



NIRB File No.: 03MN107

NWB File No.: 2AM-MEA0815

KivIA Production Lease No.: KVPL308D280

AANDC File No.: 5510-5-3

DFO File No.: NU-03-0191

EC File No.: 4703 001 015 120

NRCAN File No.: F74222

October 1, 2013

Thomas Kabloona
Chairperson of the Nunavut Water Board
c/o Phyllis Beaulieu
Manager of Licensing
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Sent via email: licensing@nunavutwaterboard.org

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Agnico-Eagle Mines Ltd.'s Application to Amend Type A Water Licence for the Meadowbank Gold Project, Kivalliq Region

Dear Phyllis Beaulieu:

On April 23, 2013 the Nunavut Impact Review Board (NIRB or Board) received correspondence from Agnico-Eagle Mines Ltd. (AEM) advising of its intention to apply with the Nunavut Water Board (NWB) for an amendment to its Type A Water Licence (2AM-MEA0815) for the Meadowbank Gold Project (NIRB File No. 03MN107). On July 15, 2013 the NIRB received correspondence from the NWB which acknowledged AEM's amendment application and requested that the NIRB confirm whether any screening, reconsideration or review of the proposed amendment would be required.

PROCESS OVERVIEW

The NIRB Project Certificate [004] issued for the Meadowbank Gold Project on December 31, 2006 was the product of the Board's extensive public review of the potential impacts associated with the project proposal filed by the original proponent of the project, Cumberland Resources Ltd. in March 2003. The NIRB's Review provided opportunities for public input through written

submissions, community meetings and participation in a Public Hearing. The scope of the NIRB's Review was based on the project as proposed in 2003 and as reviewed by the Board between 2003 and 2006. To determine the impact assessment requirements applicable to AEM's current amendment request, the NIRB had to consider two possible avenues under the Nunavut Land Claims Agreement (NLCA).

If the NIRB determined that the proposed amendment is within the scope of the Meadowbank Gold Project as previously reviewed by the Board and as addressed by the existing terms and conditions of the NIRB Project Certificate [004], the amendment would be exempt from the requirement for screening by the NIRB as set out in Article 12, Section 12.4.3 of the NLCA:

12.4.3 Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original proposal; or*
- (b) its inclusion would significantly modify the project.*

Alternatively, if the NIRB determined that the amendment request represents a significant change to the project as previously reviewed, the Board would then evaluate whether the significant changes to the project warrant a formal reconsideration of the terms and conditions of the existing NIRB Project Certificate [004] pursuant to Section 12.8.2 of the NLCA:

12.8.2 NIRB may on its own account or upon application by a DIO, the proponent, or other interests, reconsider the terms and conditions contained in the NIRB certificate if it is established that:

- (a) the terms and conditions are not achieving their purpose;*
- (b) the circumstances relating to the project or the effect of the terms and conditions are significantly different from those anticipated at the time the certificate was issued; or*
- (c) there are technological developments or new information which provide a more efficient method of accomplishing the purpose of the terms and conditions.*

Given the integrated regulatory process established by the NLCA Article 12, Sections 12.10.1 and Article 13, Section 13.5.4, the NWB cannot approve the issuance of an amended licence until the NIRB has confirmed that the assessment provisions of Article 12 of the NLCA have been satisfied.

PROCEDURAL HISTORY

AEM has applied for an amendment to the Type "A" Water Licence as issued by the NWB for the Meadowbank Gold Project to allow for increased fresh water use as projected requirements have exceeded and continue to exceed the previously permitted rate. The amendment application indicates that increased freshwater use is required owing to higher than anticipated rates of ore processing, and an adjustment of the initial water balance model, resulting in a deficit of reclaimed water. AEM has applied for a water licence amendment to increase the freshwater

drawdown and use from the Third Portage Lake from the originally permitted 700,000 cubic metres per year (m³/yr) to 1,870,000 m³/yr in 2013, and 1,150,000 m³/yr for the years 2014 through 2018.

The complete amendment application is available online from the NIRB's public registry at the following location:

<http://ftp.nirb.ca/03-MONITORING/03MN107-MEADOWBANK%20GOLD%20MINE/06-AUTHORIZATIONS/Nunavut%20Water%20Board/01-LICENCE/03-AMENDMENTS/2013%20Amendment/>.

On August 6, 2013 the NIRB invited interested parties and agencies with jurisdictional authority and/or licences and approvals associated with the Meadowbank Gold Project to provide their comments to the Board with respect to AEM's proposed Water Licence (No. 2AM-MEA0815) amendment application on or before August 20, 2013. The Board requested that parties provide their views on the following points in particular:

- Whether or not the proposed amendment is within the scope of the project as originally reviewed by the NIRB in 2006 and as addressed by the existing terms and conditions of the NIRB Project Certificate [004];
- Whether or not the proposed amendment triggers a requirement for reconsideration of the terms and conditions of the NIRB Project Certificate [004] as set out in NLCA Sections 12.8.2 (a), (b), or (c) and, if so, which of the circumstances supporting reconsideration under the NLCA provides the basis for the reconsideration;
- Whether, if a reconsideration of Project Certificate [No. 004] is triggered under Section 12.8.2 of the NLCA, there are specific terms and conditions that should be reconsidered;
- Whether a reconsideration under 12.8.2 is likely to arouse significant public concern and, if so, describing the basis for the concern;
- Whether parties require additional information to support the consideration of the proposed amendment application and the Board's request for comments; and
- Any matter of importance to the Party related to the amendment application as presented by AEM that should be considered by the NIRB in making its determination.

Due to an administrative error, a number of parties on the NIRB distribution list did not receive the request for comments as initially distributed. Follow-up correspondence was sent to all parties extending the comment deadline and requesting that parties provide comment submissions by September 3, 2013. On or before September 3, 2013, the NIRB received comment submissions from the following interested parties:

- *Aboriginal Affairs and Northern Development Canada*
- *Environment Canada*
- *Fisheries and Oceans Canada (request for clarification and comments)*

All comments provided to NIRB regarding this amendment can be viewed on the NIRB's online public registry and are available at the following link:

NIRB ASSESSMENT AND DECISION

After a thorough assessment of all materials provided to the Board and comments received, the NIRB is of the understanding that the proposed amendment application by AEM does not change the general scope of the Meadowbank Gold Project as previously reviewed by the Board, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this amendment application is exempt from the requirements for screening pursuant to Section 12.4.3 of the NLCA and the amendment activities therein remain subject to the terms and conditions of the NIRB Project Certificate [004].

The NIRB's Monitoring Officer for the Meadowbank Project Certificate will give further consideration to whether any additional monitoring/reporting requirements may be necessary in light of the proposed amendment as per the Sections 12.7.1 and 12.7.2 of the NLCA, following receipt of further clarification from the Proponent on a number of items.

Should you have any questions or require clarification related to the NIRB's monitoring program for the Meadowbank Gold Project, please contact Sophia Granchinho, Senior Technical Advisor and Monitoring Officer at (867) 793-4633 or sgranchinho@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Stéphane Robert, Agnico-Eagle Mines Ltd.
Kevin Buck, Agnico-Eagle Mines Ltd.
Karén Kharatyan, Nunavut Water Board
Meadowbank Distribution List