

NWB File No: 2AM-MEA1525 / Amendment

October 3, 2016

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Email: ryan.vanengen@agnicoeagle.com

Subject: Licence No. 2AM-MEA1525, Agnico Eagle Mines Limited: Amendment

Application – Whale Tail Pit

Dear Mr. Robert and Mr. Vanengen,

The Nunavut Water Board (NWB or Board) acknowledges receipt on July 8, 2016, of an amendment application (Application) for a Type "A" Water Licence and supporting documentation from Agnico Eagle Mines Limited (the Applicant or AEM) for the Meadowbank Gold Project, Licence No. 2AM-MEA1525.

Your submission has been placed in the Board's Public Registry and is available from our ftp site using the following link:

 $\frac{ftp://ftp.nwb-oen.ca/registry/2\%20MINING\%20MILLING/2A/2AM\%20-\%20Mining/2AM-MEA1525\%20Agnico/1\%20APPLICATION/2016\%20Amendment\%202/$

The following documents pertaining to the Application were included within the documentation package (Volume 2 – Environmental Overview and Type "A" Water Licence):

- Cover Letter;
- Appendix 2-C Regulatory History;
- Appendix 2-H Completed Application form for Water Licence Amendment;
- Appendix 2-I Nunavut Water Board Conformity;

- Appendix 2-J Project Design Considerations;
- Appendix 2-K Record of Compliance to Water Licence;
- \$30 application fee.

The following documents were included within the Volume 8 – Monitoring. Mitigation and Management Plans of submission package:

- Mine Waste Rock and Tailings Management Plan Whale Tail Pit Addendum, Version WT, June 2016;
- Water Quality Monitoring and Management Plan for Dike Construction Dewatering Addendum, Version WT, June 2016;
- Landfill Design and Waste Management Plan Whale Tail Pit Addendum, Version WT, June 2016;
- o Water Management Plan Addendum, Version WT, June 2016;
- o Water Quality and Flow Monitoring Plan, Version WT, June 2016;
- o Whale Tail Pit Haul Road Management Plan, Version WT, June 2016;
- o Ammonia Management Plan Whale Tail Pit Addendum, Version WT, June 2016;
- Meadowbank and Whale Tail Bulk Fuel Storage Facilities: Environmental Performance Monitoring Plan, Version 3, June 2016;
- o Emergency Response Plan Addendum, Version WT, June 2016;
- Hazardous Materials Management Plan Addendum Meadowbank Mine Site, Whale Tail Pit Site, Baker Lake Facilities, Version WT, June 2016;
- o Shipping Management Plan Whale Tail Pit, Version 1, June 2016;
- Spill Contingency Plan Meadowbank Mine Site, All Weather Access Road (AWAR), Whale Tail Open Pit, Whale Tail Haul Road, and Baker Lake Marshalling Facilities, Version WT, June 2016;
- o Air Quality and Dustfall Monitoring Plan Addendum, Version WT, June 2016;
- Core Receiving Environment Monitoring Program (CREMP): 2015 Plan Update Whale Tail Pit Addendum, May 2016;
- o Groundwater Monitoring Plan Addendum, Version WT, June 2016;
- o Conceptual Fish Habitat Offsetting Plan: Whale Tail Pit, June 2016;
- o Operational ARD/ML Sampling and Testing Plan Whale Tail Pit Addendum, Version WT, June 2016;
- Socio Economic Management and Monitoring Plan for the Whale Tail Pit, Version 1, June 2016:
- o Terrestrial Ecosystem Management Plan Addendum, Version 2, June 2016;
- o Archaeological Management Plan Agnico-Eagle Mines: Meadowbank Division Whale Tail Pit and Haul Road, March 2016; and
- o Interim Whale Tail Pit Closure and Reclamation Plan, Version WT, June 2016.

The NWB also notes that the Application was filed at the same time as AEM's request to the Nunavut Impact Review Board (NIRB) to reconsider the terms and conditions of the existing NIRB Project Certificate for the Meadowbank Gold Mine Project (Project Certificate No. 004). The NIRB has since determined that it was not appropriate to consider the Whale Tail Pit Project Proposal as amendment to an existing Project Certificate and the proposal is now subject to a Review by the NIRB under the terms of the Nunavut Land Claims Agreement (NLCA) and the Nunavut Planning and Project Assessment Act (NuPPAA).

The NWB has similarly concluded that although there is clearly a significant linkage between the existing Meadowbank Type "A" Water Licence and aspects of the various water use and waste deposit activities authorized under that Licence, the scope of the additional water use and waste deposit activities that would be associated with the mining undertaking occurring at the Whale Tail Pit site are sufficient to warrant the NWB's consideration of the Application as an application for a separate Type "A" Water Licence to govern the construction, operation and reclamation taking place at that location, combined with amendments to the existing Meadowbank Type "A" Water Licence to reflect the additional water use and waste deposit activities associated with processing the additional volumes of ore originating at the Whale Tail Pit. In coming to this conclusion, the NWB also notes that this approach is tandem with the approach taken by the NIRB and will more fully support a co-ordinated NIRB Review and NWB water licensing process associated with the Whale Tail Pit Project Proposal as a related but separate project proposal.

With respect to the existing Application, the NWB notes that given the scale of the Application submitted by AEM, processing the Application as a separate Type "A" Licence and consequential amendments to the existing Type "A" Licence will not, in the NWB's view, have a significant effect on the process or timing of the NWB's consideration of the licensing required for the proposed project. Both an amendment application and an application for a new Type "A" Water Licence require a public hearing under the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act), and the pre-licensing stages of the application are also unaffected by the NWB's determination.

With respect to the pre-licensing activities to date, the Nunavut Planning Commission (NPC) has determined on June 17, 2016 that the above-noted project proposal is a significant modification to the project, as its purpose is to establish a mining operation in a previously unconsidered location, as well as an access road to this new site. NPC stated that the project proposal conforms to the Keewatin Regional Land Use Plan (KRLUP), subject to attached conformity requirements from the KRLUP, and that all of previously issued determinations, including the ones for the Meadowbank mine (conformity determination issued July 12, 2002 and July 21, 2003), for Amaruq exploration (conformity determination issued March 10, 2011 and October 21, 2015) and the access road (conformity determination issued July 16, 2015) still apply.

The Nunavut Impact Review Board's (NIRB's) correspondence of September 9, 2016 stated that: the responsible Ministers have accepted the Board's determination that the Whale Tail Pit project proposal (NIRB File No. 16MN056) requires a full environmental review, determining that the project proposal shall be subject to Review by the NIRB pursuant to section 94(1)(a)(iv) of the Nunavut Planning and Project Assessment Act (NuPPAA),

and on this basis informed parties that NIRB's Review of the Whale Tail Pit Project Proposal had formally commenced. The NIRB is currently at the scoping stage of the Review.

The NWB is also aware that in its original submission to the NIRB, the Applicant requested that the NIRB and the NWB implement a coordinated approach to the processes for NIRB's Review and the NWB's consideration of the Type "A" Water Licence application for the Whale Tail Project Proposal. To that end, the NWB is aware that on September 30, 2015, AEM submitted a

suggested NIRB/NWB co-ordination process map for the Boards to consider as their consideration of the project proposal moves forward. The NWB notes that the NIRB and NWB have plans for co-ordination meetings in late November, and expect to provide more detailed guidance and updated process maps following those meetings. The NWB notes that these meetings will not take place before the November date for issuing "final" process maps set out in AEM's September 30, 2016 projected process map.

However, in advance of detailed co-ordination meetings, the NWB's processing of the Application has commenced. Accordingly, by way of this letter, the NWB is requesting AEM confirm that they wish for the Application to be considered by the NWB as an application for a new Type "A" Water Licence to authorize the use of water and deposit of waste activities at the Whale Tail Pit and also to authorize the consequential amendments to existing Water Licence 2AM-MEA1525. AEM is requested to provide this confirmation to the NWB on or before October 15, 2016 (3:00 p.m. MST).

Also by way of this letter the NWB is asking interested persons to review the scope of the information provided in the Application and identify any deficiencies requiring additional information or further response from the Applicant. The parties are provided with the opportunity to submit Information Requests (IRs) identifying additional information and/or studies that may be required to evaluate all quantitative and qualitative effects of the undertaking in relation to both a new Type "A" Water Licence at the Whale Tail Pit site and the current water licence at the Meadowbank site, with respect to the NWB mandate and application before the Board.

An indication of completeness of the Application and any IRs should be submitted to the NWB by November 3, 2016 (3:00 p.m. MST). All submissions should be provided to the Manager of Licensing at licensing@nwb-oen.ca.

Once the Application is deemed to be fully complete, including if necessary, following NWB confirmation of concordance with any information requests, the NWB will issue notice of the application pursuant to subsection 55(1) of the *Nunavut Waters Nunavut Surface Rights Tribunal Act* (Act) and the NWB's formal technical review of the application will commence.

If you have any questions or require clarification on the above, please contact David Hohnstein, Director of Technical Services at 780-443-4406 or by email to david.hohnstein@nwb-oen.ca or, Karén Kharatyan, A/Manager of Licensing at 867-360-6338 or by email licensing@nwb-oen.ca for any technical and procedural inquiries.

Sincerely,

David Hohnstein, C.E.T. Director Technical Services

DH/kk

Cc: Meadowbank Dist.