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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

By Email

File No. 2AM-MEA

Date: March 5, 2008

To: Meadowbank Distribution List

Subject: Pre-Hearing Conference for Agnico - Eagle Mines Ltd. Meadowbank Gold Project application for a Type A Water Licence

The Board has made a decision on the above noted file and asked that I communicate with the parties the following information.

On December 10, 2007, the Nunavut Water Board directed that in accordance with the Rule 14 of the NWB Rules of Practice and Procedure, the staff of the NWB hold a Pre-Hearing Conference (PHC) for the Agnico - Eagle Mines Ltd. (AEM) application for a Type A water license for the Meadowbank Project (the Application).

The PHC was held on February 26 and 27, 2008 in Baker Lake, Nunavut.

The PHC dealt with the following matters relevant to the Application:

- (a) To set a timetable for the pre-hearing exchange of information;
- (b) To finalize the list of issues to be dealt with at the hearing;
- (c) To identify interested parties;
- (d) To consider the desirability of amending an application for the purposes of clarification;
- (e) To finalize procedures to be followed in a hearing; and
- (f) To consider any other matters that may aid in the simplification and disposition of the application at the Hearing.

The PHC Agenda is provided as Appendix A.

The following Parties were present at the PHC: Agnico-Eagle Mines Ltd. (AEM), Environment Canada (EC), Indian and Northern Affairs Canada (INAC), the Department of Fisheries and Oceans Canada (DFO), the Government of Nunavut Department of the Environment (GN-DOE), Nunavut Tunngavik Incorporated (NTI), and the Kivalliq Inuit Association (KIA).

Application to the Board

In 2003 an initial application was filed by Cumberland Resources Limited (CRL) and forwarded to the NIRB for environmental assessment in accordance with Article 12 of the NLCA. A Part 5 review was completed in 2006 with a project certificate (NIRB PC No. 004) issued in December 2006.

The NWB provided CRL with guidelines in March 2007 in accordance with section 48(3) of Act and article 13.8.1 of the NLCA; to assist them in meeting the information requirement of the Board. On August 1, 2007, Agnico Eagle Mines Limited amalgamated with Cumberland Resources and Meadowbank Mining Corporation (a wholly owned subsidiary of Cumberland).

For the purpose of all type “A” water license documents the terms “Cumberland”, “Meadowbank”, “MMC”, “AEM” mean the same entity as Agnico-Eagle Mines Limited.

The NWB acknowledged receipt of a revised application from AEM on September 24, 2007.

On October 24 of last year, the NWB sent a letter to the Applicant with a copy to interested parties outlining the proposed process and timelines for completeness and concordance review of application. All parties were requested to provide their determination on completeness and concordance by November 2, 2007.

The Board confirmed with AEM on November 13th that submissions were received on Completeness and Concordance from GN-DOE, EC, DFO, INAC. At that time, the Board requested that AEM provide clarification and confirmation on AEM’s ability to respond to the deficiencies identified by the Parties and when supplemental information was to be provided.

In conjunction with the Geoscience Forum in Yellowknife NWB and NIRB staff representatives took the opportunity to meet with AEM and their consultant on November 21st to discuss the regulatory process in Nunavut as it relates to the Meadowbank Gold Project.

Any decision of the Board requires that it be consistent with project Certificate issued by NIRB. As a result of this meeting it was determined that it was necessary for AEM to confirm with NIRB if an amendment to the NIRB PC was required to satisfy conditions No. 8 and No. 17 of the NIRB PC. On December 10, 2007 NIRB issued a determination that an amendment to NIRB PC for these conditions was not required.

Prior to the close of the pre-hearing the Board requested that AEM confirm in writing that the application filed and supplemental information received since September 2007 does not introduce new project components which were not part of the original proposal or that there inclusion would not significantly modify the project thereby requiring screening or additional review by the NIRB under Article 12.4.3 of the NLCA.

Concluding on November 4, 2007 the Board received comments from INAC, EC, DOE, and DFO respecting the Board’s determination of completeness of the water license application and supporting documentation. The Board did not receive any indication that the application should

not proceed through the regulatory process and the Board confirmed on December 10th, the concordance of AEM application to the Board's guidelines as issued March 2007.

On December 10th the Board also confirmed receipt of a letter from AEM proposing an accelerated schedule for the water license regulatory review process. The Board is accommodating the accelerated schedule to the extent possible given the Board's schedule, work plan and legislative requirements. AEM was notified that the onus remains on AEM to submit full concise, information that is appropriately incorporated into the application on a timely basis.

Further, on December 10th the Board gave notice to all parties and interested persons to begin a thorough technical assessment of the application and to make submissions to the Board by February 15, 2008 in preparation for the pre-hearing meeting (PHC).

To facilitate AEM's request for an accelerated schedule, on January 25, 2008 the Board gave notice pursuant to the Act for a Public Hearing to be held in Baker Lake starting on April 15, 2008. At that time AEM was advised that the Board would assess the feasibility of the PH date and either confirm or reschedule the PH based on the information provided at the PHC. If the Board deems it necessary to reschedule the hearing at least sixty (60) days notice of the rescheduled date is required.

Pre-hearing Review of the Application:

a) AEM Presentation on Current Status of the Project

AEM provided Parties with an update to the current status of the Project, including the Project schedule; water compensation agreement; work in progress at the site; transportation of materials to the Meadowbank site; the construction of the All Weather Private Access Road (AWPAR); and the construction of the Baker Lake Receiving and Storage Facility.

In addition, AEM advised Parties of the following proposed modification/change to the Project:

- Explosives Storage and Mixing Facility Location: relocated from access road to the Vault deposit to approximately 500 m off the all weather private access road before arriving at the Meadowbank mine site.

The NWB staff requested that AEM clarify the location of the water source and associated water volumes for the relocated explosives facility and AEM committed to providing the requested information as set out in Appendix C: List of Commitments. The NWB also identified the need for the Nunavut Impact Review Board (NIRB) to make a determination as to whether or not the proposed modification/change to the Project requires screening pursuant to section 12.4.3 of the Nunavut Land Claims Agreement (NLCA). AEM indicated that if the project change became a substantial issue, AEM may consider withdrawing the change.

In its presentation, AEM further described its sewage treatment plans and its preparations for the 2008 spring freshet. AEM provided a list of its current Type B water licences, including its request for an amendment to its Type B exploration licence, and request that the Type B water licences be consolidated into the Type A water licence for construction, operation, and closure of the Meadowbank Mine Project.

AEM's presentation is available for consideration on the NWB ftp site, **Username: public, Password: registry** at:

<ftp://nunavutwaterboard.org/2AM%20-%20MINING/2AM-MEA/Community%20Update%20Presenation/>

b) Identification of Interested Parties

Interested Parties that attended the technical/pre-hearing meeting and provided written submissions to the Board by February 18, 2008 included KIA, GN-DOE, INAC, EC, and DFO.

In addition to the above mentioned Parties, the Board contracted BGC Engineering Inc. (BGC) to act a staff to the Board on geotechnical and permafrost aspects related to the tailings storage facility, dewatering dikes, and open pit designs for the Meadowbank Project. At the pre-hearing it was confirmed with the parties that BGC identified with the Board that the company did work for Cumberland Resources Limited early on in the project development but has not been involved in the project at the design phase. BGC members involved in this review have had past exposure to the project. AEM confirmed in writing to the Board that BGC's involvement would not constitute conflict of interest. No parties present at the pre-hearing raised any concerns with BGC's involvement in the review of the Application. The written submission from BGC was distributed to Parties on February 22, 2008. On February 24, 2008, AEM provided a response to written submissions received by February 18, 2008.

All submissions are available for consideration on the NWB ftp site, **Username: public, Password: registry** at:

<ftp://nunavutwaterboard.org/2AM%20-%20MINING/2AM-MEA/Pre-Hearing%20Submissions/>

Parties that identified themselves as having a role in the Final Hearing include:

- Indian and Northern Affairs Canada;
- Kivalliq Inuit Association;
- Environmental Canada;
- Fisheries and Oceans Canada; and
- Government of Nunavut (DOE).

A number of other parties and persons were identified during the pre-hearing conference whose expertise may be required for the Final Hearing. Those parties or persons include:

- Transport Canada; and

- Government of Canada, Department of Community Government Services (GN-CGS).

In addition, the communities of Baker Lake and Chesterfield Inlet were identified as having a potential interest in participating at the final hearing. Due to the logistical difficulties of holding a hearing in Chesterfield Inlet, it was recommended that the NWB consider bringing members of the community of Chesterfield Inlet to Baker Lake for the Final Hearing, as was done during the NIRB environmental review process. It was further recommended that to maintain consistency, the same community members that attended the NIRB Hearings should attend the NWB Final Hearing. In light of this recommendation, the NWB will contact the NIRB to determine which Chesterfield Inlet community members attended the NIRB Hearings and follow-up with those community members to determine their interest and availability to participate in the NWB final hearings. To ensure enough time is available to make the necessary travel arrangements, the Board sets **March 21, 2008** as the deadline for receipt of participation requests.

c) Presentations from Interested Parties

No party indicated an interest in making a presentation at the Technical/pre-hearing Meeting.

d) Formulation of Issues

The Parties discussed the detailed technical issues set out in Appendix B: Formulation of Technical Issues. The commitments agreed to by the Parties on these matters are set out in Appendix C: List of Commitments.

Other issues addressed and Parties advice on these issues at the PHC included:

1. The relocated explosives storage facility: AEM advised that there will be no change in the volume of water required for explosives mixing due to the relocation of the facility and INAC advised that the facility would be permitted under a separate land use permit.
2. Proposed limits for effluent discharged during dewatering and effluent discharged from Portage and Vault attenuation ponds: AEM presented revised discharge limits based on discussions with Environment Canada
3. The proposal for a Dike Safety Review Panel: The NWB requested that Parties consider the role of the NWB in the proposed Panel when preparing written submissions for the Final Hearing;
4. The water compensation agreement: AEM advised that the water compensation agreement under Article 20 of the Nunavut Land Claims Agreement (NLCA) had been reached, and that the agreement had been approved by the Board of Directors for both KIA and AEM. KIA confirmed that the agreement had been approved and that it would be signed prior to the Final Hearings.
5. The amount and form of security: KIA and INAC advised that they will discuss security holding options before the Final Hearing. GN advised that it may also participate in discussions.

With respect to Appendix B: Formulation of Issues, Item 1(a) - Type A Application, Type B Licenses and current amendment request to allow for pre-development work, the NWB staff acknowledged that the amendment application had been forwarded by AEM to key Parties on February 1, 2008, but had not been formerly distributed by the Board. Prior to proceeding with the distribution of the amendment application to Parties for technical review and comments, and due to the scope of activities within the amendment request, the NWB will distribute the amendment application to Parties for comments regarding how the amendment application may affect the current Type A water licence review process.

All Parties confirmed that provided the commitments in Appendix B and D are met, there are no technical issues or related information requirements that would prevent the Board from proceeding with the Public Hearing.

Issues presented to the Board at the Final Hearing are to be generally classified under the following categories:

1. Nunavut Impact Review Board Schedule 12.4.3 Determination;
2. Type B Water Licence Applications;
3. Term of Licence;
4. Type and Amount of Security;
5. Compensation Agreements;
6. Construction;
7. Geotechnical and Permafrost Issues;
8. Water Use;
9. Water Management; Water Quality
10. Waste Management;
11. Geochemistry;
12. Tailings Storage Facility;
13. Contingency Planning;
14. Monitoring;
15. Closure and Reclamation; and
16. Other Issues.

e) Identification and Service of Documents to Parties (deadline, public registry, form)

The NWB Rules of Practice and Procedures for Public Hearings require that parties are to submit their written interventions no later than 30 days before the commencement of the Hearing. However, in consideration of several time constraints and following consultation with Parties at the pre-hearing, the NWB decided to vary its rules by requesting that Parties submit no later than 15 days prior to the Final Hearing by **March 31, 2008**. Executive summary translations in Inuktitut are also required at that time.

In order to facilitate the NWB's review of interventions the Board requests that submissions be generally formatted in accordance with the categories mentioned in the previous section.

All submissions will be posted on the NWB's ftp-site (www.nunavutwaterboard.org) and public registry upon receipt. A copy of the public registry as it relates to the application from AEM will be available at the Final Hearing.

f) Translation and the Record (language, transcripts)

In order to facilitate public participation and to accommodate the language requirements of Board members the Final Hearing will be translated in Inuktitut. The NWB will provide for a stenographer to record the Final Hearing. Should Parties require additional language services please advise the NWB no later than **March 31, 2008**.

Community Session

On the evening of February 26, 2008, the NWB held a community session for residents of Baker Lake to express any concerns about the Project and ask questions to the Parties. Approximately 32 people attended. AEM commenced the session with a brief presentation about the company and employment opportunities. The Board requests that for the final hearing community session that AEM's presentation be reflective of the application before the Board and address water and waste disposal. Following the presentation, community members raised various issues relating to waste disposal, fish salvage, barge traffic, sewage treatment, fuel storage, and employment. The mayor of Baker Lake, David Aksawnee, expressed an interest in obtaining a better understanding of water and waste related issues related to the Project. To accommodate the mayor's interest, the NWB staff committed to send its hearing coordinator to the community prior to the Final Hearing.

AEM's community presentation is available for consideration on the NWB ftp site, **Username:** public, **Password:** registry at:

<ftp://nunavutwaterboard.org/2AM%20-%20MINING/2AM-MEA/Community%20Update%20Presenation/>

Hearing

The Board has set the following issues for the Public Hearing:

a) Date, Time and Location

In accordance with the provisions of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"), the NWB shall hold a public hearing in the community or communities most affected. The Board is aware of the logistical issues associated with the conduct of a hearing in Chesterfield Inlet and therefore confirms that the hearing will be held in Baker Lake starting **April 15 to April 17, 2008**. The Final Hearing date is contingent on (i) AEM fulfilling the commitments made during the technical meeting as outlined in Appendix C and (ii) confirmation from the NIRB on the applicability of Sec.12.4.3 of the NLCA as detailed above.

An agenda confirming the particulars of the hearing will be circulated to all parties before the hearing.

g) NWB Hearing Coordination

To inform the communities of the Meadowbank Project and the NWB review process, the NWB's hearing coordinator will visit Baker Lake and possibly Chesterfield Inlet prior to the Final Hearing. Further details shall be forthcoming.

b) Site Visit, if any

The NWB will not require AEM to undertake a site visit prior the Final Hearing as part of the water licensing process. However, Parties who believe a site visit will aid them in preparing for the Final Hearing are encouraged to make their own arrangements with AEM. In any event, the NWB recommends that AEM present a visual overview of the site using photos and video material as part of its presentation at the Final Hearing.

c) Order of Events

The Board hereby confirms that the Final Hearing will proceed by Party Intervener as opposed to by issue. The Board will follow the order of events as outlined in section 20.1 of the Rules of Practice and Procedure for Public Hearings.

d) Equipment

Parties who need special audio-visual equipment at the Hearing are requested to inform the NWB of their specific needs within their intervention/written statements to the Board so that arrangements can be made in advance.

Please do not hesitate to contact David Hohnstein (dts@nunavutwaterboard.org) for technical issues, and Phyllis Beaulieu (licensing@nunavutwaterboard.org) for any other matter related to the hearing.

Regards,

Dionne Filiatrault, P. Eng.,
Executive Director

Appendix A Agenda
Appendix B Formulation of Issues
Appendix C List of Commitments

APPENDIX A – AGENDA



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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

PRE-HEARING TECHNICAL MEETING
 MEADOWBANK PROJECT
 COMMUNITY HALL – BAKER LAKE, NU
 February 26 & 27, 2008 08:30 AM

1. Introduction and Registration
2. Application to the Board
3. Purpose of the Pre-Hearing/Technical Meeting
4. Pre-Hearing Review of the Application
 - a) Agnico-Eagle Mines Limited presentation on current status of Project
 - b) Identification of Interested Parties
 - c) Presentations from Interested Parties
 - d) Formulation of Issues
 - e) Identification and Service of Documents to Parties (deadline, public registry, form)
 - f) Translation and the Record (language, transcripts)
5. Hearing
 - a) Date, Time and Location
 - b) Site Visit, if any
 - c) Order of Events
 - d) Equipment
6. Other Issues
7. Closing of the Meeting

APPENDIX B – FORMULATION OF ISSUES



**Pre-hearing Technical Meeting (PHC)
Meadowbank Gold Project**

**Water License Application: 2AM-MEA----
Applicant: Agnico-Eagle Mines Limited (AEML)**

Formulation of Issues

1. Scope
 - a. Type A Application/Type B Licenses and current amendment request to allow for pre-development work;
 - b. NIRB commitment and PC verification;
2. Construction
 - a. Dewatering Activities
 - b. Water Diversion Activities
3. Water
 - a. Water Use/Withdrawl Activities
 - b. Water Treatment
 - c. Water Management – Pit re-watering
4. Waste
 - a. Waste Rock Storage and Material Balance
 - b. Tailings Storage Facility
 - c. Reclaim Water Transfers
 - d. Attenuation Ponds Discharges
 - e. Landfill/Landfarm/Sewage Treatment
5. Hazardous Material Management and Emergency Response
6. Monitoring
 - a. Receiving Parameters
 - b. General Monitoring
7. Closure and Reclamation

APPENDIX C – LIST OF COMMITMENTS

No	Issue Reference	Pre-Hearing Commitment	Party	Timeline for Submission	Additional Comment
SCOPE					
1	NWB	Provide Type B water licence compliance reports	INAC	intervention deadline	AEM to provide past performance exhibit for other jurisdictions
CONSTRUCTION					
2	INAC-5	Core material will not be placed until rockfill embankments have been closed shore to shore	AEM	7-Mar-08	revision to response table
3	BGC	Golder submitted copy of till investigation and lab testing report entitled "2007 Till Core Material Investigation and Laboratory Testing, Meadowbank Gold Project" dated January 25, 2008	AEM	completed	NWB to post to public registry
4	INAC-8 - INAC-12	Provide clarification to response to INAC issue 8-12 (Contractor to provide plan for instrumentation installation. Plan to be approved prior to completion by engineer.)	AEM	7-Mar-08	revision to response table
5	DFO-2	Provide additional detail for monitoring plans for inside and outside silt curtains (including contingencies and thresholds) for TSS during dike construction and dewatering	AEM	7-Mar-08	
6	DFO-2	Provide the distance of the silt curtain relative to the dike construction area	AEM	7-Mar-08	
7	INAC-3	Provide coupled seepage/thermal analysis at central dike	AEM		Not required before final hearing. Issue for consideration in any forthcoming licence.
8	BGC	Provide memo clarifying where dredged lakebed sediment under dewatering dike footprint will be disposed	AEM	7-Mar-08	

No	Issue Reference	Pre-Hearing Commitment	Party	Timeline for Submission	Additional Comment
9	INAC-13	AEM will provide reference for monitoring non-contact water including parameters pH, turbidity, sulphate, metals (Cu, Ni, Zn, Pb)	AEM	7-Mar-08	INAC to confirm if reference to Doc 450 is sufficient. Provide in table revision.
WATER					
10	DFO-22	AEM to provide reference for elevation change in lakes due to drawdown	AEM	7-Mar-08	
11	EC-8	Provide errata to closure and reclamation plan clarifying that dike breaching will occur where water quality meets CCME, background, or risk based assessment criteria as determined through an approvals process	AEM	7-Mar-08	
12	NWB	Provide memo clarifying location of water source and water volumes for re-located explosives storage facility	AEM	7-Mar-08	
13	EC	Provide table of end of pipe water quality standards for both the Portage diffuser from the Portage Attenuation Pond and the Wally diffuser from the Vault Attenuation Pond	AEM	7-Mar-08	
14	EC	Provide comments to AEM on technical memo regarding dewatering and attenuation pond water quality discharge criteria	INAC, EC	prior to intervention deadline	any other interested parties
15	DFO-25	Follow freshwater end of pipe guidelines, provide detail design for effluent discharge for outfall diffuser and provide intake screen design	AEM	7-Mar-08	
16	DFO-24	Provide assessment of easternmost channel enhancement	AEM	7-Mar-08	

No	Issue Reference	Pre-Hearing Commitment	Party	Timeline for Submission	Additional Comment
17	DFO-6	Submit baseline information (AEMP monitoring reports for 2006 and 2007)	AEM	31-Mar-08	
WASTE					
18	INAC	clarify if NPR ratio used affects volume of rock available for closure			to be confirmed by INAC
19	GND OE - 5	Elaborate response to GND OE issue 5	AEM	7-Mar-08	revision to response table
20	GND OE-25	Clarify intent of 10-15 year predictions in thermal model for freezing, and the monitoring commitment	AEM	7-Mar-08	revision to response table
21	NWB	Provide updated Document list and any missing documents including: Doc 538-Till Testing; Doc 548-Groundwater Quality Memo; and any others	AEM	7-Mar-08	
22	GND OE-18	Clarify hydrocarbon fractions that will be monitored for hydrocarbon contaminated soils	AEM	7-Mar-08	
23	INAC	Provide clarification memo regarding NPAG material to be used at landfill	AEM	7-Mar-08	
24	INAC-17	Provide clarifications related to incinerator (design, operation and monitoring) committed to in February 20, 2008 meeting minutes	AEM	7-Mar-08	
25	INAC-19	Provide flow process outline of STP stages and detailed information from supplier on STP units. Emergency contingency plans.	AEM	7-Mar-08	
26	na	Place AEM Technical Meeting presentation on Public Registry	NWB	asap	
27	GND OE-12	Clarify proposed use of CCME Guidance and provide table of proposed effluent discharge criteria (as per Technical Meeting presentation)	AEM	7-Mar-08	revision to response table

No	Issue Reference	Pre-Hearing Commitment	Party	Timeline for Submission	Additional Comment
28	GND OE-12	Provide information to AEM regarding new national COD standards/requirements	NWB	completed	posted to ftp site
29	GND OE-13	AEM to inform communities of contingency measures that rely on community infrastructure and/or services	AEM	7-Mar-08	revision to response table
CLOSURE					
30	GND OE-22	Provide correction to closure plan regarding timeline for monitoring re-vegetation success.	AEM	7-Mar-08	revision to response table
31	GND OE-23	Revise response to GND OE-23 issue regarding wildlife passage through waste rock piles	AEM	7-Mar-08	revision to response table
32	NWB	Provide combined security estimates and holdings for all Type B licences and proposed Type A licence	AEM	at Final Hearing	
33	NWB	Parties will meet and assess options for holding of security	INAC, KIA, GN	meeting as quickly as possible (March 3, 2008 proposed by KIA, subject to INAC and GN confirmation); submission at intervention deadline	AEM to participate if invited
GENERAL					
34	NWB	Provide list of plans, reports and designs that need revising including a timeframe for providing them	AEM	At the Final Hearing	
35	NWB	Submit final version of response tables providing clarification where requested	AEM	7-Mar-08	
36	NWB	Provide clarification regarding status of bulk fuel storage facility construction (Type B exploration water licence 2BE-0507)	AEM	7-Mar-08	

No	Issue Reference	Pre-Hearing Commitment	Party	Timeline for Submission	Additional Comment
37	NWB	Provide a summary list of commitments made to all the parties	AEM	at Final Hearing	