



Executive Summary

Technical Meeting and Pre-Hearing Conference

Renewal Application Water Licence #2AM-MEA0815 Type 'A'

Meadowbank Gold Mine Agnico Eagle Mines Ltd. Kivalliq Region

Baker Lake, NU
January 14 to 15, 2015

Aboriginal Affairs and Northern Development Canada (the Department) is an interested party in the Nunavut Water Board's review of Agnico Eagle Mines Ltd.'s (the Licensee) application to renew the Meadowbank Gold Mine's Type 'A' Water Licence (#2AM-MEA0815). Pursuant to federal legislation, the Department co-manages Nunavut's freshwater resources with the Nunavut Water Board (NWB). The renewal is a result of the current water licence expiring on May 31, 2015.

The requested licence renewal will see the project transition from operations into closure. As part of the application the Licensee is requesting that the freshwater consumption allowance be increased from 1,870,000 cubic metres per year to 9,119,652 cubic metres. This increase in freshwater allowance is required for the reflooding of the Portage, Goose, and Vault pits. In addition, the application includes revised management and monitoring plans required under the licence and a revised reclamation cost estimate.

The recommendations of the Department are detailed in the technical review memorandum. The Department's concerns revolve around potential impacts to freshwater (surface and ground water) and the environment from mining and associated activities. In order to better address potential environmental impacts the following summarized recommendations have been made by the Department:

- The Licensee's annual monitoring report should summarize monthly climatic conditions at the mine site over a 12-month period and the data should be compared with historical records. This approach will inform technical decisions concerning the degree of control measures to be implemented at the site for the requisite environmental control.
- The cover trials for tailings storage facility (TSF) and waste rock storage facility (WRSF) should be completed with all technical aspects taken into account. The Licensee's annual report should include analysis and discussions of measured versus expected performance of the cover system(s) for tailings and waste rock storage areas. In particular, the effectiveness of permafrost encapsulation methodology for mine waste management should be ascertained.
- The Licensee should submit the design details of water management structures (diversion ditches) and the associated protection measures to the NWB.
- There have been two geo-environmental events that resulted in uncontrolled discharge of seepage water that did not meet water quality criteria. Presently, the Licensee has implemented short-term control measures to cope with the situation, however, the Department recommends that the Licensee submit a long term strategy after the completion of current geotechnical studies and, at a

minimum, one year before the submission of a final closure plan.

- The Licensee's updated interim closure and reclamation plan cost estimate is \$84,869,488. The closure cost should be based on the final cover design for mine waste management. Consideration should be given to quantity/thickness of waste rock and the cost associated with the potential treatment of water collected during freeze back of the tailings. The Licensee is required to ensure that the current cost estimate will be adequate to achieve the final closure and reclamation goals.

AANDC supports the Licensee's proposal regarding the proposed term of 10 years for the Licence. The Department will participate in the upcoming Technical Meeting and Pre-Hearing Conference to be held on January 14 and 15, 2015 in Baker Lake, NU.