in fact the water volume of transfer to re-flood the pits would be in the range of a 60% reduction in total volume as per the existing closure plan.