

NIRB File No.: 03MN107

DFO File No.: 03-HCAA-CA7-00191

November 18, 2014

Stéphane Robert Manager Regulatory Affairs Nunavut Agnico Eagle Mines Ltd., Meadowbank Division P.O. Box 540 Baker Lake, NU X0B 0C0

Sent via email: stephane.robert@agnicoeagle.com

Re: <u>Acknowledgement of Agnico Eagle Mines Ltd.'s Request to Amend the Meadowbank Gold Mine Project Certificate</u>

Dear Stéphane Robert:

On July 28, 2014 the Nunavut Impact Review Board (NIRB or Board) received the enclosed project description from Agnico Eagle Mines Ltd. (AEM or Proponent) which outlined proposed changes to the life of mine and amendments as proposed to the NIRB Project Certificate [004] (the 'Project Certificate') issued by the NIRB December 30, 2006 for the Meadowbank Gold Mine Project. On September 4, 2014 the NIRB received a referral from Fisheries and Oceans Canada (DFO) to screen AEM's Application for *Paragraph 35(2)* (b) Fisheries Act Authorization (Normal Circumstances) as associated with the request to amend the Project Certificate. Furthermore, on September 18, 2014 the NIRB received a notification from the Nunavut Planning Commission (NPC) which indicated that the project as proposed would not require an NPC conformity determination and that all conformity requirements previously agreed to by the Proponent related to the Meadowbank Gold Project remain in effect.

All materials received and pertaining to AEM's request for amendment to the Meadowbank Project Certificate can be obtained from the NIRB's online public registry at: http://ftp.nirb.ca/03-MONITORING/03MN107-MEADOWBANK%20GOLD%20MINE/01-PROJECT%20CERTIFICATE/.

SUMMARY OF THE AMENDMENT REQUEST

In its July 28, 2014 correspondence to the NIRB and DFO, AEM proposed to expand the current Vault Pit operations into Phaser Lake – what AEM refers to as the proposed Phaser Pit. It noted that Phaser Pit is proposed to form a small open pit mine that would extend from the southwest perimeter of the now active Vault Pit into the northwest perimeter of Phaser Lake.

AEM has proposed that the development of this expansion would require that it begin to dewater Phaser Lake (estimated volume 700,000 cubic metres) in 2015 and remove fish from the lake, and that it complete the dewatering in 2016, with mining to commence in 2017.

AEM's proposal as filed also provided details regarding the proposed development, noting that equipment already in use for the Meadowbank mine would serve to facilitate the development of the Phaser Pit, and that the previously assessed waste rock storage and milling activities would not significantly change as a result of the proposed Vault Pit expansion into Phaser Lake. AEM has noted that the Phaser Pit would be anticipated to result in an additional recovery of 21,511 ounces of gold product after mining and processing of ore, and that the expansion would represent 210,026 tonnes of ore or 2.42% of the total ore of the Vault Pit. It also noted with respect to waste management that the expansion is expected to generate 1,061,404 tonnes of waste rock and 452,551 tonnes of overburden, all of which would be sent to its existing Vault Rock Storage Facility. No changes to plans for closure have been anticipated by AEM, including the reflooding of the Vault Pit as originally proposed within the Final Environmental Impact Statement for the Meadowbank Project and the closure involved for the Vault waste rock storage area.

While AEM did not provide specific information within its proposal with respect to the expected addition to actual life of mine operations, it did note its opinion that the proposed Vault Pit Expansion into Phaser Lake would not represent a significant change to the originally approved Project and that the expansion is within the scope of the original project as permitted by the Meadowbank Project Certificate. AEM further indicated that the proposed modifications to the project would likely necessitate changes to the existing Project Certificate, specifically noting Condition 48.

Please be advised that the complete project description as submitted by AEM is available from the NIRB's online public registry at the following link: http://ftp.nirb.ca/03-MONITORING/03MN107-MEADOWBANK%20GOLD%20MINE/01-PROJECT%20CERTIFICATE/AMENDMENTS/2014%20VAULT%20EXPANSION/01-APPLICATION/

RECONSIDERATION OF THE TERMS AND CONDITIONS OF PROJECT CERTIFICATE

As all parties are aware, the current Project Certificate as issued on December 30, 2006 is the product of a rigorous review process which provided opportunities for public comment through both written submissions and participation in the Final Hearing associated with the original project proposal. However, the development review process under the Nunavut Land Claims Agreement (NLCA) also recognizes that the Project Certificate is not a static document, and that to be effective, a Project Certificate must reflect the actual circumstances of a Project Proposal as those circumstances evolve and change. Sections 12.8.2 and 12.8.3 of the NLCA set out how the terms and conditions in a given Project Certificate may be reconsidered:

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.
- 12.8.3 Where the Minister determines that any of the conditions in Sub-sections 12.8.2(a), (b) or (c) have been established, NIRB shall reconsider the terms and conditions contained in a certificate, and NIRB shall produce a report of its reconsideration. The Minister may accept, reject or vary that report only on the grounds specified in Section 12.6.13. NIRB shall amend its certificate to reflect any changes as accepted, rejected or varied by the Minister.

Where the NIRB has established that terms and conditions within a Project Certificate require reconsideration, the NIRB would initiate a public review of the application, including public consultation, the issuance of additional Guidelines, facilitation of technical meetings, and written or oral hearings as deemed necessary in accordance with the NIRB's Rules of Procedures. The project proponent would be required to provide any information determined to be necessary to facilitate the Project Certificate reconsideration. After assessing the ecosystemic and socioeconomic effects of the proposed project amendment, the Board would then decide whether or not it should be allowed to proceed and, if so, whether amendments or additions to the Project Certificate terms and conditions are required. The Board's decision and, if applicable, recommended amendments to the existing Project Certificate terms and conditions, would be provided in a report to the Minister of Aboriginal Affairs and Northern Development for approval. If the amended project proposal was eventually approved to proceed, the Project Certificate could contain new or amended terms and conditions specific to the amended activities. Alternatively, if the amendment to the project were not approved to proceed, the reconsideration process would have no effect on the approval of the original Meadowbank Project.

REQUEST FOR COMMENTS

Reflecting the NIRB's jurisdiction to reconsider the terms and conditions of an existing Project Certificate under Article 12 of the NLCA and the important role of public and technical comment submissions that supported the development of the terms and conditions in the existing Project Certificate, the NIRB is seeking comments on AEM's request from parties and agencies with jurisdiction, authority and/or licences and approvals associated with the Meadowbank Gold Project prior to determining whether the proposed changes warrant reconsideration of the existing Project Certificate in accordance with NLCA Section 12.8.2. In asking for comments at this point, the NIRB notes that if it establishes that the terms and conditions of the Project Certificate are to be reconsidered it is anticipated that a comprehensive submission in the form of

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¹ NIRB's Rules of Procedures (2009) are available online from the Board's public registry at the following location: http://ftp.nirb.ca/06-RULES/.

an update or addendum to the Final Environmental Impact Statement for the Meadowbank project would be required to support the necessary technical review of the proposal. The NIRB would, at that time, solicit additional comments from the parties with respect to the potential for ecosystemic and socio-economic impacts associated with AEM's proposed amendment.

By copy of this letter, the NIRB invites parties with jurisdiction and members of the public to provide comments to the Board with respect to AEM's request for a reconsideration of the terms and conditions within the Meadowbank Project Certificate, and specifically, the Board asks for comments on the following:

- Whether the proposed changes, as presented in the request, meet the requirement for reconsideration as set out in the NLCA, Section 12.8.2 (a), (b), or (c), and if so, which provisions of the NLCA trigger the reconsideration;
- Whether, at this point the parties have identified any specific terms and conditions within the Meadowbank Project Certificate that would need to be reconsidered or amended to reflect the Vault Pit Expansion into Phaser Lake Project Proposal;
- Whether a reconsideration of the Project Certificate terms and conditions is likely to arouse significant public concern, and if so, a description of the basis for the concern;
- Whether parties have comments or concerns regarding the potential content and/or format of any update or addendum to the existing Final Environmental Impact Statement required to support the reconsideration of the Project Certificate; and,
- Any matter of importance to the Party related to the request to reconsider the terms and conditions of the Project Certificate by the NIRB.

The NIRB requests that interested parties submit comments directly to the NIRB via email to info@nirb.ca or via fax to (867) 983-2594 on or before December 2, 2014.

NEXT STEPS

Following the Board's receipt and review of comments received, the Board will determine whether the proposed changes are sufficient to warrant reconsideration under Section 12.8.2 of the NLCA. In the event a reconsideration of existing Project Certificate terms and conditions is to be undertaken, the Board would provide all parties with further direction on next steps and associated timelines at that time.

Should you have any questions or require further clarification, please contact Amanda Hanson Main, Director of Technical Services at (867) 983-4615 or via email at ahanson@nirb.ca.

Sincerely,

Ryan Barry

Executive Director

Nunavut Impact Review Board

cc: Ryan Vanengen, Agnico Eagle Mines Ltd.

Brian Aglukark, Nunavut Planning Commission

Phyllis Beaulieu, Nunavut Water Board Luis Manzo, Kivalliq Inuit Association

Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Mark Dahl, Environment Canada

Elizabeth Patreau, Fisheries and Oceans Canada Rob Johnstone, Natural Resources Canada Meighan Andrews, Transport Canada

Meadowbank Distribution List

Enclosed: AEM Meadowbank Mine Vault Pit Expansion into Phaser Lake Project Description (July 28,

2014)