NUNAVUT WATER BOARD HEARING

RE: MEADOWBANK GOLD MINE PROJECT TYPE A WATER LICENSE

HEARING HELD AT THE
COMMUNITY CENTRE
BAKER LAKE, NUNAVUT
APRIL 15, 2008

APPEARANCES:

NUNAVUT WATER BOARD (NWB):

Mr. L. Toomasie	Chair
Mr. G. Kakkiarniun	Member
Mr. G. Porter	Member
Mr. T. Tatatuapik	Member
Mr. R. Hanson (by phone)	Member

NUNAVUT WATER BOARD STAFF:

Mr. W. A. Tilleman, Q.C. (by phone)	Legal Counsel
Ms. C. Emrick, Esq.	Legal Counsel
Ms. D. Filiatrault	Executive Director
Mr. D. Hohnstein	Acting Director Technical Services
Mr. B. Kogvik	Secretary/Interpreter/ Translator
Mr. J. Seto	Senior Geotechnical Advisor
Mr. D. Carr	Licensing Administrator
Mr. R. Dwyer	Licensing Administrator
Mr. S. Lines and Ms. K. Tunaley	Tunaley Lines & Associates

LICENSEE:

AGNICO-EAGLE MINES LIMITED (AEM)

-Mr. L. Connell	Manager of Environment, Social, and Government Affairs, AEM Meadowbank Division
-Mr. T. Eldridge	Golder Associates
-Ms. V. Bertrand	Golder Associates
-Mr. D. Walker	Golder Associates
-Mr. J. Donihee	Legal Counsel
-Mr. G. Mann	Azimuth Consulting
-Mr. S. Doire	Mine Site Environmental Coordinator
-Mr. R. Vanengen	Mine Site Environmental Coordinator
-Ms. R. Gould	Environmental Manager of Permitting and Compliance Monitoring
-Mr. S. Robert	Environmental Engineer, AEM Abitibi Division

INTERVENERS:

INDIAN AND NORTHERN AFFAIRS CANADA (INAC)

-Mr. M. Nadler	Nunavut Regional Director General
-Mr. J. Rogers	Manager of Water Resources
-Mr. K. Landa	Legal Counsel-Justice Canada
-Mr. K. Armstrong	Technical Specialist

ENVIRONMENT CANADA (EC)

-Ms. A. Wilson	Water Pollution Specialist
-Mr. G. Groskopf	Mining Specialist

DEPARTMENT OF FISHERIES AND OCEANS CANADA (DFO)

-Ms. A. Liu	Habitat Management Biologist
-Mr. D. Balint	Habitat Management Biologist

GOVERNMENT OF NUNAVUT-DEPARTMENT OF ENVIRONMENT (GN-DOE)

-Ms. H. Yeh	Manager of Environmental Assessment and Land Use
-Mr. E. Baddaloo	Director of Environmental Protection

NUNAVUT TUNNGAVIK INCORPORATED (NTI) AND KIVALLIQ INUIT ASSOCIATION (KIA)

-Mr. J. Lindell	
-Ms. J. Ehaloak	
-Mr. L. Manzo	
-Mr. S. Hartman	Environmental and Water Officer, KIA Lands Department

INTERPRETERS/TRANSLATORS:

Mary Hunt	Inuktitut Language
Rhoda Perkison	
Trevor Bourque	Sound Technician (PIDO)
Karoline Schumann, CSR(A)	Court Reporter

INDEX

(PROCEEDINGS COMMENCED AT 9:06 A.M.)

THE CHAIR: Welcome, we'll start now. Prior to the conference, I would like to call on David Aksawnee, the Mayor of Baker Lake.

MR. AKSAWNEE: Good morning. Welcome to Baker Lake and have a good meeting. There's -- as a community, people here in Baker Lake, and if you do not know where some people are located, the people that you wish to see, you're welcome to approach us.

And also, I wish you will have a good meeting during your stay, have a good meeting today, and you'll be -- carry on with your meetings in related to the gold mining project.

This is my fourth year, and I understand the project quite well myself, but today as a community, people here, the population is big in community here, and they're very in support of the mining project. And I go up to the mine site periodically just to update myself on behalf of my community, and I wish to welcome them all, the Proponent, and I hope you will carry on to do your best job as you can.

This is related to water licensing, although I understand we have heard these lengthy discussions in regards to this project since the Cumberland company. Now, it's taken over by Agnico-Eagle Mine. It's still the -- it's related to the same project.

Please feel welcome. Where our office is open, if you have any questions, to approach us any time.

THE CHAIR: Thank you, Mayor Aksawnee.

Good morning. My name is Lootie Toomasie. I'm the Chair for the purpose of this public hearing and application. The Acting Chair of the Nunavut Water Board, Thomas Kabloona from Baker Lake, is down here in the audience, and the Vice Chair, Geoff Kusugak, from Rankin Inlet, and Raymond Kayasark from Kuggark have declared that they will not participate in the hearing of this application to ensure there are no conflicts of interest or apprehensions of bias.

I will introduce the members of the Board shortly. However, to remove any concerns about Board quorum, I advise the parties now that Robert Hanson is participating in this hearing via teleconference.

Robert, are you on the line; can you hear us? Robert Hanson, are you on the line?

MR. HANSON: Yes, I am. Lootie, can you hear me?

THE CHAIR: Yes, we can hear you. Thank you, Bob, for participating via teleconference.

MR. HANSON: No problem, Lootie. Thank you.

THE CHAIR: Thank you. Before we proceed with the hearing, let us begin with a prayer. I

have asked Board Member, Tommy Tatatuapik from Arctic Bay, to say a -- to say a prayer for the opening prayer. Tommy.

(OPENING PRAYER)

THE CHAIR: The Nunavut Water Board is an institution of public government created under Article 13 of the Nunavut Land Claims Agreement, and it is responsible for the use, management, and regulation of freshwater in the Nunavut settlement area.

On behalf of Nunavut Water Board, I welcome everyone to Baker Lake.

The purpose of this public hearing is to review the application filed by Agnico-Eagle Mines Limited for a Type A water license in accordance with the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

With me today is the Members of the Board. On my far right-hand is Bob Hanson participating on telephone, and next to him (sic) is Guy Kakkiarniun. To my far left is Tommy Tatatuapik, and George Porter is right here sitting beside me.

Several Staff members are -- and NWB consultants who have helped the NWB conduct technical reviews of application are present. I will introduce key individuals attending today: Dionne Filiatrault, Executive Director; David Hohnstein, Acting Director of Technical Services; Richard Dwyer, License

Administrator, down by the door; Ben Kogvik, interpreter/translator, just over this -- by the booth; Steve Lines and Karlette Tunaley and Jack Seto, consultants; William Tilleman Professional Corporation, administrative counsel to the Board; Catherine Emrick is here with us today, and Bill Tilleman is available to us via teleconference.

Bill, are you there?

MR. TILLEMAN: Yes, good morning. Can you hear me okay?

THE CHAIR: Thank you. Bill -- okay, thank you, you're on the line.

MR. TILLEMAN: Yes.

THE CHAIR: In addition, we have several interpreters available for simultaneous translation, Ben Kogvik and Mary Hunt, and we also have Rhoda Perkison; is that right? Thank you, thank you for participating.

To ensure the accurate record of the proceeding, we have with us a court stenographer, Karoline Schumann. To assist Karoline, I ask that all parties please state their name before speaking.

In the past, parties in other proceedings have approached the media prior to the release of the Board decision, suggesting comments about what the Board is going to do either procedurally or in terms of final results.

Since the Board cannot comment on pending matters, either by confirming or denying the accuracy of other's statements to the media, the Board would appreciate it if all parties would refrain from any such comment that may imply a certain action or decision by the Board.

The Board members will not discuss the hearing or the matters before the Board with any of the parties or the media. If you have any question about the Board and practice or procedures, please speak to the Executive Director, and we'll assist you.

APPLICATION HISTORY:

I will now give a brief history of the application. In 2003, an initial application was filed by Cumberland Resources Limited, CRL, and forwarded to 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 Number 004, issued in December 2006. The Project Certificate means we can proceed to regulatory, and that is what we are doing at this hearing.

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 the Cumberland.

For the purpose of all Type A water license documents, the terms "Cumberland", "Meadowbank", "MMC", "MEA" -- sorry, "AME" (sic) mean the same entity as Agnico-Eagle Mines Limited.

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

On October 24 of last year, the NWB sent a letter to the Applicant with a copy of interested parties outlining the purpose (sic), process, and time lines 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 with 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 representative 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 the amendment to the NIRB PC was required to satisfy the conditions Number 8 and Number 17 of the NIRB PC. On December 10, 2007, NIRB issued a determination that the amendment to NIRB PC for these conditions were not required.

Concluding on November 4, 2007, the Board received comments from INAC, EC, DOE, and DFO respecting the Board 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 10 the concordance of AEM application to the Board guidelines as issued March 2007.

On December 10th, the Board also confirmed the receipt of letter from AEM opposing the 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 and appropriately incorporated into the application on a timely basis. That direction still applies.

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 submission to the Board by February 15, 2008, in preparation for the pre-hearing meeting to be held by the Staff.

To facilitate AEM's request for accelerated schedule, on January 25, 2008, the Board gave notice pursuant to the Act for the public hearing to be held in Baker Lake starting April 15, 2008.

A pre-hearing conference was held by the Staff on February 26th, 27th, 2008, in Baker Lake. The following parties participated in the pre-hearing conference, EC, INAC, DFO, GN-DOE, NTI, and Kivalliq Inuit Association. At the PHC, the aforementioned parties identified themselves as having a role in the final hearing. It was recommended that the community of Chesterfield Inlet be invited to attend the hearing. For a complete list of commitments from the PHC, I will refer you to the pre-hearing decision of March 5, 2008.

Of note, the NWB, on a recommendation of the Mayor of Baker Lake, committed to providing a community public session on the mandate of the NWB. Mr. Don Carr, Hearing Coordinator for the NWB, held a community session on March 27, 2008.

The Board confirmed in its March 4, 2008 PHC

decision the date of this public hearing, April 15 to 17, 2008, time lines for submission of information, and a list of issues to be presented at this final hearing.

AEM confirmed in writing following the pre-hearing 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 their conclusion would not significantly modify the project, thereby require screening or additional review by NIRB under Article 12.4.3 of the NLCA.

Written submission for this hearing have been received from INAC, EC, DFO, GN-DOE, NTI, and KIA. If I have missed any parties' written submission, please let me know.

ROLL CALL:

If there are no concerns, I would like to go forward to roll call. I will begin with the Applicant.

MR. CONNELL: Thank you, Mr. Chairman. We are here.

THE CHAIR: Thank you. And then go to other intervening parties. Kivalliq Inuit Association? Will you come to the microphone to identify yourself. Go ahead.

MR. MANZO: Luis Manzo, Kivalliq Inuit Association.

THE CHAIR: Thank you. And Nunavut Tunngavik Incorporated?
MS. EHALOAK: Jeannie Ehaloak, NTI.
THE CHAIR: Thank you. And GN-DOE?
MS. YEH: Helen Yeh with GN-Department of Environment.
MR. BADDALOO: Earle Baddaloo, Department of Environment.
THE CHAIR: And INAC?
MR. NADLER: Michael Nadler with Indian and Northern Affairs Canada.
THE CHAIR: Thank you. And DFO?
MS. LIU: Amy Liu from Fisheries and Oceans Canada.
MR. BALINT: Dave Balint, Fisheries and Oceans.
THE CHAIR: Thank you. And Environment Canada?
MS. WILSON: Thank you. It's Anne Wilson with Environment Canada, and Glenn Groskopf is with me.
THE CHAIR: Thank you. If there's other interveners who would like to speak, please identify yourself. I take it there's none.

Are there any members of the general public who would like to identify themselves? I take there is none.

It is our tradition to give respect to our Elders. At any time an Elder may speak to the application on file.

Before proceeding, I would like to request that all parties register with Richard Dwyer at the back there, License Administrator.

PRESENTATION BY AEM:

The Applicant is requested to make a brief presentation and application before the Board. Mr. Connell, how long will you need?

MR. CONNELL: Thank you, Mr. Chair. We'll try to keep it to two hours.

THE CHAIR: Thank you. Catherine Emrick, please swear an oath or affirm the witness.

LARRY CONNELL, DAN WALKER, VALERIE BERTRAND, GARY MANN, TERRY ELDRIDGE, sworn:

MR. DONIHEE: Mr. Chairman, my name is John Donihee. I'm counsel for Agnico-Eagle Mines. We have a number of other experts who are with us and members of the company, and Mr. Connell may call on them to assist with questions, depending on what the questions are. Perhaps it would be simpler if we had those folks sworn when they came forward, or would you prefer to do them all at once?

THE CHAIR: Yes, go ahead.

SYLVAIN DOIRE, RYAN VAN

ENGEN, RACHEL GOULD, STEPHANE ROBERT, sworn:
THE CHAIR: Thank you. Applicant, you may go ahead.
MR. CONNELL: Thank you, Mr. Chairman.
I'll do a proper introduction to our team while we've done the swearing in. Sitting in the audience, we have Mr. Ebe Scherkus. I wonder if you could stand up. Ebe is the company President of Agnico-Eagle Mines Limited. And next to Ebe is Louise Grondin, who is the Vice President of Environment for Agnico-Eagle Mines Limited. Next to Louise is Martin Bergeron. Martin is the Regional Manager of the Meadowbank division for all of western Canada, but he's the senior manager for the Meadowbank division.
Then seated at the table, I'll start at the one end, is Mr. Terry Eldridge, who is with Golder Associates; next to Terry is Valerie Bertrand, also with Golder Associates; Dan Walker also with Golder Associates; John Donihee, who is acting as our counsel; Gary Mann, who is with Azimuth Consulting as a consultant to us. And then in the back row, starting with Sylvain Doire, he is the Environmental Coordinator for the mine site, he works on -- at the mine site, looking after the environment; next to Sylvain is Ryan Vanengen, who is also the Environmental Coordinator of the site, they work on a two-week-on/two-week-off rotation; next to Ryan is

Rachel Gould, who is the Environmental Manager in Permitting and Compliance Monitoring; next to Rachel is Stephane Robert, who is an environmental engineer from the Abitibi division or region of Agnico-Eagle; and next to Stephane is Kathryn McIvor, who also works in the Environmental Department of the Vancouver office. Just to inform you, my name is Larry Connell. I'm the Manager of Environment, Social, and Government Affairs for the Meadowbank division for Agnico-Eagle.

I wish to thank the Board for giving us this opportunity to come before you to make the presentation on the mine, and if you don't mind, I'll do it from this position, and I'll try to move through it as fast as I can.

Just the first slide is just to give you some indication of who Agnico-Eagle Mines is. Our head office is located in Toronto. We are a Canadian-based company. We've been in the gold mining business for over 35 years, and the main operations the company is built from are in the Abitibi region of northern Quebec. This region here, the LaRonde mine.

We're a mine builder. We're based as a mine production company. We -- as you have heard, Cumberland Resources was purchased by Agnico-Eagle in 2007 and has subsequently been amalgamated into the one company.

We established a new project office here in Baker

Lake in 2008, and we are developing projects, gold projects as you can see, in various regions of the world. We have a division in Finland, a division in Mexico, and, of course, Meadowbank. We're also expanding our operations significantly in the Abitibi region, so that's where we're doing business in the world today.

On their environmental performance and our record, just to give you some of the background about what we have -- we have a strong belief in environmental protection. It is part of our business. We need to ensure it, and we have a company policy that we will use the highest standards in any of the jurisdictions that we operate in, and we have significant in-house expertise to be able to do that.

We enjoy an excellent relationship with all regulatory agencies, and that's because we believe we have to work in a transparent, open-door policy. We have to be honest, we have to build trust, and you build trust by working openly with those regulatory agencies.

As examples of that, we have a very successful partnering with the Quebec Government on the rehabilitation of the Manitou abandonment tailings. What we have done is taken an old tailings deposit that was not from our making but from many years ago that was causing environmental harm and have used that tailings

in one of our new divisions or our new mines and have come up with a technique to stabilize that tailings pond and use that as the tailings pond we're using for this new mine. So we're actually solving an old problem by how we move forward.

We're also a member of a consortium of companies from Quebec that are paying to clean up some of the abandoned exploration sites that were left in Nunavut. These are not sites of our making, but we believe that we have to improve the legacy that we, as a mining company, leave behind, to clean up the mess that our forefathers left or its business.

We received the 2008 Sustainability Development Prize for western Quebec from the Desjardin Group, and I think this is a recognition to our belief in being a sustainable company. And we have received certification in Mexico as being a socially responsible company, and that's something that we had to go through an entire process in order to obtain. It wasn't just given.

Where is the project? I think everybody knows the project is located to the north of Baker Lake. It's now connected to Baker Lake by a 110 kilometre all-weather access road. It's important to note that this project is on Inuit-owned land.

There is an Inuit Impact and Benefits Agreement in place, and that -- first payments have already been made

on that. A construction decision under the IIBA was given in December of last year. There is also a Water Compensation Agreement in place with the Kivalliq Inuit Association under Article 20 of the Land Claim Agreement. And while the terms are confidential, that agreement addresses compensation for water that's used by the project, the water flows we alter by the project, and it provides for monitoring by the KIA to make sure that what we're doing is in accordance with what we said we would be doing. So we're actually, through that agreement, funding this independent monitoring. We also have a Development Partnership Agreement with the Government of Nunavut.

Just a quick picture of the signing of the Water Compensation Agreement.

Just some quick facts of the mine. The mine has a life of 12 years with the reserves we know now; that's two years of construction and ten years of operation. We are being successful in finding new resources, and so we anticipate that we will be able to go beyond ten years. That's what we know right now.

The throughput is 8500 tonnes per day. We're going to be mining the ore from three open pits. There's the Goose Island Pit, the Portage Pit, and then to the north here is the Vault Pit. Our total open pit reserve right now is 3-and-a-half million ounces of gold.

Where is the ore? The ore in this situation is primarily under the lake bed. We have some outcroppings of the ore on surface so that they are covered by overburden, but it's important to note that, in this case here, our Portage deposit lies also under the lake as does the Goose Island deposit. This is Third Portage Lake, and it flows into Second Portage Lake and then to the north.

So how do we get to the ore? The process is that we will build dikes to actually isolate the pieces of the lake that we need to. So in 2008, our plan would be to build this dike here and a dike across here to allow us to dewater this portion of the lake here so that we can start mining in this area. Then in 2009, we would construct this dike here, and that would allow us to dewater this and expand our pit to the -- this direction. All of the water dewatered from here will be transferred back into Second Portage Lake here. And then in subsequent years, we would also build a dike out here in order to access this portion of the lake in the Goose Island Pit. So it's a sequence of these -- building of these dikes in order to isolate us from the lake and to allow us to then dry that lake bed in order to mine.

The project schedule, this is just to reaffirm what I've just gone through, partially dewater that northeast

arm of Second Portage Lake in the late fall of 2008. This is assuming we do have the permits in place. We would construct the storm water dike in late 2008, 2009, and we would start development on the south Portage pit in 2008 and then the north end in 2009. The mill and shops will be constructed in 2008, 2009, leading to the start of production in late 2009 or early 2010, and the first tailings deposition will take place at that point.

In building these dikes, it's important to understand how they get done. The first step -- this is the lake. Looking across the cut-out section through the lake, here is the underlying bedrock, and then over top of that bedrock, there is lake sediments. The first step is to put turbidity barriers in. These are like a -- they're a plastic floating curtain like you would use for an oil spill except they're deeper. They go down deeper into the lake, and their purpose is to prevent -- once we start building here, we'll stir up the bottom, and their purpose is to stop that sediment, the water that's clouded up by the bottom material, prevent it getting out into the rest of the lake.

The next step is to build two rock structures, so there's one rock structure and another rock structure on the other side that goes for the entire length of those dikes, and you can see the turbidity curtains now in place here. We still have water in between.

Once that is completed, then we come back and actually place a till material where that water is in between to actually make a barrier to the water being able to pass through this dike once it's completed. This is just a detail of the construction of that -- of the filter that sits inside this core, and that's to prevent this till material from actually running through this rock fill. Once the till is in place, we then excavate a trench and put in a cutoff wall in order to prevent water being able to pass through. So at that point, we're now ready to start dewatering, removing the water from the lake.

So as I said, we then remove the water from this portion of the lake first, allow us to start mining here, and then in 2009, to do this, and then in 2010. This picture actually represents what it would look like at the end of that ten-year period. So this is what it would look like at the end of the ten-year period.

Just a close-up view of the facilities, the plant site. So here's the open pit in the background, and here's the camp in this location here. This is the mill building where the ore would be processed to extract the gold. This building here is the maintenance shop for the open pit trucks and equipment. The ore would come out of the pit, come up this hill, and it goes through a crusher located here, and then it's stored inside this

round building. That's a building just to store the crushed ore before it goes into the mill.

Also a note, we've got cold storage warehousing over here. The fuel -- there's only one small fuel tank -- well, it's not small, but there's one fuel tank at the site, and the reason for that is the other fuel tanks are located here in Baker Lake, and we can move fuel by the road.

This structure here is a landfarm. That's intended to be a facility where we can take contaminated snow or contaminated soil if we've had spills into that soil so that we can then clean that soil before it's -- so that we don't let that material get into the environment.

I'm going to go through the types of waste that the project will produce. This is a list of them, and the next slides are going to deal with each one in turn.

So the first one is waste rock. This mine will generate approximately 60,000 tonnes of waste rock a day, and that waste rock is ore -- sorry, is -- that waste rock is basically rock that we mined that doesn't contain gold of value to be taken to the mill. So it's that rock that we mine that's not ore. We have to remove it in order to access the ore.

Some of the rock will be potentially acid-generating, and some is not. What I mean by potentially acid-generating, what I'm talking about is

rock that has sulfide minerals in it. These minerals if they're exposed to air can oxidize, and when they oxidize, they release acid, and that acid, in turn, can leach metals, and so this is the type of rock we don't want to just put anywhere. It has to be managed to prevent this oxidation taking place.

So the mine plan has us testing the rock as it's produced right from the time we drill it in the pit and determining whether it's nonacid-generating or acid-generating. The rock that's acid-generating we're going to place in a cell within the waste rock dump and then bury it underneath nonacid-generating rock, so that it's essentially frozen away from oxidation or from air so that this acid can't be regenerated. And some of it will also go into the base of some of the dikes in those areas where we know it will be under water, because if this acid-generating rock is placed under water, it can't oxidize because it's isolated from the air. It needs the air contact in order to generate this acid.

So we start off with waste coming from this pit, going to this waste rock pit over here, and then that remains after the mine is closed, so that becomes a permanent feature after the mine is closed. We have taken the drainage from that with pumps and it's collected in a series of sumps. We monitor it, and depending on its water quality, it either comes back

here or it goes into this pond.

The Goose Island waste rock, which is this pit here, the Goose Island pit waste is actually going to be placed in the bottom of this pit here for the life of the mine. The Vault waste rock pile, which is up to the north, it's mostly nonacid-generating rock, but it too would -- the small amount we do generate, we use the same principle. We take that acid-generating rock and make sure it's very deep within the pile.

The other product that is produced is mill tailings. Mill tailings are the product, the ground up product from the mill after we've extracted the gold, and those tailings are taken and placed within the rock-lined bed that is dewatered. When I say, "rock-lined", it's not rock we're placing there; it's the natural bedrock. We're dewatering that basin, so we remove the water, and we have a natural rock underneath of it. That area is permanently isolated by the dams, this one here and also this one here.

At the end of the mine life, we remove all of the water that's left on the top of these tailings and put them into these pits, and then we cover this entire area with nonacid-generating rock in order to make sure that the tailings themselves remain below the active layer, below the area of the surface that thaws, so the tailings remain frozen in perpetuity.

The tailings going out to the tailings impoundment are treated at the mill, so we actually treat the water before it goes out to the tailings to make sure we remove the cyanide, destroy it, and precipitate the metals. And then we recycle the water from this tailings pond to the mill to use it to process ore.

We also will generate organic wastes. Organic wastes is that kind of kitchen waste, packaging that comes in contact with food, basically things that would attract wildlife if they were to just put it into a landfill. So we need to keep those out of the landfill to prevent us attracting wildlife and causing harm that way.

So these types of waste are going to be collected at the source and then burned in an incinerator on an ongoing daily basis. And we have coming a new incinerator that will arrive on site, hopefully this summer, that will meet the new Canada-wide standards for dioxides and furans, that it will replace the current incinerators at site.

We also generate other forms of garbage, a nonhazardous garbage, nonorganic garbage such as clean, broken machine parts, waste, scrap steel; that will be placed in a landfill that will be constructed within the waste rock dump, and so ultimately at the end of the mine, that becomes buried within the waste rock dump.

We will segregate the garbage into piles so that we can, if possible, recycle as much as we can or reuse it to prevent putting unnecessary materials into the landfill.

The landfill, as I said, will be located within the waste rock dump. It will be a specially built area. Only the nonhazardous wastes will go there, and any drainage from that landfill will be collected with the drainage from the waste rock dump and either discharged to this pond or this pond depending on its water quality. So we will monitor that water and decide which of the ponds it should go to based on water quality. At the end of the day, all of that garbage is covered over with rock to prevent it from blowing around and becoming exposed to the environment.

We will also generate some waste oil. The intent is to collect that waste oil, place it in a tank, and then use it to -- for incineration for either supplementing fuel to the incinerator but also to generate heat. Waste antifreeze, waste solvents, chemicals, old batteries, these are hazardous wastes; they'll be isolated at source, pulled from the garbage streams, and stored in a specially designated storage area, and then shipped south each year by barge to a recycling facility or a licensed disposal facility in the south, and we will do that under the proper hazardous manifests that are authorized by the GN-DOE.

While we don't anticipate or don't want to have any spills or accidents, it's prudent to plan so that when you do have a spill or an accident, we have some way of dealing with them. So we will construct a landfill -- a landfarm, sorry, on site. That's a lined area with two cells. We will take our snow and oil that's been contaminated by, say, diesel fuel, spilled diesel fuel, it will be taken to this landfarm facility, and then the runoff from that facility will be collected and treated before it can be released so that it doesn't result in materials reaching the environment. The soil will then be landfarmed until it meets a standard, and once we have reached an acceptable standard, we can then pull it from the landfarm and use that for reclamation.

We will generate obviously sewage at the site, so all of the toilets, sinks, shower water will be collected and sent to a sewage treatment plant. During the mine life, the operational life, that treated sewage would then be co-mixed with the tailings and go to the tailings impoundment. During the construction, that treated water will go to our storm water pond, and the sludge will be filtered and incinerated.

Next subject I'm going to go into is the -- how we will use water at Meadowbank. Our drinking water will come from Third Portage Lake, and our processed water will also come from the lake, but it will be primarily

coming from recycle from our tailings impoundment. I'm going to discuss in a lot more detail the storm water, snow melt, and the water diversions.

All of the site runoff and snow melt will be collected in this natural pond. This is a small pond on the site called Tear Drop lake. It's a very shallow lake. It doesn't contain fish because it freezes to the bottom each year. We will build up that pond so that we can use it as a storm water runoff pond, and then the water that collects in that pond will either be used in the mill or sent to the attenuation or reclaim pond, depending upon its water quality. We will monitor that storm water and send it to the appropriate pond based upon the standard of that water.

So before getting onto -- there are two ponds basically. This is the reclaimed pond that's a part of the tailings pond. That water does not get released to the environment. That water comes to the mill, goes back into a circle, and stays locked during the life of the mine. So the objective is that if this water quality was poor, this water quality from here was poor, it would come into this pond, and it would not get released to the environment. If the water quality was sufficient that it could be released to the environment, it will go into this pond, the attenuation pond. So the attenuation pond will receive the water from the open

pits and the waste rock storage facilities and storm water pond if they meet a standard for discharge. We will test that water, and that -- the excess water from that attenuation pond would then be released each -- during the open summer season through a diffuser out into the lake here. And the water quality that we're asking to be met at the end of the pipe in this diffuser has been designed so that it would protect the aquatic life within a 30-metre zone of that diffuser.

We obviously are having an impact on a portion of the lake, and so we have designed and put in place a no-net-loss plan with Department of Fisheries and Oceans to try and offset that loss of fish habitat. And here's some of the features: What we are proposing to do is build off of the side of our dikes these finger dikes so that we could actually create new habitat in the lake to offset what we've lost.

There are also some artificial reefs that are created in the lake called sea mounds, and you see here, we're also creating features in that exposed upper area of the pit that's been dewatered, so that at the end of the mine life when the pits are put back as part of the lake, we have created some reef habitat for fish within the lake to offset what's been lost, because the tailings impoundment portion is permanently lost as water.

This is just a quick picture of what those finger dikes would look like and how they would be built. Basically what you're doing is creating a nice-sized reef so that this material has to be a size so that the fish can utilize the material for spawning and for protection in their early, young phases of life.

Mr. Chairman, I think this is probably a good spot for a short break, and then we can come back and go to the next section.

THE CHAIR: Yes, thank you. Yes, we'll take a short break. Well, a 15-minute break for now.

(BRIEF ADJOURNMENT)

THE CHAIR: We should start again with the presentation from Applicant. Before we start, I like to ask Bob Hanson, are you on the line now?

MR. HANSON: Yes, I'm here. Thank you, very much.

THE CHAIR: Bill Tilleman, are you on the line?

MR. TILLEMAN: Yes, I am, thank you.

THE CHAIR: Before we start with the Applicant, I would like to introduce some people in the audience; they are from Chesterfield Inlet: Brenda Putulik, Leonie Mimialik, and Leo Mimialik.

So, Larry, go ahead.

MR. CONNELL: Thank you, Mr. Chairman. I

apologize these next slides may be a little dry, but unfortunately they are necessary issues we have to go through.

The next half of the presentation is what we have put forward as what we believe should be the terms, some of the critical terms of the license. The first issue is how long should the license go for. We have asked the Board to give us a seven-year license, and our logic is that that gives us two years to finish the construction, and then a first five years of operation, and that would have us coming back to the Board in 2014 to apply for a second license term. So about halfway through the mine life, we would be coming back to the Board for the -- a second license. And hopefully that's not halfway, hopefully that's -- it will go on, but with what we know right now, that would be the halfway point.

The next three slides I won't try to read through them, you have them in front of you, it's a list of all of the items that we need or we feel should be incorporated as the scope of this license. And this is important because we have two Type B licenses that we are asking to be incorporated into this Type A license. We have a Type B license for the facilities we have here in Baker Lake, and we have a Type B for the road between here and the mine site. So we're asking that those all be incorporated into one Type A license so that all of

the mine facilities are under one license. And we've also included in here the Fisheries compensation measures because these will need to be built to offset the losses, and they take place within waters of Nunavut.

The first one I've got is how much water are we asking to use. We are asking for an annual water use of 0.7 million cubic metres per year. That is 72.2 cubic metres an hour for process water or 1733 cubic metres per day, and 3.3 cubic metres per hour as potable water, that's 79.2 cubic metres per day. That total amount of water is about 0.2 percent of the volume of Third Portage Lake, which is where we would take this water from.

We are also asking for authorization to dewater a section of Second and Third Portage Lake and Vault Lake to allow us to mine under those portions of the lake, and so these are the volumes of water that we would actually have to remove from the lake and transfer into the other portions of the lake to allow us to proceed with mining.

The next is the issue of security. We have asked the Board to set financial security for this first license term at $26.1 million, and we've asked that it be broken down as follows, and that breakdown really recognizes the fact that we aren't going to do that

disturbance all day one. It's going to cause -- it's going to come over the first license term, and so we've asked the Board to set the security to grow as the disturbance occurs, with the understanding that we are putting the security in before the disturbance takes place.

This schedule would ensure that all of our mine disturbances that are going to occur in that first license term are fully bonded. The schedule also assumes that we will not do any progressive reclamation, although that's not our plan. Our plan is to do progressive reclamation during the life of the mine, but this amount of money doesn't assume that.

We also believe that by doing it -- by focussing on this first license term that all parties can then look at our performance over that first license term, look at what reclamation we've actually done and completed and can recalculate security for the second license term.

This is taken from INAC's presentation. INAC, in doing their calculation of security, did a -- sorry, this is taken from a combination of the three security estimates you have in front of you. Our estimate originally, the one we did with the application, came in $18.0 million. The INAC one was 43.8 million, and the KIA is 43.46. Obviously a very big difference that we need to address to you.

Why is that difference? In the -- our estimate, we allowed for the fact that we are doing reclamation during the life of the mine: We are closing out tailings; we are closing out portions of the waste rock as we're moving forward. However, both INAC and KIA are taking the more conservative approach and assuming that the mine operator won't do those things, and so it all needs to be bonded as one sum.

The other big issue is the required depth of the capping rock over the PAG rock and tailings. We have used and costed in our estimate a 2-and-a-half metre depth. The NIRB process, through the NIRB process, we discussed a 2-metre depth, and that was what went through the process with the condition that we would say -- sorry, that the condition was that we would place a 2-metre depth, that that was adequate, with an adaptive plan to monitor that and change it if necessary. We used 2-and-a-half metres to provide a small amount of conservancy.

In INAC's presentation, they have put forward a 4-meter depth of cover, thus, that dramatically increases the cost or the amount of material that has to be hauled and placed over the tailings and over the waste rock. And as INAC will tell you, that decision to go with 4 metres is based on some preliminary experience from the Ekati mine site.

We're suggesting to the Board that this comparison is not truly valid as Meadowbank is in a different climate setting, as evidenced by deeper permafrost at the site. The Meadowbank site has about a hundred metres more permafrost than we do at the Ekati site. And if you look at the aggressive global warming predictions, and I'll show you those on the next map, the Meadowbank site remains within what's predicted to be a continuous permafrost zone, whereas Ekati may slip out of that zone. So we are definitely in a different zone climate-wise.

And I won't try to belabour you with this map, but this here is the current limit of continuous permafrost, and with the aggressive predictions, that is where it's predicted to move to, and you can see Meadowbank is right here, so we're still well within what's predicted to be continuous permafrost as we look into the future.

What do I mean by progressive reclamation? I'll just give you a couple of examples. If you assume that this is our tailings impoundment, we are placing tailings in this portion of the impoundment. So we start by placing tailings going this direction from the dam, so slowly but surely we place a small amount of tailings and then more and more until we fill this entire basin in. As the mine life is proceeding, about four years in, we start to actually put a capping layer

on top of that. We don't wait until the very end to do it; we start doing it during the mine life. And that's what we mean by progressive reclamation: We're actually reclaiming some of the site as we're moving forward, not leaving it all to the end.

The Government in their -- being conservative, they take the proper approach to say that we can't trust that all companies will do what they said they would do, we need to protect to the maximum. We understand that; we recognize that that's their job is to protect to the maximum extent from a company that doesn't do what it says it will do.

Same thing with the waste rock dump: With our Portage waste rock dump, this is the area that has to be left exposed or the footprint of that dump year by year. So you can see it starts off small and grows, but in year 2012, we stop this pile growing any further, and so we will actually start putting the capping layer on top of that waste rock dump in 2011 and have it completely finished by 2012. So this pile will actually be completely reclaimed prior to the end of this first license term.

So we propose the following solution between these differences in numbers. We recognize that the Government has to take its conservative approach; they have to protect the public from companies that don't do

what they say they will do. So we've asked the Board to just focus the reclamation liability looking at the term of this first license, that being the seven-year term, look at what the liability will be during the seven-year term and to set the bond based on that.

This means that we would post a reclamation security of 26.1 million. Where do we get that number? We actually took that from INAC's estimate. Rather than try to argue how we do the estimate, we looked at INAC's numbers and said, Well, if we're just focussing on this period of time, let's just pick their number for the end of that first five years of operation.

In that period, we'll do aggressive reclamation. We'll collect field data to help us determine what that depth of capping should be, and we'll come back to the Board later and argue with some data and with the fact that we've already done reclamation, and for the second license term, then argue that it's not going to go to 43 million because we've already done some of the work. And all parties at that point would recalculate the liability for the second license term based upon the actual conditions at site, the work that's been done, and looking at the data we've collected on this capping depth. We're confident in doing that. At this point, the reclamation liability that we come to at the end of the life of the mine will be much less than that $43

million because of the work we've done.

This is just a quick chart. I won't go through it. This is taken from the INAC presentation. They calculated reclamation liability end of year one and end of year five. This is the fifth year of mining operation, so seven years from now, and that's where we got our $26.1 million from.

This is just another quick chart to show you how we calculated the build-up of that $26 million and the activities that have occurred on site year-by-year, and I won't try to read through that. I'll leave that for you to look at. You've got the slides in front of you, but it just shows you what's taking place on the site to show this increasing disturbance level and how the bond should increase. And you can see that it actually reaches 26.1 million in the fourth year of operation. These numbers would actually be a bond posted at the beginning of each year, so before the activity takes place.

The other issue we'll hear a lot about during the next two days is the split between water and land liability. INAC has recommended in their submission that that split between land and water should be a two-third/one-third split; in other words, two-thirds of it coming to land and one-third coming to water -- I'm sorry, it's the other way around.

The AEM has not tried to determine a split. We haven't done that split because, in our opinion, reclamation can't be broken up. It has to be done as a cohesive one job. You can't just differentiate an activity that affects water versus land. If you do, it's subjective. Reclamation has to be done as a holistic approach.

So as an example, we took an example from the INAC estimate. If you look at the waste rock dump, the waste rock dump is all on land; however, in the INAC estimate, they have decided that that should be divided 96.5 percent as a liability to water and 3-and-a-half percent as a liability to land. That's assuming that -- the split is assuming that reclamation totally fails, and so everything then is related to water because whatever we did on land failed and ultimately affected the water. In that case, I could argue that even if I don't take a building down, if I let it just sit there and rot, ultimately, it will release contaminants which will affect water. We can say that for everything. So perhaps taking that logic, everything is a water-related liability.

We recognize that the parties have been working very, very hard to identify this issue with double bonding and come to a solution, but we know that to date, as far as we know coming into this hearing,

accommodation hasn't been met as to how the security could be held. And it really isn't critical to Agnico-Eagle as to how it's split or how it's held. Our concern is that we're not asked to bond more than the total of the security, that we're not asked to bond it twice.

As you see here in this slide, if it -- if that reclamation security were to be what the two parties have asked for, INAC has recommended that you seek from us 29.1 million of the security, of that 43 million, as water-related. That leaves the KIA having to decide what security they should ask for. Is it the difference of 14.9 million, or do they ask for the whole 43.9 million to protect them from claims against the land? It is their land. If that were the case, this could result in Agnico-Eagle having to post a security bond of 58.8 million, which we can see is well above the actually cost that anybody predicts reclamation security to be, so this is what we call double bonding of 14.9 million.

This is an issue we recognize the Water Board has already spoken to, and we recognize that you have indicated in the past that you agree that land and water can't be split, that they're interrelated. In trying to isolate water from land, we end up, if we were to work that way in actually doing reclamation, our reclamation

would be very inefficient. For example, I would have one group coming in to do one activity, and they have to bring all their equipment to the site, and then another group coming in to do another activity because they're doing only land and I'm only doing water, it would not be an efficient way of moving forward, and it would result in much higher costs. You'd have double management, double administration.

On a very large scale, that double bonding could add tens of millions of dollars to a reclamation bonding requirement, which would make development of mining projects on Inuit-owned land at a disadvantage compared to Crown land where you don't have those two owners or two responsible parties. So it places a disadvantage, this double bonding, the ability for mines to actually move forward on Inuit-owned lands. It's also an issue that would be unfair to industry as it does result in us having to put more money into a bond at the front end than is actually needed to do reclamation.

And I won't go through these in great detail, but here's just three ways we think this could be resolved. And I'll let you read through those; I won't take you through them, but there are ways that the parties could resolve how they hold bonds so that we don't end up with a double bonding.

No matter how you look at this, it's really an issue

between INAC and the landowner. We recognize that the landowner has worked very diligently to try to find a solution to this. We know that. And perhaps the Board could encourage these parties to address and resolve this issue as part of their interventions. Perhaps the landowner could hold all of the security, or perhaps a 50/50 split is equitable, but the key point to Agnico is that we do not believe that we should be asked to put out more money than the cost of total reclamation as calculated by all parties.

Going on to construction conditions, Part D, we have proposed in our application a staged approach to the licensing of the dewatering dikes and the associated facilities. What we mean by that is we have put in front of you the detailed design drawings or the engineering drawings for the construction of the east dike and the Portage pit -- of the Bayzone dike. These are the first dikes that are required for 2008, 2009, and for the first portion of mining. We have given you conceptual designs for the next phase but not the detailed designs.

And what we've asked the Board to do is to place in the license a condition where we would submit those detailed drawings to you six months for approval prior to us building. The reasoning for that is to allow us to gain experience from these first dikes and to

incorporate those into the final engineering drawings and to bring that experience base back to the Board and allow the process to move forward without re-opening the license but to have the Board have its opportunity to approve those final designs.

Conditions applying to water management, there are a number of areas where water will have to come -- be released from this project. This is a listing of them. At the technical meeting, all the parties worked diligently to try to come forward with some suggested discharge parameters, and I think we have come a long way, and so what I'm going to show you on the next slides is what we have approached as the discharge standards for the license.

The first is for noncontact water. That's water that's been diverted from the site but doesn't come in contact with our specific rock or facilities. We've proposed these two limits as the numbers for the license for those two periods for the total suspended solids.

We also have to dewater Portage Lake, Second Portage Lake, to get this dewatering done, and so we have proposed these as the license limits at the end of the pipe for discharge of that water that we're dewatering.

Environment Canada will speak to turbidity. We have asked that that be set as an objective only, not an enforceable limit. And the reason we have asked that is

we do not have enough information to be able to assure the Board that we know we can meet a standard of 10. We believe -- we definitely feel the protection of the aquatic environment is actually filled by this line here, by the total suspended solids, and we do know that. We believe that turbidity should be measured, but we do not know -- guarantee that we know we can meet that kind of limit.

This is a similar thing for -- if we look at the Vault and Portage attenuation ponds, this is the kind of timing, first of all. The Portage pond is operating for four years, and this is the volume that we estimate will be discharged over the life of the mine. The Vault then operates for five to eight years, and this is the volume we expect to come from that attenuation pond. We are going to use diffusers to make sure that we mix the water of the lake. And this is the dilution of factors that we believe we will get from those two diffusers. That's based upon the engineering of the diffuser.

So our standards were based upon this as a background. So this is a table of the end-of-pipe discharge standards that are proposed for the Portage attenuation pond, and I've put on there the limits proposed by Environment Canada and the limits proposed by Agnico-Eagle Mines, and you'll see, by and large, that there is agreement, with the exception of

turbidity, and I'll speak to that in a little bit, but, by and large, there is now agreement between the parties, and that didn't come -- it came from the work we did with all the interveners during the technical meetings.

This is a continuation of that same table, and you can see that we've agreed with Environment Canada's numbers on all the rest of those elements. This is for the Vault attenuation pond. I won't go through the detail, but you can see there is, by and large, agreement, and the same -- this is a continuation of that same table.

Looking at the ones that are different, where there are differences, the first one is turbidity. We've asked that that be set as an objective only because we don't have sufficient data right now that we can be confident of the relationship at our project between total suspended solids and turbidity. Thus, we don't know that we can actually comply with the Environment Canada standard. So we're proposing that we collect the data during this first license term and that then we could address this in more detail later in the life of the mine. But the TSS standard that we've put in here will provide adequate environmental protection to the environment.

The next issue is total dissolved solids. We have

proposed the use of chloride in place of total dissolved solids. And I think we had proposed a limit of 1,000 and 2,000, and Environment Canada will make their case that these are -- that this number here should be lower. We have discomfort with that. We don't believe we can achieve a TDS limit of 1500 milligrams per litre in the Portage attenuation pond, and that's because as the pond re-floods, it's going to receive deep groundwater that moves into the bottom of the pit. This is groundwater that's come from many, many years ago, and it contains some TDS, some solid materials within it. So it's not something we're adding to the water, it's coming from the groundwater that will come into that pit.

There's also a difference between the nitrate. Environment Canada proposed 28 milligrams per litre, and we have proposed 50, and that's because we believe that we will see some short-term duration upsets. That 28 is what we predicted the number to be, and so if we set the number at our prediction, it leaves us no room for an upset every once in a while, and so we feel that 28 is just a little too tight. Both parties on chromium now have agreed that this should be a monitored parameter. Chromium isn't a big issue for this property. There isn't a lot of chromium that comes from the deposits. The concern is with what may come from the lake bed sediments.

We also have the storm water discharge pond, and during the construction phase, we're going to place our sewage, treated sewage, after it comes out of the sewage treatment plant into this lake, and so we need a standard if we discharge the water from the small storm water pond into Second Portage Lake, which is the plan. And so Environment Canada have put forward a proposed limit at that point for the end of the pipe, and we, by and large, have agreed fully with that number.

We have also added an additional standard, and this is for water that would come from, say, our fuel containment facility here at Baker Lake. You get snow melt that collects inside the berm for those fuel tanks, and we would then have to process that water through an oil/water separator and then discharge that to the environment, and so we propose these as a standard for that kind of a discharge. We've actually taken that directly out of the Type B license that the Board has issued for our project. We're just assuming that the -- or we're asking that the same numbers be brought forward into this new license.

Contingency planning. Agnico has prepared and implemented separate contingency plans for the varied components of the project. We have a plan for marine transportation that was put together by NTCL and covers all of the marine portion of goods coming into Baker

Lake. We have a separate plan for Baker Lake for the marshalling facility and the fuel storage facilities here that was put together for our Type B license. We have a separate contingency plan for the all-weather-access road that, again, was put together for the Type B license, and it was developed by NUNA M & T, and we've adopted that as being the plan for the road.

And then we have a separate contingency plan, emergency plan, for the regional exploration activities and for the Meadowbank site. These came about because of the time that the licenses were issued. Each one had the requirement for a separate plan, and it makes sense that these now be consolidated into one plan. And so we're asking the Board to give us six months from the date of when that license is issued to complete and resubmit a consolidated plan that brings all these together under one umbrella. That six months allows us to actually determine the names and phone numbers of the people who will actually be doing the various responses. It allows us to reflect what we actually are going to be doing as we build a team here on site.

With respect to water quality monitoring, we have submitted previously a water quality and flow monitoring plan. This was updated with some -- a letter follow-up following the technical meetings, and that's Document

626 that was submitted to the Board. And this plan sets out the proposal for where we should sample, how often, and what parameters, and we would ask that that become the basis for our surveillance network program for this license. That was adapted to try and reflect the input that we heard at the technical meeting, so we believe we have successfully achieved that input.

Aquatic effects. This is monitoring of the effects that the mine will have on the aquatic environment outside the mine boundaries, so looking downstream and the lakes that will receive the water. We need to look at those lakes and determine what impacts the mine is having over time on the water, the sediment, the small critters that live in the bottom, and right up through to the fish to ensure that we can predict or see if any bad trends are occurring.

We have already submitted an Aquatic Effects Monitoring Plan, a proposed plan, and we're actually implementing that plan. We did a program in 2006, again in 2007, and have another one coming in 2008 so that we're collecting the data as we move through construction into operation. We're asking the Board that -- sorry, this plan will evolve. We recognize that we will learn each year, and so the plan will evolve and adapt to reflect the things we learn, and so it will need to be periodically updated.

We're asking the Board to set a condition that the first update be required by March 31st of 2009. That's so that we can get all the experience through -- we learn through 2008 into a report, into the plan in time to do the fuel season in 2009, and then that we have further updates at three-year intervals, formal updates at three-year intervals.

Closure and reclamation planning. Again, similar to the spill contingency plan. Because of the way the project has evolved, there are already four separate closure plans in place for pieces of this project. They were all designed to be in accordance with INAC's guidelines for closure planning, and they're at the preliminary phase, which is what is appropriate under the INAC guidelines for this phase of the mine life.

However, detailed additional planning needs to go on as we get into the construction or as we get through construction to reflect what we've actually built. And so we have committed to continue that closure planning and complete a consolidated plan that is at the next level of detailed planning, what's called an interim plan, and submit that to you. That will include information as to what we've built for the construction phase and information from the field studies we're doing.

We're asking the Board to set the date for that next

plan at six months after the start of milling operations or six months after construction is finished, as that would be the date to submit the next level of detail for closure plans, this interim plan, moving from preliminary to interim.

In summary, the pre-construction activities of Meadowbank are already underway. There is excellent potential at that site to find more gold. We've had good results to date. In the year that Meadowbank has been with the project, the reserves have grown from 2.9 to 3.5 million ounces.

There's excellent support for the project. The project is fully financed, and Agnico-Eagle intends to work with all the stakeholders in the region. We have been demonstrating that in our past year, and we will continue to do that. It's not just something we're just doing at this phase; it's a core part of our business.

We will continue to build the relationships we've developed with the local communities and with the KIA, and we -- especially with respect to the IIBA and the Water Compensation Agreement. And training of local personnel is a priority. We recognize that this mine, its legacy is the skills it will need and the jobs it creates.

On that basis, I would like to thank you and close at that point, Mr. Chairman.

THE CHAIR: Thank you, Mr. Connell, for your presentation. Now, this will be open for question.

Before we do that, I'd like to ask Bob Hanson whether he's stayed on the line. Bob, are you on the line?

MR. HANSON: Yes.

THE CHAIR: Thank you. And, Bill, are you on the line?

MR. TILLEMAN: Yes, I am.

THE CHAIR: Thank you. Before we proceed with the questioning, I'd like to recognize some audience down there. The MLA for Baker Lake, David Simailak, as well as we -- also one of the Board Members also came in this morning down in the audience -- he's not in the room right now -- now the Vice Chair, Geoff Kusugak also in the room as well.

Okay, again, we start with INAC, if you have a question to the Applicant.

INAC QUESTIONS AEM:

MR. ROGERS: Do we have to be sworn in?

MS. FILIATRAULT: Mr. Chairman, no, they don't need to be sworn in unless they actually submit any evidence during their questioning of the Applicant.

THE CHAIR: Thank you. Go ahead, INAC.

MR. ROGERS: I'm Jim Rogers, Manager of Water Resources for Indian and Northern Affairs.

Sitting next to me is John Brodie of Brodie Consulting Limited, who has worked on this project and has done a fair amount of calculations on the amount of money that the -- INAC believes would be required to reclaim the area. And on my far right is Michael Nadler, he's the Regional Director General for the Indian Affairs Nunavut regional Office.

We have many questions, but we'll try to keep it fairly short and fairly sweet.

We appreciate what Larry presented, however, the Board should be aware that some of this information has been recently submitted. This is either the first time or we haven't seen this information for more than a week, so some of the information hasn't been delved into in great deal, and I believe Agnico-Eagle understands that point.

Our major issues are over the reclamation estimates that we did not make a recommendation at this time to the Board. We will make that in the presentation on the amount of reclamation security that we feel the Water Board should set so the water-related issues can be handled over the future. There is some disagreement in that point.

There's also some points on -- on the cover, Larry did mention two points, that the NIRB approved 2.0 metres of cover, and they've calculated 2.5, and we've

calculated 4 metres of cover over the waste rock and tailings.

Now, as we know, NIRB did not approval 2.0 metres of cover. NIRB recommends that the 2 metres of cover would be the minimum and defers the actual amount of cover to the regulators as required under the land claim, so the -- because of recent experience in Ekati and Diavik and other projects in the north, we are less confident that the 2 or 2-and-a-half metres would be sufficient to provide the thermal break and allow the tailings and waste rock to remain frozen.

So the question on the cover will Agnico-Eagle Mines Corporation or Limited, I guess, be agreeable to a licensed term which requires them to submit for approval of the Board a plan for collecting field data and modelling, doing a thermal model, a block model, to determine if the -- the appropriate cover thickness?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

We acknowledged in our presentation that we knew that these issues were going to be controversial. That's why in our presentation when we proposed a solution to it, we said rather than get into that argument at this point in time with respect to a depth of cover, what's right, what's not, we would just take INAC's numbers because we know that that's protective.

And then we would develop that information over the first five-year license term so that the second license term, the types of data that Mr. Rogers is talking about would be available.

So our presentation acknowledged the fact that these were issues that were outstanding between the parties and is in the compromise or trying to find compromise, it was our position that we just accept the 26.1 million from the INAC estimate rather than try to have the Board have to deal with these issues when we as technical people haven't dealt with them yet.

In respect to Mr. Rogers' request with collecting field data and having that as a condition, that is something we are comfortable with. The company's intent is to develop information on that cover over the life of the operation so that we can have the information for the Board at the end of that five-year period.

THE CHAIR: Thank you. Just remind INAC that you will have a presentation right after all the parties are questioning the Applicant. Go ahead, INAC.

MR. ROGERS: The other question -- and I probably will go into greater depth in our presentation, although it won't match it -- is the -- Larry, you should have numbered your slides -- the Meadowbank Type A water license application, Part C, where you have the ramp-up from 12 to $26 million slide. The difference

between that and -- you have a ramp-up of $14 million over five years. Did you develop a set of numbers that we could review on that, or is it just a straight-line curve?

THE CHAIR: Before you answer, INAC, please focus your attention to the Chair when you speak, thank you.

MR. ROGERS: I'm sorry, Mr. Chairman, my mistake.

THE CHAIR: Okay, Applicant, go ahead.

MR. CONNELL: Thank you, Mr. Chair. Larry Connell speaking.

When they did those, we didn't develop any new numbers because we knew that that would be controversial. What we did was take the INAC estimates, the INAC estimates were only on two points, basically end of year one and end of year five, and we have tried to use those same numbers to ramp-up, and obviously we've had to interpolate between those two. You'll see where we have actually used our numbers earlier rather than wait, rather than try to develop any new numbers.

THE CHAIR: Thank you. Go ahead.

MR. ROGERS: Thank you, Mr. Chair. It's Jim Rogers again.

I'm unsure, Mr. Chair, about the -- when the -- combining the B licenses into the A licenses was

proposed and the changes in plans. Was Agnico-Eagle recommending that the Board maintain the existing approvals under the B license until that time where the other plans and conditions are implemented, or would there be a time span within there where there would be no plans approved? It was -- we were unsure through the presentation. An example would be the contingency plans that would be rolled up, but in the meantime, you've got six months waiting for a new plan. The B plans would be in place, I assume, or I'm not sure.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

It would be our intent that the existing plans would remain in force until they were replaced with a better plan. Obviously it would be very imprudent to ever move forward without having contingency plans in place, emergency plans in place, and so it would be our position that those plans would stay there to protect all parties and to protect ourselves during that interim phase.

THE CHAIR: Thank you. Rogers?

MR. ROGERS: Thank you, Mr. Chair. It's Jim Rogers again.

So I assume that the Agnico-Eagle is asking that that's a term and condition within the license, that all

those plans would remain in place and active until they're replaced by additional plans?

THE CHAIR: Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

Yes, that would be acceptable with the company, that that would make logical sense that it would be set up that way.

THE CHAIR: Thank you. Any more questions from INAC? Mr. Nadler?

MR. NADLER: Thank you, Mr. Chair. It's Michael Nadler. Just another question relating to the ramp-up of security, Mr. Chair.

The slide relating to security of Meadowbank Type A water license application, Part C, conditions applying to security. The first bullet in that slide lays out a series of payments ramping up over a period of years. I guess our basic question on this slide is whether the Proponent is proposing an incremental payment of security or whether they're proposing paying one full security.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

It was our intent that what we would see would be a

phase, that the license will contain a series of payments, that the security deposit required would start at this number, and the next year would go up by this number, and then go up by this number as the disturbance increased.

THE CHAIR: Thank you. Any more questions from INAC?

MR. ROGERS: No, we have no further questions of the presentation at this time, Mr. Chair.

MR. NADLER: Thank you very kindly, Mr. Chair and Board Members.

THE CHAIR: Thank you, INAC. The next department would be Environment Canada. Environment Canada, you may proceed with your question.

EC QUESTIONS AEM:

MS. WILSON: Thank you, Mr. Chairman. As I'm not sworn in, I'm just going to keep my questions very general without -- oh, it's Anne Wilson, sorry -- without much discussion.

The first question has to do with the incineration and the new incinerator. Would you be able to tell us what model and type of incinerator has been ordered in?

THE CHAIR: Thank you. When you speak, would you please speak and face your -- toward me. Go ahead, Applicant.

MR. CONNELL: Thank you, Mr. Chairman.

We have not placed an order yet, but we have put together -- our engineering consultant has put together a specification. That specification has been circulating the past week to make sure that it meets all the things we've been discussing, and Hatch are now finalizing that issue. They're going out for broad tender this coming week. We could provide to the Board a copy of that draft specification that is going to be going out publicly, so we could submit that to you if you would so like.

THE CHAIR: Thank you. Environment Canada?

MS. WILSON: Thank you.

If the Board gets a copy of the specifications, Environment Canada would be happy to have a look at them and ensure that they would be appropriate.

My next question was to do with incineration still and whether the sewage sludge needs to be incinerated or if it could be disposed of within the rock area.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Sorry, Mr. Chairman, I was just getting clarification. It's Larry Connell.

It was our thought that during the construction phase that the incineration of sludge would be an inappropriate means because of not having storage, although an alternative would be to store that and then

put it within tailings later. But once we have an operational mine site, we should be able to then take those sludges and co-dispose with tailings as a more appropriate fashion than incinerate. That was the plan.

Mr. Chair, if possible, I have a copy of that incinerator specification, and I'll make sure that I get a copy to Anne Wilson today.

THE CHAIR: Thank you. Environment Canada?

MS. WILSON: Thank you, Mr. Chairman.

My last question on this is with regard to the disposal of the incinerator ash. Have there been any refinements in the plan for spreading it within the landfill? I believe that was the latest I had heard.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

No, we haven't refined that yet. We -- the steps we have taken to date is we've just taken some samples. We've actually got them out for analysis right now. We don't have them back, and so we're trying to get a sense of what we're dealing with right now, but we have not put together a standard operating procedures to do it. Obviously we want to do it in a manner where it doesn't become airborne immediately. It's got to be done in such a fashion where it can be contained, whether it be

done just before being covered with rock, but I don't have a written procedure to that at this point in time.

THE CHAIR: Thank you.

MS. WILSON: Thanks very much.

I'm just moving on to the landfarm facility, and the concern I have is with bird deterrence in case there is pooled or accumulated liquids. That wasn't mentioned, but I trust that would be in the landfarm management?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

Yes, we acknowledge that, that when you've got oil/water some place that you'd you want to keep the birds out. What we envision there is a sump area that is covered with absorbant pads at all times so that we're minimizing that risk, and obviously we will have to keep an eye open. We obviously don't want to allow any birds to use that area, but the primary focus would be to have the oil-absorbant pads on the sump so that you don't have a large expanse in an area where birds would want to come to.

THE CHAIR: Thank you. Environment Canada?

MS. WILSON: Thank you. It's Anne Wilson again.

I'm moving now on just to a quick question on

turbidity of the Proponent, Mr. Chairman. I just wanted to be really clear that the Proponent differentiates between turbidity as a way to look at total suspended solids, because often it is used as an alternative measurement to gauge total suspended solids, to differentiate that from turbidity as a standard of concern on its own because of the effect it has on water clarity. I didn't get a sense of that from the presentation. Thanks.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

Yes, I think we understand that TSS is not -- turbidity is not just a surrogate for TSS and that turbidity itself is the very fine particles and that there's an issue that it needs to be protective of the aquatic environment that way. Our concern -- that's why we have said that it should be a monitored parameter.

Our concern is that we just don't have enough information to be able to say to the Board, If we set 10, yes, we can make 10, or if it has to be 15. We don't have that information, and none of us have that information.

THE CHAIR: Thank you. Environment Canada?

MS. WILSON: Anne Wilson again. Thank

you.

I won't put the Proponent on the spot for this one entirely. It's to do with the nitrate limits that are proposed for end-of-pipe of 50. What would be helpful to me on this is to have a sense of what the most sensitive receiving environment organisms are, so maybe that's something that the proponent could look up in the baseline work and bring back to us when it's our presentation. We'll be discussing this again. Would that be reasonable?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

Yes, it sounds like a reasonable approach, but to be able to properly answer that, I need to discuss it with our consultants obviously, but it sounds like a very reasonable approach to do that, and we would definitely be inclined to definitely do the appropriate monitoring to ensure that we're checking to make sure that that would not be causing degradation to the environment.

THE CHAIR: Thank you. Environment Canada?

MR. GROSKOPF: Glenn Groskopf, Environment Canada.

My question related to the waste rock handling and segregation. It's obviously key in your proposal for handling waste with the problematic rock being covered

by the more benign material. Can you describe how you're going to segregate that rock?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

The methodology would start right from the drilling of the blast patterns. We would collect samples of the drill cuttings. Those would be then taken on site, to a laboratory on site, analyzed for total sulphur. We, prior to that, would look to develop a curve between total sulphur and our acid basic counting results so that we can go down and make the relationship, which, based on that sulphur, whether this rock is likely to be acid-generating or not.

That would then allow the project engineers to actually establish the dig limits within the blasted area. They actually go up and they put flags to differentiate where these areas are. And as then the shovels come in to start excavating that rock, they assign the good rock to go to one spot in the pile, and the rock that's been flagged as being potentially bad rock to go to another spot on the pile.

So we basically create cells within the waste rock dump where this PAG rock is placed, and the cells will change over that time, but that cell is then what becomes embedded within the dump.

MR. GROSKOPF: Thank you very much.

THE CHAIR: Thank you. Any more questions from Environment Canada?

MS. WILSON: It's Anne Wilson again. I almost missed my last question.

This is to do with the end-of-pipe discharge standards proposed from the landfarm. The oil and grease standard of 15 milligrams per litre just caught my eye. I hadn't seen that before. I'm just wondering what would the receiving environment be? Would that be an overland or a water-receiving environment and where? Thanks.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

That standard that we took actually --

THE CHAIR: Before you speak, can you repeat your -- mention your name first to that --

MR. CONNELL: Sorry, Larry Connell.

Mr. Chairman, that standard that we had put there actually came out of an existing Water Board license, one that was just recently issued for the Meadowbank regional exploration, and so we're looking at a generic standard that would allow us to do that.

For here at -- the marshalling facility here is we would land-apply the water from a water -- from an oil/water separator. At the mine site itself, we had anticipated that that water would be directed into a

storm water management pond and go through the system that way so that we contain it because we have proximity. But there will be other areas where we have a fuel tank that, depending on its proximity and the ability to pump it, may be a land-applied rather than handled through the attenuation of a pond.

THE CHAIR: Thank you. Any more questions by Environment Canada? Anne?

MS. WILSON: Thank you, Mr. Chairman. It's Anne Wilson. That's all our questions, thanks.

THE CHAIR: Thank you. The next department would be DFO, if you have question to Applicant.

DFO QUESTIONS AEM:

MR. BALINT: Dave Balint for Fisheries and Oceans. Thank you, Mr. Chairman, for this opportunity. I have a couple of questions.

DFO's concern is mostly with fish and fish habitat and freshwater environment, and one of our major concerns is with the adequacy of monitoring, so I have a couple questions related to that.

Specifically our concerns are related to the collection of baseline data, and that will definitely be of concern to development and impacts to the aquatic environment. The company in our pre-hearing conference made a submission or commitment to submit some baseline

data, and I thought that was to be given to us to review so that we could see how that data had been collected, and I believe the date was March 31st. To my knowledge, that has not been presented, so I would like to ask if that information had been presented and where it might be in the process.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

The reference is to the Aquatic Effects Monitoring Plan, the data for the past two years for 2006, and was it 2007 as well? 2007 as well. The requirement or the commitment the company made at the pre-hearing was to submit that to the Water Board by March 31st, and those reports were submitted to the Water Board by March 31st.

THE CHAIR: Thank you. DFO?

MR. BALINT: Thank you. Another question is related to the --

THE CHAIR: Please mention your name --

MR. BALINT: Dave --

THE CHAIR: -- for the record --

MR. BALINT: Dave Balint, Fisheries.

Another question is related to the Aquatic Effects Monitoring Program, and the company, in its submission this morning, stated that it had already submitted the Aquatic Effects Program and then asked that the Water

Board set a condition that the first update be required by March 31st, 2009.

My question is related to the process or the status of the Aquatic Effects Monitoring Program. So I would like to ask the question that could the company please describe what they see as the process in the approvals thus far or the conditions of that program, and then what the process is in approving these types of plans in the future.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

I would presume that, this is stepping over maybe our jurisdiction, we would presume that we would submit plans to the Water Board and that the Water Board would then dictate the process for approval and that we don't have an approved plan until somebody from the Water Board tells us we have an approved plan. We may continue to continue monitoring under what we believe, but we believe the process would be what the Water Board dictates for approvals on those plans.

THE CHAIR: Thank you. DFO?

MR. BALINT: Dave Balint, Fisheries and Oceans.

There were a number of issues that were brought forward in the pre-hearing conference that I don't think

were maybe resolved with the Aquatic Effects Monitoring Program; therefore, the question I would have is the submission that was entertained before, as I believe has been presented this morning, the company would believe that that was the program that is in place, and that would be the question: Is that the company's position?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Larry Connell.

I'm just going to take a moment to ask that question to my expert in that field and then respond. Give me 2 seconds.

THE CHAIR: Go ahead, Applicant.

MR. MANN: Gary Mann.

Mr. Chairman, we have -- we submitted an Aquatic Effects Management Plan to the -- during the NIRB process, and the commitment was made to do two years of preconstruction monitoring, and that was 2006, 2007, and both of those reports were submitted to the Water Board on the 31st of March of this year. Thank you.

THE CHAIR: Thank you. DFO, do you have any more questions?

MR. BALINT: Dave Balint, Fisheries and Oceans.

I understand that that data had been submitted. My question that I had just asked was the AEMP, that is one of the documents that has been presented, is that the

final plan or proposal as submitted?
THE CHAIR: Thank you. Applicant?
MR. MANN: Gary Mann.
As per the presentation that Larry gave today, that AEM gave, we have committed to updating the AEMP plan by March 31st of next year, so incorporating the two years of information and making appropriate revisions and then submitting that to the Board for their approval at that time.
THE CHAIR: Thank you. DFO?
MR. BALINT: Dave Balint, Fisheries and Oceans.
One of the issues that may arise is that many of the interveners, the Board, Board Staff may have some issues that arise during monitoring activities and as that information is presented. I would like to ask how the company would be able to incorporate the comments that interveners bring forward for that Aquatic Effects Monitoring Program.
THE CHAIR: Thank you. Applicant?
MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.
I would presume that the best way forward would be for people to write to the Board to tell us what those concerns are, what those issues are that should be incorporated, and then, yes, then we would know of them

and could incorporate them into our monitoring program and make sure that they got into that 2009 March update. We need a process to obviously get that information to us so that we can look at it and incorporate it so we adapt accordingly.

THE CHAIR: Thank you. DFO?

MR. BALINT: Dave Balint, Fisheries and Oceans.

As I've mentioned, one of the concerns that we have is with the adequacy of monitoring, and I heard the company mention today that they are very concerned about the environment and interested in monitoring. I would just ask one final question. If the company could just briefly explain or expand to give us a little bit of a better idea of what resources they have proposed; for instance, how many people are in their Environment Department, just to give us an idea to -- as far as their capacity for doing that work.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

Agnico-Eagle does take its environmental responsibility very seriously. This project, even prior to going to construction phase or having a water license in place, we have two environmental coordinators on site, working two weeks on, two weeks off.

Cross-shifting to them, we have an environmental technician so that there's continuity. So we have three people who are servicing the site today even before we enter construction.

We currently have -- are looking, we have postings, we're working through the local region to hire some additional technicians in anticipating of starting construction this summer and also for an additional environmental technician to supplement that team.

We also have laid out a whole series of field programs that will be taking place this summer through our consultants, and so -- where we don't have the resources, that resource comes to us through our consultants.

So right off the bat, we currently have three people at the site. We also have the ability to draw on additional resources out of our Abitibi regional office and also out of the Vancouver office. There are three of us in environmental relating to that at the Vancouver office, and there are a larger number available in the Abitibi region for us to draw on. So I believe we have the resources that we need to respond and to ensure that we carry forward our responsibility.

THE CHAIR: Thank you, Applicant. DFO, you have more questions?

MR. BALINT: Dave Balint, Fisheries and

Oceans. I have no more questions. Thank you for the opportunity.

THE CHAIR: Thank you, DFO. The next department will be GN-Department of Environment.

MR. BADDALOO: Thank you, Mr. Chair. We'd like to acknowledge the very informative presentation --

THE CHAIR: Please state your name for the record.

MR. BADDALOO: It's Earle Baddaloo, Government of Nunavut. We'd like to acknowledge the very informative presentation made by the Proponent; at this time, however, GN doesn't have any specific questions.

MS. YEH: GN-DOE, Helen Yeh, I don't have a question at this time. Thank you, Mr. Chairman.

THE CHAIR: Thank you. Next will be NTI. Do you have any questions?

MS. EHALOAK: Jeannie Ehaloak with NTI. Just for the Board's information, NTI and the Kivalliq Inuit Association have prepared a joint submission, so we'll be asking our joint questions. NTI at this time doesn't have any questions, but KIA may have.

THE CHAIR: Thank you. KIA?

MR. MANZO: Thank you. My name is Luis Manzo. We have a question. Thank you, Mr. Chairman.

KIA QUESTIONS AEM:

MR. HARTMAN: Thank you, Mr. Chairman. My name's Steve Hartman with the Kivalliq Inuit Association. We just have one question that we want a little bit of clarification with, and that was with regards to the dike safety committee that was talked about at the pre-hearing meetings. I just wondered if -- I didn't see anything in the presentation today, but I was wondering if Agnico-Eagle may have given any more thought to who might be on this committee, what the committee might be doing, and reporting requirements for it. Thank you.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

As you can well imagine, there's lots of things I didn't get into in this morning's presentation for brevity. Agnico-Eagle had committed and it is still is our commitment that we are going to create an independent geotechnical peer review panel that is a panel of geotechnical specialists, engineers, who would look at the design that our consultants do for the dikes and dams and advise the company independently on the adequacy of those designs and make sure that -- and the reason for this is we see these dikes as being very, very critical to ourselves. It's our employees that will be working inside those, and so we have a

responsibility to ensure that we do things appropriately from a health and safety perspective.

We have approached, and he has accepted, a fellow by the name of Dr. Morganstern has accepted to act in that role as the chairman of this independent geotechnical peer review panel. Dr. Morganstern is a well-known geotechnical engineer, formerly with the University of Alberta.

In discussing the makeup of the committee, because it's independent, what we have said to Dr. Morganstern, he has basically said to us is that the two other members that are selected to sit with him will be chosen by him. They won't be chosen by us. We will have yes or no, but it's -- basically he is the one who will select so that it's truly independent, but the committee will be fully paid for by Agnico. It's an internal committee.

We see very seriously something that we need to ensure that our employees are safe and that we continue to be safe for -- during this -- with the construction of these very critical facilities.

THE CHAIR: Thank you. KIA, you have further question?

MR. HARTMAN: Thank you, Mr. Chairman.

Just -- we will be discussing and bringing this up in our presentation later on, but KIA was hoping in some

way to have a member -- one of these elected members to come from -- be a representative from KIA in some formal way. We were hoping is there a way -- is that a possibility to discuss that now, or would that be at a later time?

THE CHAIR: It's between you, I think.

MR. CONNELL: Mr. Chairman, I think I can help in that respect. Larry Connell again.

I think we proceed -- as the reports and things that come from this independent peer review panel, we fully anticipate being able to share them with the landowner partnership, and so you can sit right beside us as we collect the information.

In being an independent panel, the geotechnical engineers said that they didn't want somebody to just be electing members and foisting them onto them. They wanted to ensure that the people who sat to make those reviews were of their choice in that they were of the same stature as Dr. Morganstern, and so he didn't want to be in a position where we just gave him two people and said, Those are the two people you should have to sit with. He wanted to pick those two people.

Now, having said that, where we can definitely involve the Kivalliq Inuit Association is to be present when they get the story back, be present when they make their deliberations as a full partner that way.

THE CHAIR: Thank you. KIA?
MR. HARTMAN: Thank you, Mr. Chairman. Steve Hartman with the Kivalliq Inuit Association. We have no more questions.
MR. MANZO: Luis Manzo from Kivalliq Inuit Association. We have no more question for Proponent.
THE CHAIR: Thank you. Now, I'd like to ask public whether there's any question to Applicant on their presentation?
PUBLIC QUESTIONS AEM:
MR. KABLOONA: Thank you to Agnico-Eagle Mine for giving presentation, but my question is to Agnico-Eagle.

The Meadowbank Project have agreed to work with the people of Baker Lake. I don't live in Baker Lake; I live in Chesterfield. The people in Baker Lake should be consulted, and Agnico-Eagle have worked with the community, and there are a lot of hunters. There are a lot of hunters in this community.

Have Agnico-Eagle been able to let the community use the access road to the mine? They had -- also had a pre-road before the road was construction. The people of Baker Lake have not voiced their concerns, and there is Inuit associations. Have you had an agreement with the people of Baker Lake so that they can access the

road to Meadowbank?

I'm not sure if my comments are correct, but I am -- we are both from the Kivalliq area, and there is KIA, NTI, I want to -- while each organizations are here, I would like to express these concerns. There will be a lot of sea lift in the future, so this is my concern.

So I would like to thank the Agnico-Eagle for their presentation. Thank you.

THE CHAIR: Applicant, do you have a response?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

I thank you for those comments; I think they're very valuable.

With respect to the road, the -- through the NIRB process, there was a lot of discussion about access on the road, and I don't want to go through that. I'll just summarize that one of the conditions that came out of that whole process was that the road should be a private road with some kind of control on it because of the concern of what would take place from that road, and so the company has made it a private access road. However, we -- and so we have a gate on it. Does that necessarily stop all community members from using the road? I can't say yes to that, and it's not our responsibility to do that.

This is an issue that has been discussed with the Kivalliq Inuit Association, and I suspect will be -- the subject will go on for the life of the operation. We have divergent opinions. We have the community of Baker Lake who may not agree with that decision, and it makes it -- some complex -- complexity to it, and we have to walk very carefully between those.

THE CHAIR: Thank you. Is there any more question from public?

MS. PUTULIK: Thank you, Mr. Chairman. Brenda Putulik from Chesterfield Inlet.

The things that I feel that would be a concern to the people of Chesterfield, it was discussed that the percentage of water liabilities. I can certainly understand if water contaminants were to happen in the community of Baker, that would be the first priority.

My question is what are the percentage of any wastes or contaminants flowing down to -- through the river onto our sea; in other words, that are a way to Baker, what are the percentage, or is it -- should we be concerned?

THE CHAIR: Quyannamiik.

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

You should not be concerned, and the reason that I say that is the end-of-pipe standards that were

discussed earlier on, they were set to meet the CCME aquatic guidelines that guarantee protection of the aquatic life, water standards, protection of the fish, even the benthic species that the fish live off of, that has to be met within 30 metres of that end-of-pipe.

And so when you look at then the dilution factors that would take place as you move further -- even further away, you will not see any impact even in Baker Lake or further out. So I think that the protective standards that have been talked about with the technical people that are put forward will ensure that there is protection well -- close to the mine well before it ever gets further away from the mine.

THE CHAIR: Thank you. Brenda, do you have any more questions?

MS. PUTULIK: My other concern is it was said that there would be contaminants or anything that would be toxic to the land would be shipped out. My concern is during one of those ships that has these toxins or these contaminants, it's always one of those what-ifs. What happens, let's say a ship got a hole on the barge or the ship, and it contaminated the -- our sea? What kind of safety -- will there be anything in place? For example, oil pads for the land and for the sea. These kinds of things that need to be -- I feel that has to be addressed. It's better safe than sorry.

Having all these toxins in your sea and you can't get any of these cleaning products because they're all in the mines. I can certainly understand that the mine is the first priority. So that's my question.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

It's a very good question, and thank you for it. The amount of material we will ship away from the mine, these are things like the batteries, the vehicle batteries that are no longer necessary, antifreeze when we drain it out of a vehicle. We're not talking about large quantities. We're talking about one shipping container a year going back on the barges so that we can appropriately take those to places in the south. So there's small volumes, but we still always have risk, always have some risk of damage or an accident or whatever happening.

We have response plans in place. We have our response plans at the mine, which have response equipment stationed here because we have the same concern around the fuel facilities when we're offloading the barges here.

But we also rely upon our shipper, which is NTCL, the barge company, and they too have a very extensive spill contingency plan. We've got copies of it. We've

actually put them into the record, and they too have stockpiles of material to respond in case of an accident. So it wouldn't just be Agnico-Eagle responding, it would also be a response from NTCL, who's the shipper at that point.

THE CHAIR: Thank you. Brenda, do you have any more questions?

MS. PUTULIK: Thank you. Brenda Putulik.

My other question and concern is the wildlife, example, harbor seals, seals, belugas, and orcas, narwhals have recently been spotted, and I can -- I was told that once the barge for the ship starts coming in, a lot of these mammals would follow the ships or the barge.

My concern is what happens if there's no more seals or harbor seals on our area because of the continuous traffic, because I'm assuming that in the beginning of the project being started up, there's -- there would be at least what, 10, 15 barges, ships that would be passing our area? So what happens once the -- if the wildlife has been reduced due to the traffic? Quyannamiik.

THE CHAIR: Quyannamiik. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. It's Larry Connell.

Thank you for that question. It's a difficult one

for me to address because my understanding -- and I'm not a wildlife specialist, I should make that clear -- my understanding was that, as through the NIRB process, wildlife was -- is a major discussion and that the experts at that time felt that the procedures in place would make it unlikely or would make it -- wouldn't result in that traffic actually causing any impact like you're talking about the loss of the seals. I think maybe other things might take place but --

And also, as counsel just pointed out to me, there is protection under Article 6 of the Nunavut Land Claim Agreement with respect to wildlife, and so if something were to happen like that, we would definitely be -- have to participate in addressing how that would be resolved.

I don't see at this point personally how the number of ships we have coming would actually result in that. We don't see any impact to date. So I don't have a good answer for you, a perfect answer for you, because the experts tell me that that won't happen, but if it -- for whatever reason something happens that we don't know, we will have to participate in finding answers.

THE CHAIR: Thank you. Brenda?

MS. PUTULIK: Quyannamiik. The other thing that I've noticed in the community of Baker Lake, I've noticed that there's two barges, one ship that have been frozen up in the lake here. I couldn't help but

wonder, halfway through going up or going down the river, it freezes up. It has happened now, and I'm assuming that it's going to happen again in the future.

Rather than having it just be froze somewhere in the middle or in the community of Baker Lake, has any consideration been brought up to store these barges or the ships in Chester within the community to ensure that if there's toxic waste or contaminants in there, that it would be in an area where it's -- could be monitored rather than being froze somewhere in the middle and, God forbid, anything were to happen.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

What happened last year was unique in the fact that it was -- we were shipping very late into the season and got caught. But even when that happened, we recognized that it would be very inappropriate to leave barges out in any open, exposed area, and so we actually halted our shipments and actually sent the remaining shipments either to Baker Lake, the remaining one to Rankin, or some even went south. We actually returned fuel south last year because we did not want to leave it stuck in the north.

We have learned and that cost us a lot of money, but we felt that that was the appropriate solution, and

we're learning from our experience on that basis that we need to move and plan our shipping earlier so that we get those materials in and are finished well before the shipping season comes to an end. So we will do everything in our power not to have barges frozen in -- anywhere in the future.

But, you know, we can never say that will never happen, but if it were to happen, we would work with the communities like we did this year with Rankin. We went to the community of Rankin and said, We have two barges, can we bring them into your community. And the community gave us permission to do that.

THE CHAIR: Thank you. Brenda, do you have any more questions? Go ahead.

MS. PUTULIK: Quyannamiik. So my question is has Chesterfield Inlet been considered as a place where they can store the barges or the ships if this were to happen in the future? Quyannamiik.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

I don't think anybody's considered Chesterfield Inlet as a spot. I don't think any of that's been discussed with NTCL. Our discussions with NTCL have been to try and avoid anything being left, but I do not know of any discussions that we've had with NTCL that

talk about using Chesterfield Inlet as a place to place barges. Our talk has been to try and not have barges left here because of the cost of leaving them, as well as the risk.

THE CHAIR: Thank you. Is there any more questions from the public?

MS. MIMIALIK: My name is Leonie Mimialik. My concern is if there is a water spill from a barge and a lot of food that is being transferred will -- or the wildlife would be spoiled, and our descendants will be using this food, so my concern is a spill.

And my other concern is if there are 300 barges, I believe Chesterfield has to be considered too because the wildlife will be impacted by the barges, and Chesterfield is deeper than Rankin, so this should be considered.

THE CHAIR: Quyannamiik. Response from Applicant?

MR. CONNELL: Thanks, Mr. Chairman. Larry Connell.

My understanding is that -- I agree with your questions, in that we as a company need to make sure that when we ship our commodities to the north, to the mine site, that we are not going to do it ourselves; we are going to use professional companies who do shipping to other communities in the north. We will be part of

that. We won't be bringing in our own ships. We will be using companies that currently do that shipping. Those companies have been doing it for many years in the north. They understand the north. They have the equipment in place to deal with spills, and so we would build upon that.

We obviously will have some increase in traffic, but it won't be as big as 300 barges. That's on the high side, but we acknowledge that we need to prevent spills, and we need to work with those companies that ship commodities to make sure that they do the best to prevent spills and that they have the equipment in place to address a spill if it were to occur.

And we recognize that that's a concern to Chesterfield Inlet. We will definitely work with the community to address those concerns. Chesterfield Inlet is a community that is one of the communities that we will be targeting for employment as well as ongoing community relations with your community, and we share your concern, and we will work diligently with these companies to ensure that we prevent spills.

THE CHAIR: Thank you.

MS. MIMIALIK: I am getting my comments mixed up. So my main concern is either last year or the year before, we heard that a ship was stuck, and there were a lot of buoys, and there was a lot of oil smell on

the shoreline, so this is one of our concerns.
THE CHAIR: Applicant?
MR. CONNELL: Thank you, Mr. Chair.
I can't speak to that point. It's the -- I don't know anything about that incident, whether it was anything to do with ourselves. But just as I say, we obviously need to make sure that we make sure that these shipping companies that we use are those that are professionally engaged here in the north and know the north and that we ensure that they live to a high standard for spill protection because we too don't want to see that. It would be extremely detrimental to our project, and we work to ensure that these companies do put in place proper protection.
THE CHAIR: Thank you.
MS. MIMIALIK: I think it was last year I heard that in Chesterfield that they will be bringing people from Chesterfield on the barges, but we haven't heard or seen anybody bring a local person to Baker Lake to -- and if the -- I'm sure that there will be a lot of barges that will be stuck on the ice, and this will impact our water in the future. These are my comments. Thank you.
THE CHAIR: Quyannamiik.
MR. CONNELL: Thank you, Mr. Chairman.
There was a commitment made by Agnico-Eagle to put

local people from Chesterfield Inlet onto the barges so that they could actually see the entire route and then be comfortable with what they see themselves. And my understanding was the company asked NTCL to arrange this last year. NTCL went to the local community, and they addressed -- and I won't put a name on it. They arranged for this to happen, and for whatever reason, it fell apart right there, and the individuals weren't then put on the barges because they didn't come from the community. And I don't want to blame anybody. I don't think that -- I think it fell apart somewhere in there.

Anyways, Agnico has heard that and said that this year again we want to do that, we want to make sure that takes place. And so we have had discussions with the MLA for the region just in the last week actually, and he has agreed to help us in approaching the community to find the right contact to get people that we could actually take from Chesterfield, have them transported by plane to Churchill, and actually come with the barge all the way through to Baker Lake so that they could understand and see firsthand how NTCL does the operation and act as a monitor. The company has committed to do that, and we're now trying to make it happen.

THE CHAIR: Thank you.

MS. MIMIALIK: That were all my questions, thank you.

THE CHAIR: It's lunchtime. We shall come back here by 1:20. Why don't we take a lunch break right now.

(PROCEEDINGS ADJOURNED AT 11:55 A.M.)

(PROCEEDINGS RESUMED AT 1:27 P.M.)

THE CHAIR: We'll resume the meeting. Bob, are you there? Bob, are you on the line now?

MR. HANSON: I'm on the line.

THE CHAIR: Thank you, Bob. So we had an Applicant -- questioning to the Applicant this morning. The Staff should also have -- asking questions to the Applicant. Go ahead, Staff, if you have any questions.

Actually before Staff asking questions, I'd like to recognize the Elders here, that the Elders speak any time to the file. The Elders have an opportunity to say any time when they wish to. They're being given an opportunity to respect them. Please feel welcome, Elders.

Okay, Staff?

NWB STAFF QUESTION AEM:

MR. HOHNSTEIN: Thank you, Mr. Chair. It's Dave Hohnstein here. We're going to be jumping around between different topics for some questions, but we'll start with Steve Lines. He's got a few questions.

THE CHAIR: Thank you. Go ahead, Steve.

MR. LINES: Thank you, Mr. Chair. It's Stephen Lines. I just have a number of minor clarifications for the Applicant.

The first question, Mr. Chair, I'd like to ask is the Applicant outlines the criteria for breaching the pit lake dikes at closure, and they referred that it be based on CCME guidelines and ambient lake conditions and on risk-based criteria. And I just wanted to ask the Applicant if they could clarify that the ambient conditions mean predevelopment conditions or not. Thank you.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Mr. Chairman, Larry Connell.

The intent was that when we come to the period of time when we would be ready to start breaching of the dikes to allow the lake to restore, that prior to that, that there would have been a full assessment to ensure that the water that's within those pits is acceptable to be now intermixed again with the lake, and that could either be by achieving CCME where possible. In some cases, CCME may not be achievable, where we look at baseline, the pre -- what the water quality in the outside lake already is, or it could be done through risk-assessment. And that what we have states that -- we would expect that whatever happened that there would be an application or permission from the Board to say,

yes, everybody's had their say, we're happy, and now we can excavate those dikes. There's no urgency to doing that, and so it should be something that, at the time, we look at all the data we have in front of us and an informed decision is made when it's time to allow the waters to intermix again.

THE CHAIR: Thank you. Any more question from Staff?

MR. LINES: Thank you, Mr. Chair. Stephen Lines again.

My next clarification was regarding the difference between a 2-metre cover and a 4-metre cover, and if, by whatever means, at the end of the project, there was a 4-metre cover, I was just wondering is there enough clean rock available to meet a 4-metre cover. Thank you.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

The difference basically between 2 metre and 4 metre is twice as much rock is required to build a cap. It's the same area; we just need twice the volume of rock. The mine over the life of the operation has sufficient, good quality rock, the rock that's nonacid-generating, to do that. And so there is sufficient rock to do that over the time. It's just a cost factor. Obviously it's

twice as much rock removed, twice the cost.
THE CHAIR: Thank you. Any more questions from Staff? Steve?
MR. LINES: Thank you, Mr. Chair. Stephen Lines.
As part of the scope of the application, it seems that the modifications to the eastern-most channel have been potentially put on hold. I'd just like to clarify whether or not that's part of the application.
THE CHAIR: Thank you. Applicant, go ahead.
MR. WALKER: It's Dan Walker replying.
An assessment of the eastern-most channel was completed, and based on that assessment, it was decided that an upgrade to the capacity of the eastern-most channel was not required.
THE CHAIR: Thank you. Staff, go ahead.
MR. LINES: Thank you, Mr. Chair.
My next question is in regard to the slide entitled "Reclamation Security Estimates - Why the big difference?" And one of the bullets, as I understood it, justifies a lesser cost of security based on the Applicant undertaking progressive reclamation throughout the course of the mine life.
And I would just like to clarify or have the Applicant clarify how the progressive reclamation would

be undertaken for the tailings pond and the waste rock pile if the hope is that the mine life would be extended through the discovery of additional deposits, and how that may affect the progressive reclamation of those two facilities.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell again.

That's not quite correct. The revised number that we put before the Board does not include progressive reclamation. We took the attitude because the interveners were telling us that we should not include the value of that progressive reclamation just in case we didn't do it. So we intentionally left that out of our -- didn't give ourselves credit for that money. So that's the first clarification.

The way it would work is with the first waste rock pile is the Portage pit waste rock pile, I think it started to be constructed in 2008, and it grows inside as we continue to mine. In 2011, we start to put a cap over half the pile because the pile is coming close to the end of its life. And in 2012, that pile is finished being built. We move on from there, and the waste goes elsewhere. So 2012, we put the final cap over top of the Portage pit. And then the new waste that's coming from the Goose Island pit starts to go into the bottom

of the south Portage pit.

So what's happening is basically we're building over the first years of the mine this Portage waste rock dump, and as it comes close to the end of its life, we start capping it, we -- close-capping it, and then we move on to put the new waste into the bottom of the pit. And then when we move up to Vault, we start on a new Vault deposit. So the progressive reclamation is basically not waiting to finish off that north -- that Portage waste rock dump to the very end of the mine life but doing it while the mine is still active.

And same with the tailings, we start off in the tailings by advancing the breach from the dam, and we're moving in one direction. So over the life of the mine, we fill in the portion of that dewatered lake. At some point, we've removed -- the tailings have settled to the point where we can start capping behind us, so as we're placing tailings, we can start capping behind us.

And we've allowed for the first cell, we'll fill up I think it's about four years, and so we can then, after that, start putting the rock cap on top of it, rather than again waiting to the very end of the mine life to do that. But our cost basis did not give ourselves credit for that because we understood that there's this concern that we may not do it.

THE CHAIR: Thank you. Any more

question from the Staff? Steve?
MR. HOHNSTEIN: Thank you, Mr. Chair. Dave Hohnstein.
Just a quick question following up on the -- I guess the progressive reclamation and extended mine life. I was just wondering if there is capacity in the current facility for extending beyond the eight to ten years of production.
THE CHAIR: Thank you. Applicant?
MR. CONNELL: Thank you, Mr. Chairman. Larry Connell speaking.
Yes, within the tailings facility, there is capacity to continue to grow if the mine life continues to expand. I don't know, at some point in time, you would reach the end of that, but we have capacity to continue on the same facilities beyond the end of that mine life. We also don't know whether that expansion would be continued open pit or whether it may be going underground because these ore deposits continue below where we are going with the pits. So a lot of variables would have to come into play, but there is this capacity to address expansion.
THE CHAIR: Thank you. Any more, Dave?
MR. HOHNSTEIN: Thank you, Mr. Chair. I'll turn it back to Steve Lines.
THE COURT: Go ahead, Steve.

MR. LINES: Thank you, Mr. Chair. Stephen Lines. I just have a few more minor ones.

I think there was a commitment there to, during the operations, to monitor the cover that's put over the tailings to verify the depth of the active layer, and I understand that that confirmation is, I guess, half of the concern, the other half relates to the long-term predictions of global warming and how that may affect the depth of the active layer. So I'm wondering if, as part of that commitment, whether or not the Applicant will be keeping itself up to speed with any new studies that come out related to global warming predictions.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chair. Larry Connell again.

Yes, the company will stay abreast of the current predictions looking forward. The graph I showed you this morning, the map I showed you this morning is one of those. That's one that's a very aggressive look forward, but we'll continue to keep our eye on where predictions are going. None of us know what the future holds with respect to global warming, but I think it's unlikely that we're going to see no winter in the north at any time in our lifetimes or even the future lifetimes.

So yes, we will keep an eye on that, and yes, we did

commit to monitoring and instrumenting that cover to ensure that the cover we put on, that we understand how it's performing, we understand how the ground below it is freezing, where the active layer is; that's part of our commitment. And obviously having -- if we're ever going to resolve this thickness of cap, we need to get that data to be able to bring back to the Board and all the interveners to actually demonstrate that we can pick 2 metres, 3 metres, 4 metres, whatever it be.

THE CHAIR: Thank you. Any more, Steve?

MR. LINES: Thank you, Mr. Chair. Stephen Lines.

My next question is regarding the difference between the effluent discharge criteria between the Portage Lake and Wally Lake, and there's a couple parameters there for the Wally Lake diffuser that are higher than Portage, but Wally Lake has a lower dilution factor, so I would have thought that the proposed criteria would be lower for that lake, and I was just looking for, I guess, some of the reasons or to understand the reasons why they're actually higher. Thank you.

THE CHAIR: Thank you. Applicant, go ahead.

MS. BERTRAND: Okay, I can answer that. This is Valerie Bertrand.

The reason why there is a difference in Vault is

because some of these elements, I believe you're referring to nitrates and ammonia, it's because we have the -- we still meet, regardless of a -- Vault, we still meet the CCME or come close to CCME at 30 metres away from the diffusion point, from the point of the -- the effluent point. But one of the reasons why it's higher is because there's less dilution of explosives byproduct in the Vault pit, and so that's why the concentrations are predicted to be slightly higher.

THE CHAIR: Thank you. Any more from Staff? Steve?

MR. LINES: Thank you, Mr. Chair. It's Stephen Lines again. I just have two more quick questions.

I may have missed, Mr. Chair, during Mr. Connell's presentation the reason why chromium is proposed to just be monitored and not to regulated. If he could just go over that for me one more time. Thank you.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. It's Larry Connell.

Chromium was discussed during the technical meeting, and it was both in discussions with ourselves, all the technical interveners, and subsequently with Environment Canada. It was recognized that chromium was not likely to be a problem because of the nature of the rock, and

as a result, it was decided that chromium is one of those elements where we don't have to regulate it. What we have to do is to monitor to make sure that it isn't going to become a problem, it's not going to surprise us. But all of our predictions, all the work we've done to date indicates that chromium is not likely to become a problem with this specific site, this specific rock, and so there was the agreement that we should just monitor it, but not regulate it.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chair. Stephen Lines.

My last question has three little sub-parts to it, but maybe Mr. Connell can answer them all at once, and it's in regard to Tear Drop Lake. I just wanted to confirm, I guess, where the receiving environment was. I don't know if it's Second Portage Lake or wherever the water from Tear Drop Lake would end up as or in. As well, I was wondering if there's any containment proposed for Tear Drop Lake, and if Mr. Connell could maybe propose a frequency for the monitoring of the parameters he's laid out. Thank you.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

Tear Drop Lake right now naturally drains towards

that channel that drains from Third Portage Lake into Second Portage Lake. The intent is that that would be blocked, that we would not have a natural outflow from that small pond because we're making it into a storm water collection pond for the site.

So what we would do is, using the roads that are going to be built around that pond, we would create a -- raise the elevation in the pond by basically building up the sides using road materials, with appropriate barriers against those road materials, and that we would then control and manage the discharge of that water by pumping it, and we would pump it into the arm of Second Portage Lake, which ultimately becomes the tailings impoundment area, and we would manage that control point.

So we would then, during periods of pumping, we would propose that -- and I don't know if it's been said anywhere, and I'm not sure if we proposed a frequency, but I would propose that that be something in the order of a weekly when we're discharging, something of that nature, but we would take our advice from the Board.

Oh, I'm told that there was a plan in that monitoring plan that outlines the frequency, so we should refer to that rather than my taking a wild-ass guess off the top of my head. Sorry, Mr. Chairman.

THE CHAIR: Thank you. Any more

questions from Staff? Stephen?
MR. LINES: That's all I had, Mr. Chairman. Thank you.
THE CHAIR: Thank you. Dave?
MR. HOHNSTEIN: Thank you, Mr. Chair. Karlette Tunaley has got a few questions for the Applicant.
MS. TUNALEY: Thank you, Mr. Chair. Thanks, Jack.
My first question is just about one of the commitments from the technical meeting pre-hearing conference regarding the list of plans, when they would be revised and whether that would be submitted before the end of this hearing.
THE CHAIR: Thank you. Applicant?
MR. CONNELL: Thank you, Mr. Chairman.
Yes, there was a commitment made by the company to bring to this hearing a table with a list of those plans and proposed dates for updating them. We do have that with us. Our Staff are going through the final culmination on it, and it is our intent that that will be left with the Board as a submission as part of this hearing.
THE CHAIR: Thank you. Karlette?
MS. TUNALEY: Thank you, Mr. Chair.
My second question is with respect to the 5.6

million litre fuel tank farm that is for the mine site. I believe it's currently a component under the Type B exploration license, and if that component would be -- you believe that component would be part of the project for this Type A water license under review.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell again.

The -- quite frankly the Type B regional exploration license currently has an approved construction of a 5.6 million litre fuel tank at the site. It would be our preference that that stay where it is because the plan is to construct that in the very near future, so we're -- we should leave this process to run its course and not try to broach the two.

If the Board in the future wants to then take that and amalgamate it, we're totally -- that's within the Board's purview, and we would support it totally, but the reason for that being put there was the intent of it being built early, and so we should leave it where it is in our opinion.

THE CHAIR: Thank you. Karlette?

MS. TUNALEY: Thank you, Mr. Chair.

My next question is with respect to again the scope of the license and whether the proposal for transferring water from the attenuation pond, reclaim pond to the

pits eventually, if that is being considered as part of this license. I know it's part of the application, and if so, if there is specific criteria required for that discharge at this time or if it would be approved as part of any sort of future plan that is anticipated by the Proponent.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

In our application, we tried to lay before the Board the entire life of mine operational plans, that you saw the entire picture, not piecemealing it and giving it to you over time. So, yes, that ultimate transfer of water from the attenuation and reclaim ponds into the open pit was included in this application so that you had the entire picture in front of you. And it would be our intent that whether the Board puts that as a clause or whatever goes in the license, but it's part of our application.

With respect to standards, it goes back to what we said just earlier, that we would anticipate that, before the dikes were ever breached to allow the intermixing of the lake waters back into those pits, that there would be an approvals system in place that all parties have discussed and are comfortable that we have met what's protective of the aquatic environment, be that CCME, a

combination of the background, or a combination of risk-based assessment, that there would be consensus that those waters are ready to be mixed, and so we would see it handled in that format.

THE CHAIR: Thank you. Karlette, do you have one more question? Go ahead.

MS. TUNALEY: Just a couple more questions, Mr. Chair.

My next question has to do with some of the waste rock being placed under water for the construction of the dikes and the fisheries compensation finger dikes and that. You've talked about a certain -- I guess there's the PAG rock being placed under water, and I'm just wondering if that rock needs to be placed below a certain water elevation, either say if there's a metre below the anticipated low water level, or if there's sort of any thought behind that part of the use of the PAG waste rock.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Sorry, Mr. Chairman. Larry Connell. I'm going to answer the first part and then defer to Dan for the second part.

Yes, in our planning for using this PAG rock for building of fisheries and parts of the dikes, it was very carefully looked at where we could use this rock so that it would be isolated from air. The critical thing

is it can never see air, because the air would then allow it to oxidize and create this cycle of creating bad water. And so there was criteria established for how and where this rock could be used, and I'm going to defer to Dan to actually quote you that, the criteria that we put forward.

MR. WALKER: It's Dan Walker.

We designed the fish habitat such that it is constructed to be 3 metres below water surface to allow for 2 metres for ice accumulation and an additional metre for fish usage during that ice accumulation.

THE CHAIR: Thank you. Karlette?

MS. TUNALEY: Did those depths also -- that was for the fisheries. Does that apply to the dikes as well, the dewatering dikes? Sorry, just to add to that, Mr. Chair. The drawings just show it kind of equal level.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. It's Larry Connell. Sorry, there was just a little confusion over the question.

The drawing that you saw today obviously doesn't allow the scale to show that, but the application quotes a 1 metre on the dikes so that the PAG rock would stop 1 metre below, 3 feet down, from the surface of the water to ensure that it never was exposed to air. But on the

scale on these drawings, it just doesn't show up on that basis.

THE CHAIR: Thank you. Karlette, you have more questions?

MS. TUNALEY: Yes, I have a couple more questions, Mr. Chair.

My next question is a clarification with respect to the discharges from the sumps at the fuel containment and landfarm. If you could just clarify when those discharges would be monitored, before discharge, if there's any type of sort of again frequency for that monitoring.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

These fuel containments or these areas of liners where fuels or landfarm are contained, obviously they don't require anything during the winter months when they're totally frozen. The issue is coming from the spring thaw and the freshet. Our intent would be to then put in place the oil/water separator, recycle it until we were comfortable and knew from analytical data that we were achieving the standard for discharge, and once we did that, then we would discharge that water, and so it would only be once -- it would only be when we actually have accumulations of water in those sumps. So

it can't be something that we can say it will take place every day because we may not be discharging every day.

During the periods of discharge, again I would defer back to the water quality flow monitoring program for frequency, but we'd be in the order of, say, once per week after we had established that we had met those standards. These are short duration discharges. Once the spring freshet and runoff is gone, that system is shut down until the accumulation of water from a rainfall.

THE CHAIR: Thank you. Karlette?

MS. TUNALEY: Thank you, Mr. Chair. This is my last question.

I was just wondering if you could clarify with respect to the NIRB's Project Certificate what the status of any on-site lab accreditation might be at this time.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

We have -- all of our environmental sampling, the sampling that's required to prove compliance is currently and for the first while will be done through an off-site lab because our lab will still be under construction, and so we'll be using accredited off-site labs until we're comfortable with our own facilities.

We are starting to construct our facility this year. The accreditation we've registered with the accreditation group. These accreditations are not done in a lab. You don't accredit a lab. What you do is you accredit a lab for an element, so we get accredited for copper, for example. And so it then takes a period of time where we send our samples out to a number of labs. We compare those to our labs, and after doing this cycle of round-robin testing, we can gain accreditation for that element. And we do this for each of the elements our lab is doing. So there's no one accreditation for a lab. You get accredited by sample, and as you can see, it takes time for that. So we will use an outside lab until we become accredited, and we're not even sure at that point in time what we will do, but our intent is to then work towards accreditation of our lab on the specific elements that we need to be able to measure on site.

THE CHAIR: Thank you. Any more questions from Staff?

MR. HOHNSTEIN: Thank you, Mr. Chair. I've got a couple questions just to -- one just a clarification that -- I've got a quick question, and then another for our legal.

Just a quick question to Larry regarding the mill tailings treatment and the -- I think I read there's

going to be some sludge produced from treatment from the cyanide detoxification, and I was wondering what the plans for disposal of that sludge were.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell speaking.

We're using the SO2 air process, and we're going to treat a slurry to destroy the residual cyanide and precipitate metals. So the sludges that are generated as part of that process are actually contained within the slurry. They stay with the solids and go out to the tailings impoundment with the solids, so those sludges will be co-disposed with the mill tailings.

THE CHAIR: Thank you. Dave?

MR. HOHNSTEIN: Thank you, Mr. Chair, and thanks, Larry. One last question.

Could AEM advise the Board if the security estimate that was provided included that for the Baker Lake facility, and if not, does the GN hold security for that facility, which is on Commissioner's land?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

No, the numbers you saw there, their estimates do not include the Meadowbank facility. Those were the INAC estimates for the site. There have been separate estimates done for the Baker Lake facilities; they're in

the closure plans that were submitted. And I do not know the answer to the question of whether the GN holds security yet for those. I don't think they do, but I stand to be corrected on that.

THE CHAIR: Thank you. Dave?

MR. HOHNSTEIN: Thank you, Mr. Chair. No further questions from the technical Staff. I believe Dionne has a question.

THE CHAIR: Okay, Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman. Dionne Filiatrault.

When the Board issued the Type B water license for the marshalling area in Baker Lake last year, they did not impose security on that facility. Through discussions between the Water Board and Cumberland at the time, and actually it was AEM had just taken over, it was my understanding that that amount of security was going to be incorporated into a total amount of security that would be put under the Type A water license. Can you confirm from your perspective if that was your understanding?

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman.

I didn't know of any of those negotiations. We have -- obviously with the facilities here in Baker Lake, we have been in the process of actually moving

those from a land use lease to a lease, and so what the GN has done is extended our current permits for those sites in order to allow us to complete a lease arrangement, and we've been under the impression that, during that lease arrangement, that security would be an issue, but I'm not privy to whether that discussion took place or how it took place. It's -- I can't answer that question for you, Dionne.

THE CHAIR: Thank you. Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman.

Just for the Board's information, we will search the written record and try and find confirmation that was provided by AEM and put it on the record.

THE CHAIR: Thank you. Any more questions from Staff?

MR. HOHNSTEIN: No.

THE CHAIR: Okay, thank you. Is there any question from Board? I'd like to ask, Bob, do you have any questions to Applicant?

MR. HANSON: No, Mr. Chairman. Thank you very much. Everything is fine.

THE CHAIR: Thank you, Bob. Any questions from this Committee? Thank you, Applicant.

Now, the next interveners would be INAC. Would you come to the table. Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman.

I'm wondering if we could just take 5 minutes to load up their presentation and make sure that everything's working properly.

THE CHAIR: Okay, yes, we take that 5-minute break for preparation.

(BRIEF ADJOURNMENT)

THE CHAIR: Bob, are you on the line?

MR. HANSON: Yes, thank you.

THE CHAIR: Before we continue on with INAC, the presentation, Don, can you take over this for us a bit?

PROCEDURAL MATTERS:

MR. CARR: Thank you, Mr. Chair. Don Carr here.

If there's no objections, I'd like to enter the following as exhibits: Number 1, electronic "AEM Public Hearing Presentation_r3", submitted April 2008 by Larry Connell; Number 2, hard copy of the AEM Public Hearing Presentation, April 2008, submitted by Larry Connell; Exhibit 3, Meadowbank Gold Project Incinerator Equipment Specifications, Identification Number MDVSM268, an electronic undated version, submitted by Larry Connell. That's everything.

THE CHAIR: Thank you. Applicant?

MR. CONNELL: Thank you, Mr. Chairman, Larry Connell.

The only thing to make careful is that last item that was issued. That is a draft. It has been -- gone back to the engineering company, so we said that during our presentation it should be noted that is a draft.

THE CHAIR: Okay.

EXHIBIT NO. 1:
ELECTRONIC COPY OF "AEM PUBLIC HEARING PRESENTATION_R3", SUBMITTED APRIL 2008 BY LARRY CONNELL.

EXHIBIT NO. 2:
HARD COPY OF THE AEM PUBLIC HEARING PRESENTATION, APRIL 2008, SUBMITTED BY LARRY CONNELL.

EXHIBIT NO. 3:
DRAFT ELECTRONIC COPY OF MEADOWBANK GOLD PROJECT INCINERATOR EQUIPMENT SPECIFICATIONS, IDENTIFICATION NUMBER MDVSM268, SUBMITTED BY LARRY CONNELL.

PRESENTATION BY INAC:

THE CHAIR: So, Catherine, can you have INAC sworn.

MICHAEL NADLER, JAMES ROGERS, sworn:

THE CHAIR: Thank you, Catherine. So, INAC, go ahead.

MR. NADLER: Thank you, Mr. Chair, and

Board Members.

My name is Michael Nadler. I'm the Regional Director General for Indian and Northern Affairs Canada in Nunavut. I would like to thank the Water Board for having this opportunity to make a presentation and for having had the opportunity to make an intervention regarding the Meadowbank Gold Mine Project's water license.

I'm joined today by Jim Rogers at my far left, who is the Manager of Water Resources for my department here in Nunavut, and Ken Landa, who is with the Federal Department of Justice and serves as counsel for our regional office. Behind me, off to my left, I'd like to introduce Mark Watson, Eric Fier, and Ken Armstrong of EBA Engineering Consultants, as well as John Brodie from John Brodie Consulting Limited, who have provided technical advice to the Department for our intervention and presentation.

On behalf of my colleagues, I would like to express our appreciation to the Hamlet and people of Baker Lake for their kind hospitality during our visit. Our Department takes very seriously its role in water management in Nunavut, so we would like to thank the Water Board, the Kivalliq Inuit Association, and Agnico-Eagle Mines for their collaboration and cooperation in responding to our questions and concerns

in preparing this intervention and today's presentation.

Members of the audience, the public can find handouts at the back of the room. The handouts are slightly different. We've made changes to our presentation based on the Proponent's presentation of this morning and discussion with other parties. The changes are very modest.

The project and these hearings are important milestones for Nunavut. The project could be the second major mining project to open in Nunavut, and these hearings mark the Nunavut Water Board's third review of the mining project. I'm making this presentation today because Indian and Northern Affairs Canada has specific responsibilities arising from legislation, regulation, policy, and the Nunavut Land Claims Agreement to work with the Water Board, the Proponent, and other parties and stakeholders on water management issues in Nunavut. These responsibilities include -- or these policies and legislation and regulations include the Department of Indian and Northern Development Act, the DIAND Act, the Nunavut Land Claims Agreement Act, the Nunavut Land Claims Agreement, the Territorial Lands Act and Regulations, the Nunavut Waters and Nunavut Surface Rights Tribunal Act, the Canadian Environmental Assessment Act, and the Indian and Northern Affairs Canada Mine Reclamation Policy for the Territory of

Nunavut.

Indian and Northern Affairs Canada has a very broad mandate in the territory. For the Meadowbank Project, we have roles in land and water administration, environmental protection, and the management of natural resource development. We take these roles very seriously and have ensured that our intervention is informed by the knowledge of individuals with appropriate technical expertise and training.

Our review of Agnico-Eagle Mines' water license application has considered the environmental assessment review previously conducted by the Nunavut Impact Review Board. We have also considered the applications and supporting information of water licenses previously issued by the Nunavut Water Board for the project such as the lay-down area at Baker Lake, the all-weather road, exploration activities, and construction activities. Our work has also considered the present application for a Type A water license and all supporting information, plus information provided by Agnico-Eagle at the recent pre-hearing and technical meeting and the presentation of this morning.

While our Department's mandate is broad, we have nonetheless limited our review to issues for which we have responsibility. These include water quality and quantity, surface and permafrost disturbance, waste

management where it may affect water, and abandonment and reclamation planning.

Operations of the Meadowbank Gold project will be almost entirely on Inuit-owned land administered by the Kivalliq Inuit Association. The project's lay-down area is located within the Hamlet of Baker Lake. The project's access road has been constructed on IOL, Inuit-owned land, Crown land administered by INAC, and Commissioner's land administered by the Government of Nunavut and/or the Hamlet of Baker Lake. INAC has negotiated the issuance of a land lease for the all-season road on Crown land and will enforce the instruments of land tenure for this project component.

Under the Nunavut Waters and Nunavut Surface Rights Tribunal Act, INAC will also be responsible for inspecting and monitoring compliance to the conditions of any water license issued by the Water Board. Inspectors designated by the Minister under Section 85(1) of the Act will enforce license terms and conditions.

INAC did not extensively review any third-party compensation arrangements, such as the Fisheries no-net-loss plan, because these are not captured by our mandate. Further, INAC did not review those physical structures that are planned within freshwaters as part of the Fisheries Compensation Agreement but suggests

that the water license include provision for the final plans for these structures. Accompanied by the Fisheries and Oceans Canada authorization, the Nunavut Water Board should also request that Fisheries and Oceans Canada confirm with the Board and the INAC inspector that these structures are built to specifications and as defined in the water license.

Concerns identified by INAC during the Nunavut Impact Review Board's Part 5 review and initial steps in the regulatory phase have been addressed to a great extent by information and commitments provided by the Proponent. The written INAC intervention highlights those issues that continue to be a concern for the Department. Time does not permit us to go through the entire intervention at this hearing; therefore, we will touch only on key issues that relate to water resources, land as it relates to water, monitoring, and abandonment and reclamation. We can provide electronic copies of our written intervention to anyone who would like to review our observations in detail. There are also copies available on the back table.

The Department recommends that the Nunavut Water Board water license require the Proponent to report on certain matters related to the management of its proposed Meadowbank Gold Project. The primary issues of concern for the department include: Monitoring the

geotechnical/permafrost stability of project structures; monitoring the water balance and water quality model; geochemical monitoring; waste rock management; waste water management; solid waste management; and closure and reclamation conditions.

The Department would like to make recommendations concerning the geotechnical and permafrost stability of the physical structures associated with the proposed Meadowbank Gold Project.

We believe that as-built topographic surveys together with thermal/deformation/seepage instrumentation monitoring results should be provided to the Water Board under the water license, and comparison of these results with predicted performance should also be a license consideration and reported in the company's annual report. Site inspection program results should be provided to the Nunavut Water Board on a regular basis as observed in our intervention.

Final design drawings for project structures are required especially for any designs changed in advance of construction. INAC recommends that additional geotechnical investigations of foundation conditions be a requirement for any retention structure where the loss of contained fluids or materials would negatively influence water quality. For such structures, a comprehensive geothermal analysis should be completed

for any designs where permafrost is a design component necessary for adequate performance of the structure and/or where either freezing or freeze/thaw could be a detracting feature of the design.

Several issues related to water quantity and quality have been raised by the Department through the water licensing process. We believe that Agnico-Eagle has made a very good effort to address many aspects of our concerns. Certain details require further clarification in the short and long term to satisfy our needs related to water quality and quantity.

The Proponent has developed a water balance and water quality model to manage the discharge of water within the tailings containment area. This model is designed to ensure that the quality of discharged water will not exceed Metal Mining Effluent Regulations criteria and that the Canadian Council of Ministers of the Environment water quality guidelines for the protection of freshwater, aquatic life are met.

INAC recommends that the Proponent collect climate and hydrological data as part of its ongoing monitoring program and incorporate collected data into the water balance and water quality model. INAC recommends that the Proponent be required to submit a water balance and water quality modelling report every three months for the initial two years of mine operation. The model

would be recalibrated as necessary at the end of each three-month period. This will allow for confidence in the water quality modelling results and the eventual release of water. Following these first two years of mine operations, water balance and quality monitoring can become an annual occurrence.

The Proponent plans on depositing waste rock in several areas during construction of project infrastructure, which includes roads, building pads, waste rock facility, and dikes and dams. INAC recommends that the Proponent identify all waste rock by general lithology and location relative to its placement. This will allow for the Proponent and the Nunavut Water Board to understand the type of waste rock and provide a basis for investigating the source of acid rock drainage should such drainage occur.

Nonacid-generating waste rock material will be placed as cover over the waste rock facility and tailings storage facility. The appropriate thickness to protect the environment should be tested during operations, and an annual report of the results of this testing should be submitted to the Water Board for review.

INAC recommends that the Proponent identify all waste rock by general lithology and location relative to its placement to understand the type of waste rock and

provide a basis for investigating the cause of any acid rock drainage. Further, INAC recommends that the Proponent determine the appropriate thickness to protect the environment by testing during operations and submit the results in an annual report to the Nunavut Water Board for review.

INAC recommends that a geochemical monitoring and waste rock storage report be provided to the Nunavut Water Board on an annual basis. This report would present and interpret data associated with tailings solids, tailings supernatant, cyanide leach residue, bleed from the cyanide destruction process, and waste rock. This report is needed to assess the quality and quantity of leachate produced within the project area and to determine its effects on the receiving environment.

Annual reporting of geochemical monitoring data should include but not be limited to operational acid base accounting and paste pH test work used for waste rock designation, this would include potentially acid-generating rock or nonacid-generating rock; as-built volumetrics of waste rock used in construction and sent to the waste rock facility with estimated balance of acid generation to acid neutralization capacity in a given sample as well as metal toxicity; all monitoring data with respect to geochemical analysis

on site and related to road quarries and permanent access road; leaching observations and tests on pit slope and dike exposures; all water quality data, geochemical or otherwise, with respect to locations that have been collected during a given year. Reporting of any geochemical outcomes or observations that could imply or lead to environmental impact should be reported to the Water Board within seven days of observation.

The Proponent has identified plans to provide for sewage treatment and sludge disposal throughout the life of the plant from the construction stage through the operations and demolition stages. INAC recommends that the sewage treatment plant treatment capabilities be analyzed throughout operations to ensure that they are meeting effluent quality requirements and that they meet industrial waste discharge criteria established in the Nunavut Department of Sustainable Development's Guidelines for Industrial Waste Discharge of 2002.

Agnico-Eagle has proposed the use of a landfarm facility to remediate fuel-contaminated soils. INAC supports this idea. However, the landfarm facility should be maintained and monitored to ensure that it is performing as intended. A person with experience in bioremediation should manage this facility. For instance, the addition of nutrients must be carefully managed. Overdosage or low moisture content within an

otherwise optimal dosage will inhibit microbial activity, and as a result, the landfarm's effectiveness in treating contaminated soils could be reduced. Landfarm discharge should be monitored for daily flow.

Although incineration is not normally thought to fall under the Waters Act, the ash and other particulate material remaining after incineration will be placed in the landfill and may become sources of leachate. Agnico-Eagle should provide a clear indication of these materials to be burned and the efficiency of the incinerator. Emissions may be used to indicate what types of byproducts are formed within the incinerator.

Agnico-Eagle, as part of the water license, should monitor any liquid seepage from the solid waste management sites and report the results to the Water Board in its annual report.

The Water Board has informed the Proponent and the interveners that the Board may wish to incorporate all of the activities and operations currently covered under the two Type B water licenses for the Tehek Lake Road and the Baker Lake lay-down area into the Type A water license application process for the Meadowbank Gold Mine Project. Type B water license 8BC-MEA0709 with the expiry date of December 31st, 2009, covers the barge offloading, marshalling facilities, lay-down and storage areas, and fuel tank farm

associated with the Meadowbank mine site construction in Baker Lake. Water license 8BC-TEH0708 with an expiry date of February 8th, 2007, covers the all-weather private access road and the associated stream crossings between Baker Lake and the Meadowbank Project site.

INAC would support the amalgamation of Class B licenses into the proposed Class A license. However, the Department would like to emphasize the importance of ensuring that conditions of existing licenses are transferred to the proposed Class A license except where they are replaced by new provisions. Further, INAC would like to recommend that the license clearly indicate where provisions apply to only one aspect of the project or where they apply globally to all aspects of the project.

At the conclusion of mining operations and mine life, the mine site would be closed, and the location restored to a viable and self-sustaining ecosystem. A complete mine closure and reclamation plan would normally include an interim and final plan developed during operations by the Proponent; effective capping requirements for waste and tailings as tested during operations; geotechnical and geochemical stability of all mine facilities, both at the mine site and off the mine site for related infrastructure; proper disposal of nonhazardous and hazardous materials, salvageable

materials during reclamation; no materials will be disposed of in flooded pits; and long-term protection of waters and wildlife.

Our Department recommends that the Proponent submit an interim mine closure and reclamation plan not later than six months after the start of mining and a final mine closure and reclamation plan no later than 12 months before the expected end of mining to the Nunavut Water Board for review and approval. Both the interim and final plan should incorporate revisions that reflect the ongoing status of mine development. The Water Board may wish to instruct Agnico-Eagle to combine the reclamation plans for the road and lay-down area if necessary.

The mine site reclamation policy for Nunavut outlines INAC's policy for the protection of the natural environment and preparation for the possibility that the Proponent may fail to close and reclaim a mine site after the end of mining operations or at a point during mining operations. The policy includes provisions for returning the site, the mine site and associated sites, to viable, and where practical, self-sustaining ecosystems. The policy helps the Department to advise parties and stakeholders on closure and reclamation issues and also helps the Department to manage risks associated with reclamation.

To meet this general objective, the policy requires the development of estimates for reclamation costs. These estimates are based on engaging a third-party contractor to complete the work on site and that the work is in relation to water and issues on land that relate to water.

INAC has estimated the potential abandonment and reclamation cost for the Meadowbank Project at the end of year one, at the end of year five, and at the end of mine life before closure activities begin. We have estimated a total reclamation security including both land and water of $43.875 million. The costs that relate to the reclamation of mine structures that could affect water is 29.084 million. Our assessment of the costs of reclamation of structures that are less likely to affect water is 14.79 million.

The project will include infrastructure on Inuit-owned lands, Crown lands, Commissioner's lands, and municipal lands. This means that the KIA, the Federal Crown, the Government of Nunavut, and possibly the Hamlet of Baker Lake may all have need to request reclamation security to protect themselves in the event that they must themselves clean up part of the mine site on their own or collaboratively with other parties.

INAC currently carries security for the all-weather mine access road. INAC recommends that the Water Board

require the Proponent to provide reclamation security for all water-related reclamation costs as part of the proposed Class A license. This security would be carried by the Minister of Indian Affairs and Northern Development. We have estimated the total water-related security to be 29.084 million.

INAC would observe that parties such as the KIA, the Government of Nunavut, and possibly others would have reason to seek reclamation security. We would further observe that these parties have already or could in the future negotiate reclamation security with the Proponent through processes that are outside of the water license. We feel that the water license for this project should include only water-related security. This approach would ensure that water-related reclamation costs are secured, would grant landowners the latitude to negotiate appropriate security with the Proponent for land-related reclamation costs, and would limit the possibility of overburdening the Proponent with excessive security costs.

INAC would negotiate the form of security with the Proponent. INAC would also give consideration to comments and concerns of others on the form of the security.

INAC recommends that the Nunavut Water Board set a water-related security for the Meadowbank Gold Project

at the following levels: Initially at $7.625 million. By the beginning of year five of the mine's operations at $15.841 million. By year seven or as the end of mine life approaches, partially based on Agnico-Eagle providing the final abandonment and reclamation plan, at $29.084 million.

Again, as stated in the Water regulations attached to the Waters Act, the company should approach the Minister through the Nunavut regional office of INAC on the form of security.

Overall, our Department is very pleased with Agnico-Eagle Mines Limited's application. Our Department commends the Proponent for their cooperation, professionalism, and integrity during the course of the water licensing process. We are confident the Proponent will be able to operate this gold mine in a fashion that will ensure the protection of freshwater resources and, at the same time, provide meaningful and rewarding socioeconomic opportunities for Nunavutmiut.

Our Department looks forward to a continued and productive working relationship with Agnico-Eagle Mines Limited, the Nunavut Water Board, the Kivalliq Inuit Association, and other relevant stakeholders, including the Government of Nunavut.

We would like to extend our gratitude to the Nunavut Water Board, to the Proponent, to the Kivalliq Inuit

Association, to the Government of Nunavut, to the people of Baker Lake, and to its Mayor and Council for allowing us the opportunity to make a presentation today and for hosting us with such gracious hospitality during our visit to Baker Lake. Thank you, Mr. Chair.

THE CHAIR: Thank you, Michael. Question to the presenters, to INAC? Does AEM have a question to INAC presentation?

AEM QUESTIONS INAC:

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell.

These are more for -- just a clarification than anything else. On the slide that's entitled "Water Balance, Water Quantity, and Water Quality Models", they say recommendation that we submit a water balance and water quality modelling report every three months; recalibrate as necessary for the initial two years of mine operations.

It seems to me that three months is a very short duration given the fact that up here, we don't always get data every month of the year because of frozen conditions, and that a lot of cases here, we won't have much difference from one report to the next, and just to clarify that what the logic is on why three months; why not six, why not a year?

THE CHAIR: Thank you. INAC?

MR. ROGERS: Jim Rogers with INAC, Mr. Chair.

The water model that you've used has got a very short data stream within it. Three months doesn't sound like much, but three months is a good proportion of the amount of baseline data that you have. During construction, you will have an additional two years of data, so as you begin operations, you will have double the amount of background data, so the models should be more indicative of actual conditions.

Thank you, Mr. Chair.

THE CHAIR: Thank you. When you speak, would you speak to me, speak to the Chair instead, please. Thank you. Applicant? Sorry, yes, go ahead.

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell again.

On the slide that's addressed as "Closure, Abandonment, Reclamation", there's a bullet that said: (As Read)

> An interim mine closure and reclamation plan not later than six months after the start of mining [should be submitted].

I just want to make sure that we all understand what we mean by "start of mining". Does that mean the start of when we do development of the open pit, when we start milling? I'm just a little confused. I want to make

sure that we're all seeing those words and understanding the same thing. Could we ask INAC to please define what they're actually asking there?

THE CHAIR: Thank you. INAC?

MR. ROGERS: Normally it would be -- Mr. Chair, normally, it would be -- it's Jim Rogers, by the way. I'm very terrible about that, Mr. Chair, please, please, I apologize.

Mostly when they start actual mining the ore would be the start of mining. However, we could delay that to the start of the mill if the mill is constructed at the same time as the initial stripping of the ore body, and so milling starts fairly quickly afterwards. It's not a firm date, but it's a date where you're moving your ore to your mill and possibly starting your mill. Now, if the Proponent said that was -- there was a long delay between that, I would suggest that at the start of moving the ore to the mill site.

THE CHAIR: Thank you. AEM, go ahead.

MR. CONNELL: Thank you, Mr. Chairman. Larry Connell again.

Just one last -- again a clarification point. On the slides where you've discussed reclamation and liability, where INAC's put reclamation and liability, the one that I'm looking at, it's titled "Estimated Reclamation Liability for the Meadowbank Mine", you're

raising the term end of year one, end of year five, end of mine life. I just want to confirm that when we're talking about -- when INAC's referring to end of year five, that means the end of the fifth year of the operational side of the mine; doesn't include the construction period. So it's two years of construction, and then this is the five years of operations. I'm just looking for confirmation of that.

MR. NADLER: It would be the fifth year of -- excuse me, Mr. Chair, it's Michael Nadler.

Just to address the question, it would be the fifth year of mine operations, so the fifth year of actual mining.

THE CHAIR: Thank you. AEM?

MR. CONNELL: Thank you, Mr. Chairman. That's my questions, thank you.

THE CHAIR: Thank you. Any questions from other parties? Okay, Applicant, are you done for now? Okay. Any other parties? Does Environment Canada have -- okay, I take that no question. And, DFO, any questions? Okay, I take that as --

Okay. Maybe it would be better for the record, maybe you come to the microphone and identify yourself for the recording here. So, Environment Canada, can you come to the microphone and identify yourself that you don't have a question?

MS. WILSON: Anne Wilson, Environment Canada. We have no questions of INAC.
THE CHAIR: And DFO?
MS. LIU: Amy Liu from Fisheries and Oceans. We have no questions at this time.
THE CHAIR: Okay, thank you. And GN-Department of Environment?
MS. YEH: Helen Yeh with GN-DOE. We don't have any question. Thank you, Mr. Chair.
THE CHAIR: Thank you. And then NTI, do you have any question to INAC?
MS. EHALOAK: Jeannie Ehaloak, NTI. No questions.
THE CHAIR: Thank you. KIA?
KIA QUESTIONS INAC:
MR. HARTMAN: Yes, Mr. Chair, we have one question -- or two questions. My name is Steve Hartman with the Kivalliq Inuit Association.

The first question we have is, INAC, in your presentation, you mentioned that INAC recommends the security be split into water and land components with review triggers built into all permits and leases. The question is what are the review triggers, and how often would the reviews occur?

THE CHAIR: Okay, thank you. INAC?
MR. NADLER: Thank you, Mr. Chair.

That suggestion or recommendation is simply that; it's a suggestion that any parties that may be undertaking security relationships with the Proponent regulate or review the amount of security that they've assessed, given changes in market conditions or changes in the project that might affect the amount of security.

THE CHAIR: Thank you. Any more questions from KIA?

MR. HARTMAN: Yes, Mr. Chair. For clarification on that one -- but it's Steve Hartman with the Kivalliq Inuit Association.

What we're looking for is what reviews will you be -- will INAC be doing -- or, sorry, INAC's triggers that you'll be reviewing?

THE CHAIR: INAC?

MR. ROGERS: Thank you, Mr. Chair. It's Jim Rogers with --

MR. NADLER: I'm going to answer this, Mr. Chair. It's Michael Nadler.

Our own reviews will be limited to our own security relationship with the Proponent. We'd undertake those reviews for a number of reasons, again, relating to changes in the market, changes in the project, changes in scope. We would carry the results of our reviews to the Water Board. Again just to emphasize, any reviews we conduct of security would be limited to -- only to

the security carried by our Department.
THE CHAIR: Thank you. Any more questions for KIA?
MR. HARTMAN: Thank you, Mr. Chair. It's Steve Hartman with KIA. One more question.
Earlier Agnico-Eagle said that security should be reviewed for the second license term. Does KIA have an opinion or position on -- or, sorry, does INAC have a response to reviewing that in the second license term?
THE CHAIR: Thank you, KIA. INAC?
MR. NADLER: Thank you, Mr. Chair.
We agree with a review of the security at that point, though we would contend that that should be not -- that should not be a reason to estimate a low level of security at the beginning of the project.
THE CHAIR: Thank you. Any more, KIA?
MR. HARTMAN: No. Thank you very much, Mr. Chairman.
THE CHAIR: Thank you. Is there any question to INAC's presentation from public? So there's none. I take it there's none, so can we -- we will have a 10-minute break before Staff ask questions of INAC, 10-minute break.
(BRIEF ADJOURNMENT)
THE CHAIR: Shall we reconvene. Bob, are you on the line?

MR. TILLEMAN: No, it's someone else. Testing, 1, 2, 3.
MR. HANSON: Weird, I can't believe that there's nobody answering us at all. Testing, 1, 2, 3. Is anybody there?
THE CHAIR: Yes, we can hear you, Bob, and --
MR. TILLEMAN: Okay, they can hear.
THE CHAIR: Yes.
MR. TILLEMAN: I can hear him in the background.
THE CHAIR: Yes, we can hear you.
MR. TILLEMAN: They can hear us.
MR. HANSON: I can't hear nothing. All I'm doing is printing something out, so I can't hear.
THE CHAIR: Bob, are we clear now?
MR. TILLEMAN: We can hear you, but it's a very weak signal.
THE CHAIR: Okay, yes, the technician, he's handling it right now.
MR. HANSON: That's better, that's getting better.
THE CHAIR: Okay. 1, 2, 3, testing, 1, 2, 3. How is it?
MR. TILLEMAN: It's fine by me. Bob, are you okay?

MR. HANSON: Yes, it's better now. Testing 1, 2, 3. Do you copy me, Lootie?
THE CHAIR: Yes, we can hear you; you're nice and clear.
MR. HANSON: Okay, carry on.
MR. TILLEMAN: Carry on.
THE CHAIR: Okay. Okay, we shall carry on. Now, dealing with the Staff to ask question of INAC on the intervention right now.
NWB STAFF QUESTION INAC:
MR. HOHNSTEIN: Thank you, Mr. Chair. Steve Lines will have the first few questions.
THE CHAIR: Okay, thank you. Steve, go ahead.
MR. LINES: Thank you, Mr. Chairman.
I just have a few minor clarifications for INAC. The first one is regarding the time line for the submission of an interim and final A & R plan. And I guess if the Applicant were to submit an interim plan six months after the start of mining, then they wouldn't submit the final one until a year before the mine closed. Would INAC be seeking or wanting to see a significantly updated A & R plan upon renewal of a license after seven years if one is issued?
THE CHAIR: Thank you. INAC?
MR. ROGERS: Mr. Chair, Jim Rogers, INAC.

Normally at a -- when a license comes up for renewal, especially a Type A license, the Board will again call a hearing or at least a written hearing, and I would expect the Board would also request an update on all those plans like closure plans at that time.

Depending on the length of period that the Board issues the license, that may be well short of the point of requiring a -- or well short of mine closure, and therefore, I think the plans would have to be reissued, updated using the best available knowledge at the time.

If the Board decides to have a longer-term license, I would suggest if things change during the time of the mine, the best available knowledge should be used to update the interim closure plan.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chairman.

My next question is if INAC could just provide us with maybe a general plan, if they have one in mind, on how and when INAC would undertake site inspections during construction or operations, if they have a plan laid out for that.

Thank you.

THE CHAIR: Thank you. INAC? Michael?

MR. NADLER: It's Michael Nadler responding to the question, Mr. Chair.

First, just it would be difficult for us to anticipate the frequency of inspection visits without a license in hand. There may be conditions of the license that would require more frequent visits. There might be conditions that suggest less frequent visits.

Our inspection function follows a general rule of thumb for projects of this scale, that we would visit the project site at least four times in a year for both -- this project is mostly on IOL, but if it were on Crown land, that would include both land and water inspections. There are aspects of the project, for example, the all-weather road, that involve Federal land use, so we would have Federal land inspectors looking at the road. Again, that estimate would change possibly based on the conditions of the water license.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chair.

My next question is regarding -- it's a statement made in INAC's submission on page 4, and it's -- I can just read it off here, if that's okay. It says: (As Read)

> The annual report should include a geotechnical site report completed by an independent review panel.

And I would just like it if INAC could clarify, is that

panel different from the expert dike panel proposed by AEM or, I guess, what that entails? Thank you.

MR. ROGERS: Mr. Chair, could I get a clarification? Is that in the presentation we made today or in our written intervention?

THE CHAIR: Go ahead, Steve.

MR. LINES: Yes, sorry for that. That's in the written intervention on page 4.

MR. ROGERS: Thank you.

We believe it's up to the Proponent to hire an independent engineer. I agree with the group or -- and person that they've chosen to do the independent review. It's not only to protect the Water Board and the license and the people of Nunavut but it's also a prudent way for the company to protect themselves. Sometimes it's nice to have someone outside. So, well, I would suggest that their group or outside group would be adequate if a geotechnical engineer remains on that group.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chairman.

My next question is again going back to the written intervention on page 6 regarding the road quarries, and the intervention states that INAC recommends that AEM submit their plan for mitigation measures to the Board by the fall of 2008, and that's again for the road quarries. And I'd just like to maybe ask INAC to

clarify what specifically they're looking to have mitigated. It's my understanding that those -- that the road's already built, and I assume the quarries are already excavated, and there's an A & R plan for most of the quarries.

THE CHAIR: Thank you. INAC?

MR. ROGERS: It's Jim Rogers with INAC.

A number of quarries that were used in the construction of the road both on Crown and on IOL land did not have adequate geochemistry provided to the Board and the interveners at the time of construction. I believe Agnico-Eagle agreed that they would provide the geochemistry for the remaining quarries and provide a mitigation plan for the quarries based on runoff, drainage, and if geochemistry indicates that there may be generation of acid or metal leaching, how they would mitigate the impacts of that.

So that's basically what our intervention meant, that we'd like that information provided to the Board so the interveners could look at it and the Board should have some input. Thank you.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chairman.

I've just been asked to maybe get a little more clarification on the recommendation for the independent panel. I just want to be clear that -- is INAC in

agreement that the expert panel be specifically for the dikes, or should that panel address other geotechnical issues in structures or earth works at the site?

I guess what I'm getting at here, there's other sections of the INAC intervention that recommend that an annual geotechnical inspection be carried out, and it's just my understanding that that's also common in other licenses issued by the Board. So is that something that would be undertaken by one person, or is INAC recommending that those specific inspections also be undertaken by an expert panel? Thank you.

THE CHAIR: Thank you. INAC?

MR. ROGERS: Jim Rogers, Mr. Chair.

The expert panel was brought up at the NIRB hearings, and both Cumberland at that time and Agnico-Eagle now and I believe most of the interveners thought it was an excellent idea, since some of this engineering work is not common. It's fairly ground-breaking in some aspects.

The expert panel would be used for the dikes. The geotechnical reviews would be also used for the dikes, because failure of the dikes is more than just an issue for the company, it's actually a fairly large issue. So the independent panel would look at that.

There is other areas that the independent panel could look at, the pit walls, for example, would be to

have someone outside at arm's length come in and review would be probably a good idea from our point of view.

And the results of that, more or less a confirmation that the independent committee or group or reviewer believes that the company is doing the right thing would be provided to the Board, and they would have confidence in not only the design but the operation that is being carried out by the mining company.

MR. NADLER: Just to offer a supplementary, Mr. Chair. It's Michael Nadler.

What we're recommending is that there be third-party qualification of geochemistry that could be by one panel or multiple panels, and we would not presume to impose on the Board -- geotechnical, forgive me, geotechnical observation. We would not presume to impose on the Board a panel model there, but we would strongly recommend third-party validation.

THE CHAIR: Thank you. Any more questions from Staff? Steve?

MR. LINES: Thank you, Mr. Chair. I just have three more questions.

The next one is again going back to the INAC intervention on page 6, and there's a recommendation that noncontact water should be tested twice per open-water season at proposed compliance monitoring points. And I guess my question is is that something

that INAC is looking to have included as a regulated criteria of some sort in the license?

THE CHAIR: Go ahead.

MR. NADLER: Thank you, Mr. Chair. It's Michael Nadler.

Yes.

THE CHAIR: So, Steve?

MR. LINES: Thank you, Mr. Chairman.

Again my next question is going back to the INAC intervention on page 7, and INAC recommends that the AEMP, the Aquatic Effects Monitoring Program, be submitted for review and approval prior to the commencement of site work, and I just wanted to clarify is that site work meaning construction activities or operation?

Thank you.

THE CHAIR: Thank you. INAC?

MR. ROGERS: Mr. Chairman, it's Jim Rogers. Could I defer that for a second or two, if you wouldn't mind, to give you a clearer answer?

THE CHAIR: Okay. Go ahead, Jim Rogers, go ahead.

MR. ROGERS: This is Jim Rogers with INAC.

Sometimes we have to confer with the rest of the Federal family on these issues. The Aquatic Effects

Monitoring Plan is normally part of Environment Canada's role, and we assist them, and Environment Canada has agreed with the '09 date, which is after construction before actual mining begins.

Thanks, Mr. Chair.

THE CHAIR: Thank you. Steve?

MR. LINES: Thank you, Mr. Chairman.

I just have one last question, and it's just regarding the difference in the security estimates, and I anticipated hearing a little bit more about it in the presentation and especially the discrepancy in the differences between the cover and how those estimates came to be, and I would ask that if INAC could provide a little more detail here on their opinion of that aspect specifically of the closure estimate. Thank you.

THE CHAIR: Thank you. INAC?

MR. NADLER: Thank you, Mr. Chair. Thank you, Stephen, for your question. It's Michael Nadler.

The Proponent today presented the use of the 2.5 metre cover, and that was the cover used in the security estimate calculation or estimated costs for reclamation.

The purpose, as many of the people around the table understand, that the purpose of this cover is to ensure that annual thawing does not reach potentially acid-generating rock. The Department reviewed in great detail the modelling information provided by the

Proponent, and site data shows a 2.15 metre thawing, and also the modelling information used was based on rock rather than highly vegetative soil, which has a higher specific gravity.

The other thing to keep in mind is that while we have referred in our work and while the Proponent's presentation referred to Ekati and observed that the Ekati area is warmer than the Baker Lake area, it is nonetheless an important source of information on this aspect of potential reclamation.

In our own review of that information and the Ekati experience, we too recognized that it's a warmer location than Baker Lake, and that led us to consider a slightly lower fill level. So while Ekati, the depth of the active layer, the active permafrost layer is 5 metres deep at the margins, we proposed a 4 metre cover in recognition of the fact that the permafrost layer here is deeper, and the region and the rough area around the mine site is colder.

What we recommend and why you see that our security estimate is higher is that we'd observe that there is necessity in being conservative in security estimates and a recognition of the fact that a 4 metre cover might be required. And following that conservative approach to environmental protection, we have estimated the use of a 4 metre cover.

I believe this, while conservative and while reflective of an observation -- of observation based on the Ekati experience, we've nonetheless modified those observations to reflect the unique climatic environment around the Meadowbank site.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Any more questions from Staff?

MR. HOHNSTEIN: Thank you, Mr. Chair. Dave Hohnstein here. I've got a couple questions; then I'll pass it over to Karlette.

With respect to the Type B licenses that are going to be or plan to be incorporated into a Type A, if it's issued, INAC has, I guess, agreed that -- to the request to incorporate these, the relevant conditions into the Type A.

There was at the pre-hearing and technical meeting a commitment made by INAC to provide compliance reports for these Type B licenses prior to the intervention deadline. However, the NWB has not been in receipt of these compliance reports, and in order to evaluate the compliance of the licensee, the NWB would like to request that these reports be provided prior to the end of the hearing if possible.

Thank you.

THE CHAIR: Thank you. INAC?

MR. NADLER: As part of our inspection function -- excuse me, Mr. Chair, thank you. My name again is Michael Nadler.

As part of our regular function, we produce inspection reports. We would be very pleased to share the inspection reports associated with the existing licenses with the Water Board to give an indication of compliance to the Board. Thank you.

THE CHAIR: Staff? Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman. I think -- it's Dionne Filiatrault.

What the Board is looking for is what was done early on when the boards were created, when things were transferred to the NWB from the Northwest Territories, and yes, there are inspection reports that are done on an annual basis, but there were also compliance reports that were done in the past on each individual term and condition of a particular license, and these compliance reports were prepared by Indian and Northern Affairs and submitted to, at the time, the NWT Water Board.

This practice seems to have somewhat gone by the wayside, but now with this particular license, where the Board is being asked to consider incorporation into another license, it's important that the Board has an understanding of whether or not the licensee for those Type B's has, in fact, complied with the specific terms

and conditions of the license. Not solely -- they're not looking for the inspection reports. The inspection reports have been filed with the Water Board already by the Water Resources officer. What the Board is looking for is the compliance reports.

THE CHAIR: Thank you. Michael?

MR. NADLER: Thank you, Mr. Chair. As Dionne observed, this is no longer part of our business practice in the Nunavut regional office, so there might have been a misunderstanding when the compliance reports were requested. What we understood that to mean were inspection reports. We may have to look at -- if this is a critical need for the Board, we would have to probably sit and discuss with Board Staff some means of meeting the requirement. Those reports are no longer prepared by our inspection team or by our Department in the region.

THE CHAIR: Thank you. Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman. Just a point of note at the pre-hearing conference, it was made very clear to INAC the distinction between what the Board was requesting, whether it was an inspection report or a compliance report, and that clarification was provided in February.

THE CHAIR: Thank you. INAC?

MR. NADLER: It's Michael Nadler again.

Oh, I'm certain the misunderstanding is our own. I'm not blaming the Board for the misunderstanding. However, if information is required, we'd have to work with Board Staff to provide some facsimile of a compliance report in order to provide you with the confidence that you need.

THE CHAIR: So any more questions from Staff? Catherine?

MS. EMRICK: It's Catherine Emrick with the Water Board. I'd just like to ask for some clarification on a response to I believe it was KIA's question regarding the review of security at the end of the term of the license. And I'm paraphrasing, but I think the reply was -- from INAC was that, We agree with the review of the security at the end of the term of the license, though we contend it should not be a reason to establish a low level of security at the beginning of a project.

And I'm just wondering if you could clarify that statement a little bit, and essentially what I'm looking to understand is if you agree that it's appropriate to require security as being proposed by AEM to -- for the development to the end of the seven-year license or five years operating life, or if your expectation is that the Board would require security to cover the full development to the end of the mine life, and if you

could just give us some idea of what your reasoning is for whichever one of those approaches you're looking for. Thank you.

THE CHAIR: Thank you. INAC?

MR. NADLER: Forgive us, Mr. Chair. We're just trying to clarify our understanding of the question, and we might have to pose a question back in a moment, forgive us.

THE CHAIR: If you need time to discuss --

MR. NADLER: I guess we'd ask for the question to be rephrased, Mr. Chair. We don't really understand what the question is. Forgive us, and, again, we take the blame for misunderstanding. We just haven't -- we're having a hard time determining what you're seeking.

THE CHAIR: Okay, Catherine, can you repeat that?

MS. EMRICK: Thank you, Mr. Chair.

We're just seeking clarification on essentially INAC's position. We understand, I think we understand, that you agree with a review of the security requirement to the end of the term of the license. So maybe if we ask this in a couple of parts, that would be helpful. Is that a correct understanding?

THE CHAIR: Thank you. INAC?

MR. NADLER: Thank you, Mr. Chair.
Yes, we would concur with an assessment of security for the tenure of the first instance of the license. That would also have to consider the development of the next license afterward, however.
THE CHAIR: Thank you.
MR. NADLER: You really have to forgive us. We're having a hard time grasping what you're asking, and maybe it's our perception of security.
THE CHAIR: If you need the time, we can take a short break if you need more time to -- but, Dionne?
MS. FILIATRAULT: Thank you, Mr. Chairman. Dionne Filiatrault. I'll try and clarify.
In your presentation, you had the table with the estimated reclamation liability for the Meadowbank Mine, and up and to the end of the fifth year of operation, the total reclamation liability is $26.1 million. And I believe that is the same figure that AEM has agreed is for the term of the license that they're requesting right now. To include construction and five years of operation, they're asking for a seven-year license, so the total reclamation security for the term of the license that's requested, AEM has agreed to post 26.1, and would you agree that that is the total reclamation for this particular license request?

THE CHAIR: Thank you, Staff. INAC?
MR. NADLER: Thanks, Mr. Chair.
Okay, to clarify. In the first instance, our estimate of water-related reclamation costs up to the end of year five would be 15.841 million, not 26.105 million.
To clarify further, we would concur that the 15.841 million would be reflective of the costs of reclamation up to the end of year five. We would observe, however, that based on the project, as it has been proposed, total water-related reclamation costs would be 29.084 million based on our assessment.
MS. FILIATRAULT: Mr. Chairman?
THE CHAIR: Go ahead.
MS. FILIATRAULT: Dionne Filiatrault.
So for the term of this license, is it INAC's -- is INAC looking, assuming water-related only -- just for the sake of that argument -- that you're looking for 15.8 or 29 million for this particular water license?
THE CHAIR: Thank you. INAC?
MR. NADLER: Thank you, Mr. Chair. For a license with a tenure up to end of year five, yes, we would contend that 15.841 million is sufficient to cover water-related reclamation. At the renewal point of a license, so at the point of a second issuance of a license, we would recommend that a site inspection be

undertaken to assess what kind of reclamation has been undertaken by the Proponent, and that might change the total requested for the second phase of a license, and -- but right now at this point, our estimate of the costs of reclamation, based on the project as it has been proposed in its entirety, would be the 29.084 million. Of course, a second phase license might have a different outcome based on a site inspection or based on the progress of the -- the company's progress in progressive reclamation.

Thank you, Mr. Chair.

THE CHAIR: Thank you. Any further questions from Staff? Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman. Dionne Filiatrault.

A final issue: Is -- as you're aware, a portion of the project is on Commissioner's land. The question becomes has INAC considered or does INAC have any thoughts on the Water Board's responsibility for requiring security for the marshalling area in Baker Lake?

THE CHAIR: Thank you. INAC?

MR. ROGERS: INAC did hire an outside consultant, John Brodie, Brodie Consulting Limited, to come up with an estimate of the reclamation of what we call the lay-down area within Baker Lake. The Community

and Government Services of the Government of Nunavut has received a copy of that estimate. However, the water portion is exceedingly small. The total reclamation was estimated at around slightly less than half a million; the land related was about 450, 450,000, which left about 45,000 for water.

We feel that the 15 million -- or the 29 million -- sorry, my mistake -- 29 million would be sufficient to handle the water-related issues on the lay-down area. We assume that Agnico-Eagle will discuss reclamation for land-related issues with the -- whoever, the Hamlet or the Community and Government Services.

THE CHAIR: Thank you. Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman.

Just to confirm, so the estimate that you're referring to regarding the marshalling area that was done by Mr. Brodie, has that information been provided to this Board for their consideration with any recommendations from INAC?

THE CHAIR: Thank you. INAC?

MR. ROGERS: Jim Rogers with INAC.

The total reclamation would be sufficient to handle the water-related areas on that. That specific estimate that was done by Mr. Brodie is mostly land-related; therefore, we just provide it to the -- to Community and Government Services with the Government of Nunavut and

not to the Water Board.
THE CHAIR: Thank you. Dionne?
MS. FILIATRAULT: So I'd just like to confirm, based on what you've just said, and please correct me if I'm wrong, but are you indicating to me that there's no risk to Baker Lake related to the marshalling area in Baker Lake from a water impact point of view?
THE CHAIR: Thank you. INAC?
MR. ROGERS: Jim Rogers, INAC, Mr. Chair.
The security estimate that we've done is for reclamation costs of the lay-down area developed by Agnico-Eagle. It's not an insurance plan; it's a reclamation cost estimate. To reclaim the area to an environmentally -- reasonably and environmental reclamation, so Baker Lake is not being reclaimed; it's not part of the lay-down area.
And that's -- because the project is planned, you know. They built a lay-down area, a fuel storage area. It's well within secondary containment. They plan on not having any accidents; therefore, to reclaim it, it's removing the tanks, the secondary containment area, and any shoreline structures that they built.
MR. NADLER: It's Michael Nadler, Mr. Chair, just to add a supplementary.
So just to respond directly to the question, there will be risks associated with the mining project for

Baker Lake; however, they are not part of reclamation of the lay-down area. Reclamation is limited to reclamation activity.

I'm advised just to remind the Board that we're talking about planned reclamation activities.

THE CHAIR: Yes, thank you. One of the Board Member have to take a break. As well as, Bob have to go home very shortly, so maybe we should take a break for now, or you want to -- okay, Dionne, a short one. Thank you.

MS. FILIATRAULT: Thank you, Mr. Chairman. I believe this is -- do you have more questions? Oh, okay. Okay, Mr. Chairman, if it's -- if you'd like to take a break, that's your...

THE CHAIR: Yes, maybe we should take a break because I want to respect the Board Members. Bob have to go from his office to get home now, and then George have to take a break as well, so we take a break for the day now, and we'll come back by 7:00 tonight for community session here, back here at 7:00.

MR. NADLER: Sorry, Mr. Chair, just a point of clarification.

Does that mean our evidence continues some more --

MR. HANSON: It's because I wanted to not sit here all through 6:00. I'm just going to go home and call you from there because right now it's quarter

to 4 your time, and you've got another hour or two if you want to go later. It's up to you.

THE CHAIR: Okay. Dionne?

MS. FILIATRAULT: Thank you, Mr. Chairman. There is the issue of one of the members being on the phone and needs to move from one location to the other over the next half an hour. There's also the issue that it will be a long day, especially with an evening session, so unfortunately we were hoping to finish the questions to INAC, but I believe there probably still is a couple questions that the Staff would like to hold for first thing tomorrow morning to INAC, Mr. Chairman.

THE CHAIR: Yes, we can do that.

MR. HANSON: Mr. Chair, if you want to carry on and ask the last few questions to INAC, I have no problem with that. Just if you're going to be carrying on, I'm just going to go home and change phones, that's all.

THE CHAIR: Okay.

MR. HANSON: So go ahead and carry on until the Staff finishes with INAC, and then they'll be done for the day then.

THE CHAIR: Okay, sure, yes. At the meantime, we just take a short break because George have to go right now, a 10-minute break, then we'll continue

on with INAC.
(BRIEF ADJOURNMENT)
THE CHAIR: I'll have Dionne to explain the situation right now for tonight and tomorrow. Dionne?
MS. FILIATRAULT: Thank you, Mr. Chairman, and for the information of the parties, we were trying to logistically figure out the optimal way to continue with -- to make the best use of everybody's time.
Unfortunately, we had various options considered, and they have now since fallen through because we are restricted for hotels and meals between 5:30 and 6:30. So given the availability of the Member that's on the phone and his availability, we are going to break now until 7.
Mr. Chairman, if that works, is acceptable to you, we will come back with the community session and start tomorrow morning with follow-up questions from the Staff to INAC, which we don't forecast taking too long. Mr. Chairman, I think we probably are on a pretty good schedule right now, and I think we're going to be okay to make it through tomorrow.
THE CHAIR: Okay. If it's agreeable to all parties, we can take Dionne's suggestion now. Okay, we'll come back tonight at 7:00 for community session. Dionne?

MR. CONNELL: Yes, that's fine for us, Mr. Chairman.
THE CHAIR: Thank you. INAC?
MR. NADLER: Thank you, Mr. Chair. It's Michael Nadler. We'd be pleased to return and take questions in the morning.
THE CHAIR: Any more suggestion, objection? No? Okay. We'll come back at 7:00. Thank you.
(PROCEEDINGS ADJOURNED AT 4:11 P.M.)
(PROCEEDINGS RESUMED AT 7:14 P.M.)
THE CHAIR: Thank you. We're going to continue with our meeting this evening. Thank you for your hospitality, Qamani'tuaq residents. We are going to have a community meeting on your behalf. If you have any questions with regards to water licensing, we are Nunavut Water Board. If you have any questions, any questions? That's fine.

We are Nunavut Water Board, and the mining project, they're requesting for the application for water -- water licensing. We're here to listen to you in regards to water licensing. If you have any concerns, if you have any concerns or questions, and if you need to hear anything, you like to be clarify what you have heard before in regards to the Applicants requesting for the water licensing from the mining project.

COMMUNITY PRESENTATION BY AEM:

MR. CONNELL: Thank you, Mr. Chairman.

Welcome, Ladies and Gentlemen. We are very pleased to be in Baker Lake again and pleased to have such a big turnout tonight. Thank you for coming.

I'm going to start off by giving you a short presentation on the Meadowbank Project, and I'll try to go through it as fast as I can, and then we'll turn to yourselves for questions.

I'm going to start off by talking about who Agnico-Eagle Mines Limited is. Who are we? We're a Canadian mining company. Our head office is located in Toronto. We've been a gold mining company for 35 years, and our original operations, our main operations where we started from are in northwestern Quebec. In this area here. Specifically the LaRonde mine. Our company is a company that is experienced with building mines. We do exploration, but we build and operate mines.

In 2007, our company purchased all the shares of Cumberland, so the Cumberland Resources that you've heard about in the past has now become part of Agnico-Eagle, so they're all the same now, one company. And as you know, we opened an office here. We had an office here in 2007 and have now moved into a brand-new office here in 2008, so this is now our base of operation for this project.

We're also doing other mining projects around the world. We have a gold mining project that's in development that's in Finland, up here in the north in Lapland. We have a project that's underway in Mexico, in Chihuahua, Mexico, we have Meadowbank, and we also have expansion going on in Quebec at the LaRonde mine, a brand-new mine at Goldex and Lapa. So the company is a growing company, but its focus is on gold mining.

As a company, we have to have things that are our values, things that are important to us as a company, and these are some of the things that we see as being important: We believe that a company is only as good as the people who work for it. It's basically a company that's built on people, so we believe very strongly that we have to work very closely with our employees. And to do that, we have to provide training and career development to our employees. Our employees, we anticipate that they will come to work for us, that they will develop skills with us, and that when we're lucky and when we do work hard enough, we will actually see two and three generations of people working in our company, and that has happened in northern Quebec. The benefit to us is that that results in a very low turnover and very low absenteeism. People stay with us; they don't leave. We've got many of our employees who have now been with us for over 20 years.

Another key component of that is we believe very strongly in student scholarships and in supporting students to get summer work so that they can continue their education, and so we will work very hard to ensure that all of the sons and daughters of our employees have their opportunity for their sons and daughters to come to work for us if they so please to or want to. I think in Abitibi last year, we had over 200 summer students who worked for the company.

We also believe that as a company, we have to be involved in the local community. We have a responsibility to be involved, and so we try to purchase as much and acquire much of our services and our supplies as we can in the local community, and we try to support local organizations and charities.

Also with our employees, it's very important that we have an employee assistance program, a program to help employees outside of things that are just work-related, things like financial, legal, medical, things that aren't covered elsewhere. Things like computer purchase plans so that our employees can better themselves, insurance and benefit plans. Those are a key part of the values that make up Agnico-Eagle.

We know to communities that it's very important that we bring good protection -- we provide protection of the environment, and we too as a company believe that that's

a very strong requirement, and we believe in it wholeheartedly. These are just some of the items that we have in place that speak to our record in being good stewards of the environment.

Agnico-Eagle has a commitment that wherever it works, it uses the highest jurisdiction in that -- the highest standard, sorry, in that jurisdiction. We meet the best standards that are there, and we have significant in-house expertise within the company to address problems as they come up. That has paid off over the years with an excellent relationship with the regulatory agencies that we've worked with. We believe that has come from building trust, and that that trust has come from being transparent and having an open-door policy. If we make a mistake or we have an error, we need to own up to it, tell everybody what it is. We learn from our errors and correct and move forward.

Some of the things the company has done: We've recently partnered with the Quebec Government in one of our new operations. Rather than create a new tailings pond, we took an old tailings pond that had been left behind by miners from many, many years ago that was releasing bad water into the nearby river system, and we've used our new tailings to actually rehabilitate that year and solve this old problem, stop this contaminated water leaving this site. And so for the

first time this year -- this is a new project, so for the first time this year, tailings are no longer escaping that system this spring into the nearby river.

The company participates as a consortium of other companies in Quebec to clean up the old abandoned exploration sites in Nunavik, the northern part of Quebec. These are not sites that we left behind but were left behind by other mining companies, but we think have we a responsibility to participate, to clean up those messes.

We recently were awarded a Sustainability Development Prize from the Desjardin Group, and we're very proud of that, and that comes as recognition for the work we have done in being good stewards of the environment.

And from the Mexican Government, where we're operating in Mexico, we have actually received certification from the Government there as being a socially responsible company. That wasn't something they just gave us. It's something that we had to earn and work through their system in order to get that designation.

Where is the Meadowbank Project? Most of you know it's located 70 kilometres north of the Community of Baker Lake, and it's now connected to the Community of Baker Lake by a 110 kilometre all-weather access road

that was completed last month. What's really important is the project is on Inuit-owned land. Our landlord, the landowner is the Kivalliq Inuit Association.

This is a picture of the Meadowbank site as it was last summer. You can see the exploration camp here. This is Third Portage Lake in the foreground, and Second Portage Lake in the background.

We have reached agreement with an Inuit Impact and Benefits Agreement that's now in place with the Kivalliq Inuit Association, and it's now being implemented. We provided a construction decision under that IIBA back in December, that triggers the implementation of the agreement, and so first payments are already flowing from that agreement.

We also have a compensation agreement for water use, a Water Compensation Agreement. That's under Article 20 of the Nunavut Land Claims Agreement. That has been signed between the company and the Kivalliq Inuit Association. And while the specific terms of that agreement are confidential, what it basically compensates for is the water we use by the project, the water that flows that we alter by the project, and it includes a funding for the KIA to do monitoring of this project in our water use in this project through both the construction, the operation, closure, and into post-closure to ensure that their interests, the

interests of the Inuit people are protected.

We also have a Development Partnership Agreement with the Government of Nunavut. This is just a picture recently of the signing ceremony that was held for the compensation agreement. We're very pleased that this is another milestone reached.

Now, I'm going to give some quick facts about the Meadowbank Project. Our project has a life of 12 years as we know it right now. We have two years of construction, followed by ten years of mining. We believe that we will likely find more ore, we're very hopeful, but we can't promise that, but we think that the mine will go beyond ten years. But with the ore we know that's there right now, we know we will operate for ten years.

The mine will consist of three open pits. This is what it would look like. This is an artist's impression. So here's one open pit, here's the second open pit, and the third one is up in here, in this region here.

At full production, which will occur two years from now, the project will hire 390 permanent jobs, and it's our intent to try and get as many of those jobs as we can from the local communities. And our total reserve is now at 3-and-a-half million ounces, but we're continuing to do exploration to try and make that number

grow.

This is a picture of Second Portage Lake, and the Meadowbank Project is right there, and I'm going to show you that this is part of the lake that we are going to use for the mine, and so I just wanted to show you a picture of what it looks like. So that picture was taken if -- standing here, looking this way, so there is the lake that was in that picture.

This slide is to basically show you where the ore is, where the gold is. The gold is expressed on surface with these red areas. Even though it's below the ground, these red areas show you where it is. And as you can see, the ore is actually in -- or under parts of the lake. It's on parts of the land, but it's also under parts of the lake. And so to extract that ore, to get access to it, we have to impact part of this lake, part of Second Portage Lake and part of Third Portage Lake. This arrow here is just to point out that Third Portage Lake flows into Second Portage Lake.

So how do we do that? We do that by building a series of dikes. So this year, if we have our permits, we would construct this dike here and one here, and that would then open up this piece of the lake for us to take the water and pump it into here, to drain this into a dry state. In 2009, we would build a dike out here to open up this entire area to allow us to open up that

entire pit. And then in 2010, we would build this dike here in order to allow us to take the water out of this portion so that this would all be dry for us to mine in. And then in 2014, we do the same with a very smaller lake up in this region here. Same kind of process to open up the three open pits.

So this is what it would look like after the water has been removed and after we have mined for ten years. You can see the water is gone in those portions, and we have opened up the earth and extracted the ore. At the end of the mine life, we will let these pits refill with water, and once everybody is satisfied that that water is -- or is of quality so that it can be mixed with the lake, then we would breach the dike and allow this water to mix with the lake.

This is the plant site. This is the buildings that will be built starting this summer. So this is that Portage open pit in the background. Here is the camp; this is the place where people will live that work at the site. Here is the mill building; that's the building where we extract the gold from the ore. This is the service shop where we maintain the equipment. These are storage buildings.

The ore would come out of the open pit by truck and be driven up this hill and dropped through a crusher. A crusher breaks up the ore. It then is conveyed into

this building here where it's stored, and then it's drawn from this building through a series of conveyers up into the mill where we extract the gold.

What's very important to look at from an aspect of water licensing is what type of waste will this project generate. This is a list of the types of waste, and in the next slides, I'm going to talk to each one of these in turn.

The first waste product we generate is waste rock. In order to get to the ore, we have to extract the surrounding rock, and that rock doesn't contain any gold, and so by category it's called waste rock. On a daily basis, we will generate something in the order of 60,000 tonnes of waste rock. Waste rock basically is the rock that doesn't contain ore, but we still must remove it in order to get access to the ore.

All of the rock that we mine will be tested on site to determine whether it is ore or waste so that we can make sure it goes to the right spot. And in the waste, we further test it to make sure that it's either good waste or bad waste. And what I mean by that is some of the waste rock at this mine site, if it were left exposed to air, the contained minerals in it would oxidize, and that would release acid, which in turn would release contaminated water. So we want to stop that happening, so we manage that rock separately. And

what we do is try to isolate that rock from ever seeing the air.

We do that in two ways: In some of the rock, we place it under areas of water, deep enough so that we know it will never see air, and that stops this process; the process of oxidation can't take place once it's away from air. The other rock that we can't put under the lake, we place that into an area of our waste rock dump and cover it with the good rock. The rock that does not generate acid, so that this rock that is potentially a source of contamination is buried deep in the pile and is completely isolated from the air by the fact that the permafrost moves back into it.

So this is the waste rock storage area. So the waste rock that comes out of this pit here is trucked and placed on this pile here, and that pile will stay after the mine is closed. That pile is completed by the year 2012, and after 2012, the waste rock that comes from here we put back into this hole here, because by that time, this hole is finished.

The drainage from this waste rock pile is monitored and collected, and it's either placed into this pond or this pond so that we can manage it so that it doesn't just go straight into the environment. If it's poor quality water, it will come into this area and be recycled through the mill, and it's a closed loop; it

doesn't exit. If it's good quality water, it will come into this pond and ultimately be released in a controlled fashion into Third Portage Lake.

The next product or waste from the mill is what we call mill tailings. Mill tailings are ore that's been ground up, and we've extracted the gold, and it's the waste, finely ground waste rock that's left after we extract the gold. Those tailings are piped from the mill and placed in a tailings impoundment, and we basically are dewatering a piece of the lake, taking the water out so that we have a hole basically underlain by the natural bedrock, and our tailings will be placed in that hole, and they're constrained in there by two dams, one here and one there.

During the mine life, the water that comes out with the tailings is collected here, and generally it goes back to the mill, and it's used again and again in the process. So it goes around a cycle with some of it being locked up in these tailings. At the end of the mine life, the water that's left we will transfer into the bottom of the open pits and manage that water prior to its being mixed with surrounding runoff water.

The tailings themselves are allowed to freeze and are covered with a layer of waste rock sufficient so that the year -- every year when the surface thaws, we make sure that the thaw that takes place only falls

through that waste rock we put on top. In other words, the thawing cannot get into the underlying tailings, so that this underlying tailings is not exposed to air through oxidation.

We also generate garbage, garbage products just like we do in a community, and we will segregate those garbage products into various categories. The first category is organic garbage. This is the garbage that's been in contact with food, either leftover scraps from the kitchen, from preparing food, or packaging that's been in contact with the food. It's very important that we not let that go to our landfarm or to our dump because that could then attract wildlife. And so the intent is to collect all of that and segregate it at source and then take that to an incinerator and have that incinerated on site so that we don't have food materials getting into our landfarm, so that we don't attract wildlife to the landfarm. And we have a new incinerator that will be coming in 2008 that meets Government standards, the newest standards for emission or air emissions from an incinerator.

The other garbage, the nonhazardous, the clean garbage, the things that don't contain hazardous materials, that will be segregated and taken to a landfill. We're going to have a landfill or a dump similar to what a community has on the site. We're

going to build that within the waste rock dump, so at the end of the day, that landfill is completely buried inside the waste rock pile. So we'll segregate our garbage into various piles so that we maximize what can be used again, and the materials that can't be used, the garbage will then be buried under rock and managed, so that at the end of the day, it stays in that landfarm facility.

So here's a picture that shows where the landfill would be. The dump will be inside this part of the waste rock dump, so eventually it would be covered over and buried inside this rock. It will be in a designated spot within that dump. It's actually a built dump that just was within that footprint of the dump. It's not buried throughout the whole dump, and only nonhazardous wastes will get put into that landfill.

The drainage from that landfill will be collected, along with the drainage from this rock pile. It will be monitored, and if the water is okay for discharge, it goes into this pond. If it's poor quality water, it comes into this pond and goes back to the mill and stays locked. So if it's poor quality water, it doesn't get released to the environment. And the garbage will be covered over with rock to prevent it just blowing around and being left exposed to the air.

We also will generate some hazardous wastes, things

like waste oil, antifreeze from the radiators, solvents, things like Varsol, old paints, batteries, those will be collected, taken aside, and placed into special containers in a shipping container, and we will place those onto a truck, haul them out of the mine site, and ship those back south each year. We expect that we'll have one container a year of that material that will go back into southern Canada, where it can be sent to an appropriate recycler or to an appropriate place where they can handle that kind of waste, and we'll do that under the appropriate hazardous manifests from the Government of Nunavut-Department of Environment.

While we don't expect to have spills on the mine site, we know that accidents occur. During the life of the operation, I'm sure we will have some spillage of diesel fuel from our trucks, and so we needed to build a place to deal with that kind of contaminated snow and contaminated soil. So we're building what's called a landfarm, and that's it here in this picture. It's basically a lined area like you'd see with a berm, and a liner like you'd see around a fuel tank. We take the snow and the soil and place it inside that liner. When the snow melts, we collect the water. We treat that water to remove the contaminants and then discharge it onto the land and into our storm water management system, and it gets put ultimately into our reclaimed

pond or into the mill.

The soils we spread into a thin layer and turn those over in order to expose them to the air, and with time, by turning this over and exposing it, we can bioremediate that soil, in other words, remove the contaminants from the soil, and once we can clean that soil to a level where it can now be taken out, then that soil will be removed from here and used to rehabilitate places in the mine site that we've already completed.

The other waste stream is sewage. We will take all of the toilets, sinks, and shower water, that will all be collected and pumped to a sewage treatment plant. We're not using a lagoon system like -- that they have here in Baker Lake. We're actually using a treatment plant. It looks like this, and here's what it looks like inside, and that treatment plant treats the sewage to remove the objectionable elements that have to be removed from the sewage.

So the treated sewage during the mine operational life, the water coming from the sewage plant will get discharged into our tailings pond with the tailings so that it's co-mixed, and the water will be recycled back to the mill. So this sewage water will actually not be released during the mine's operating life. However, during the construction phase, there's a period of time before we have the tailings pond built where that water

will be sent through the sewage treatment plant and then discharged into our storm water management pond before it's sent out to the environment, and that will last during a two-year window while construction is being done. The sludge during that time will be taken from the bottom of the plant, bagged through a filter, and then placed and burned in the incinerator.

The next key issue for any water license is how much water we're going to use water and where we're going to use water and how we're going to use water. Our drinking water will come from Third Portage Lake -- that's this lake here -- and that will be pumped through a pumphouse to our camp and distributed to the rooms, the showers. Our process water will partially come from Third Portage Lake. Process water is the water we use inside the mill. That water will partially come from Third Portage Lake, but the majority of it will come from the tailings pond as recycled water, water that goes around in a circle and is used again and again.

Each spring, when the snow melts and every time there's a rainfall, you get runoff water, we get snowmelt, and you get the storm water. We are building the system so that the plant site will all drain into this natural pond. This is a very shallow pond. It freezes to the bottom every winter right now. We're going to build up that pond so that it's a deeper

pond -- there are no fish of it -- and all of the water that comes in contact with this facility where we could possibly have contamination from our workings, that water will be collected here, and then that water will either be -- it will be monitored and, based on the quality, will either go to the mill for use, it will go into our tailings pond, or if it's really good quality water, it will go into the attenuation pond. And the quality of that water will be monitored so that we can make a decision as to where it should be placed.

We have -- this is the tailings pond here. This is the waste rock dump. At the back end here, we have what's called an attenuation pond. That attenuation pond is designed to collect the water that comes from the bottom of the pits. This is the water that runs off into the pits, and the better quality water that we collect around the site, it all comes to this pond. We monitor in that pond, and during the summer months when we have open water, we would discharge that water through a pump line and through a diffuser into this part of the lake.

In order to ensure that that water is good quality, that we don't cause harm to the lake, the standard that we have to meet before we can discharge this water has to ensure that within 30 metres of this point here, so within a hundred feet of that point there, we meet the

standards that are in place to be protective of all aquatic life in water, and that within a hundred feet there, you should have no observable difference in the water.

Obviously from what you've seen, we are going to have an impact on a piece of the lake. We're taking out a piece of the lake that's going to be lost for a long period of time, if not some of it forever. And so we have put in place a plan to offset the losses of fish habitat by trying to create other fish habitat within this same lake system. It's called our no-net-loss plan.

This is a diagram of where we're going to create the new habitat for fish. So this is our dikes built around the side here, and you can see we have these devices we've built off the side. These are like artificial underwater reefs, here, here, and here, and around here, and there's some also out in the lake.

Give you another picture that shows a cross-section of what that would look like. So here's our dike, and basically we put clean rock on the bottom and then extract it back so that we leave a clean rock base 3 metres below the water so that the fish can use that as fish habitat to replace the habitat that we're losing within the lake.

In summary, the Meadowbank Project, the

construction, the pre-construction activities are underway. We're hopeful to get a water license this coming summer to be able to start full construction. There is excellent potential to find more gold. We have had good results on that to date. From our previous discussions, we think we have excellent support for the project moving forward. The project is fully financed; it's not looking for money before it can start; it has that ready to go.

Agnico-Eagle intends to work with all of our stakeholders in this region to make this a success for everyone and will continue to work to build the relationships with the local people, the local communities, and with the Kivalliq Inuit Association, who are the landowners and who we have a responsibility to under the Inuit Impact Benefits Agreement. And we recognize that a key part of that is training of local personnel as a priority so that the jobs as much as possible stay here in the north.

Thank you very much. I'm going to stop this presentation at this point, and we'll open it to questions. Thank you. Thank you very much for your attention.

THE CHAIR: Quyannamiik. Thank you, Larry. You can come to this microphone and just press the button.

COMMUNITY QUESTIONS:
MR. TOOKOOME: While they are going to be in operation for a number of years, sometimes the water is very easy to contaminate.
THE CHAIR: Thank you, Larry.
MR. CONNELL: Thank you, Mr. Chairman.
My understanding was that the question was that while the mine's going to go on for a number of years, it's very easy for contamination to occur. We understand that. That is why, through this Water Board process, we have put a number of methods and procedures in place to make sure that we monitor the water to prevent that happening with backup plans so that we can do our very best to prevent any contamination occurring to the water because we acknowledge that we need to protect the water. We need to keep our contamination within the site and not let it go off the site.
THE CHAIR: Thank you. Is there any more comments or questions? Is there any more comments or questions from the community?
MR. TOOKOOME: I also want to comment, the lake at Meadowbank has very good fish and very healthy fish. If you're going to dewater the lake, what will happen to the fish?
MR. CONNELL: Thank you, Mr. Chairman. A very good question.

We won't take all of the lake, so there will still be some fish in the other portion of the lake, but the piece of the lake that we are going to impact, we have to remove those fish, and we will remove those fish prior to the dewatering activity so that those fish are captured and removed.

Some of the fish, the smaller fish will be transferred into the remaining part of the lake. The larger fish will be removed, and we are looking for community input as to how we can share that fish so that it's not just wasted, that it somehow provides some benefit so that we don't waste that fish, but there will be some loss of fish as a result of losing that lake.

The reason we don't take all of the fish and move them over is that the lake that's left, nature has already -- has the right number of fish in that lake to what the lake will support, and if we put all of the fish now in half of the same size of lake, those fish won't survive because they don't have sufficient food, and so we have to be careful not just to transfer them all and create other problems. We don't really cause any benefit. We would upset the balance in that lake.

THE CHAIR: Thank you. Is there any more comments? If there's any other comments from the audience, there's a microphone available.

MR. TOOKOOME: I understand that you will

be transferring the tailings. Where would the drainage be?

THE CHAIR: Go ahead, Larry.

MR. CONNELL: Thank you, Mr. Chairman.

The tailings will go into that basin, and they're contained within the basin. The water that's collected within that basin will be sent back to the mill, and it's then used to mill new ore, and it goes back with the tailings, so it goes in a circle. And that water does not leave that site; it doesn't get released to the environment until the very end of the mine.

And at the end of the mine, we look at the water quality. We treat it if we have to, and then that water will be put into the bottom of the open pits, and slowly over a period of eight years, we would -- with the runoff coming into the pit, we would mix it with freshwater. And once the pits were full again, we would assess the quality of that water, and once everybody had agreed that that water quality was now adequate to allow it to re-interconnect, then we would take the dike, make a hole in the dike so that that water now can mix.

So the tailings drainage is really held within the site during the entire operating life of the mine.

THE CHAIR: Thank you. Any more comments? Yes, talk first, then David will go next.

MR. MANERNALUK: Hey, my name is William

Manernaluk, and I have a question about -- I'd like an answer about the beginning of the tailings pond and the end of the tailings pond. What percentage is there from the gold deposit and how long should the mining process for this particular region be?

Thank you.

THE CHAIR: Thank you. Larry?

MR. CONNELL: Thank you very much.

That's a great question, and I think that it gives me an opportunity to introduce some of the other Agnico-Eagle people here in the audience. I'm going to ask Mr. Bergeron if he would answer that question. And the question, as I understand it, is what is the grade of the ore, what ore do we have, and how long will the life of the mine go, and the gold production.

Mr. Bergeron is the General Manager for the Meadowbank Mine, so he will be -- sorry, Denis Gourde is the General Manager. Mr. Bergeron is the Regional Manager.

MR. BERGERON: Mr. Chairman.

THE CHAIR: Go ahead.

MR. BERGERON: As of now, and this is something that will change over the years because we continue exploration, there is more than 29 million tonnes of ore that have been identified at the Meadowbank Project. That ore, the rock containing the

gold, will deliver approximately 3.5 million ounces of gold over the life of the mine.

Every year, every year, we will treat, we will process at the mill a little bit more than 3 million tonnes, and most of that will be rejected -- because only the gold will be kept -- most of that will be rejected into the tailings pond area where it will be frozen, where it will be recovered or covered by rock to protect it. And like Larry said earlier, the water that is included in the tailings will then be recirculated into the mill to be reused into the tailing process.

THE CHAIR: Thank you. David Simailak. David?

MR. SIMAILAK: Thank you, Mr. Chair. Please feel welcome in our community, Baker Lake, and the visitors as well.

I am happy about your research; however, it seems to be taking a lot of time. At first, it was the Nunavut Impact Review Board were doing the research, and now it's this Water Board doing the survey. Is there another group that has to -- development has to go through? How long will -- and all organizations or development is important, and are we taking too long to do the development, or are we doing too much research?

These comments have been repeated a number of times. So we are starting to have concerns. The communities

are starting to have concerns about the slow development and for different organizations to do research or survey before development starts, although they have very important impact when there are people that would like to do development.

The application from the Agnico, the people of Baker Lake know -- have been questioning for a number of years and a number of times if they will be following strict rules regarding the environment. We know now that the environment will be protected, and regulations will be followed, and we know they will be -- they will have to do strict rules, and if regulations are broken, they could be closed down.

And as Baker Lake people and other communities, there are a number of people that are employed. Especially this year, there are a number of husbands and wives or children that are doing much better financially. They are not just fishermen or hunters; they have employment now, and the decision-makers are seeing this impact. When a person is employed, they are a lot happier, and the family is a lot happier.

There are a lot of negative impacts also, but we can get through and work on these negative impacts. There will always be negative impacts or negative situations in every community, but we are happy to have employment.

What I am trying to say is you have to make a

decision after your meetings, after your hearings. As a person from Baker Lake that is making -- it should be in a faster manner, and we are starting to be impatient with the development that's going on. And if the project was discontinued, it would impact the people of Baker Lake, and people are seeing that their family is employed, their children are employed, and their grandchildren are employed, and they are much happier. And we know that the environment will be protected, and it will be monitored through the project.

I think we should start putting this development a little bit faster and make the decisions as quickly as possible.

THE CHAIR: Thank you. We are starting to make decisions. We will be making a decision very soon.

Are there any more comments from Baker Lake?

MR. NIVIATSIAQ: Eugene Niviatsiaq.

THE CHAIR: Excuse me, Bob is talking. Just hold on. Bob, go ahead?

MR. HANSON: Thank you, Mr. Chairman. I would just like a 10-minute break so we could have a consultation with the Board and the Staff for about 10 minutes. Maybe everybody can grab a coffee, and then somebody can -- yourself and Dionne can talk to me directly on the phone, please.

THE CHAIR: Okay, please come back after 10 minutes. We'll have short break. Thank you. We have to talk with our -- consult with our other Board Member. He's located in Iqaluit.

(BRIEF ADJOURNMENT)

THE CHAIR: Don is carrying the microphone, portable microphone, and he'll pass the microphone to Eugene Niviatsiaq. You may go ahead.

MR. NIVIATSIAQ: Thank you. My comment was related to the issue to the lake, where the lake -- one of the lakes is going to be dewatered, and it contains fish. There's a fish habitat in there. How are they going to handle that to remove the fish?

Once that it has been dewatered and after they have removed the fish, once they dewater the lake, they will be -- the vehicles will be transporting back and forth, and then normally all the vehicles or the trucks that they use for equipment, they all use fuel and grease, and that can contaminate the land where the lakes were. Are they going to be cleaned as they go? Are they always going to make sure there's no oil spill during the operation the whole time? For example, it's only normal to see a vehicle, break down vehicles. Such as big heavy-duty equipment, they tend to break down sometimes. Those things do happen, and once they get stalled, and they tend to contaminate the land or the

environment.

MR. CONNELL: Thank you, Mr. Chairman. I think there's two points. Let me break the question into two parts.

The fish part of the lake: The way the fish would be removed -- there's actually -- I can use this as an advertisement -- we actually are having a community meeting with HTO tomorrow night that we're asking the community to come to, to actually talk about that whole process of just removing the fish.

But to give you a quick precis tonight, what we would do is prior to dewatering, we will put a net up across that piece of the lake, and then we will net the fish and remove the fish from the lake. And there's an entire fishing protocol as to how we recover the fish from the lake.

It is our intent that that will be done using local people, that we will hire local people to come and do the work. It's not something that the mining company will do. We'll hire people from the local community to do that. And so we definitely would like -- we'd like to see the community involved in how that gets done to make sure it's done in an appropriate manner and that we don't waste the fish itself, that we can make benefit of that.

With respect to the second part of the question,

which is the question of breakdowns of equipment, fuel spills, yes, we know when you run heavy equipment and you're running mining equipment, it does break down. It's our job to have people on the site to -- who can mechanically service that equipment, keep it in good condition, and make sure that we minimize the amounts of time we have breakdowns.

The other thing we will do in order to minimize the potential for contamination is make sure that we keep our vehicles only on the designated roadways, not letting them go off those roadways so that any of the potential for harm is contained within that one site, kept away from the land and from water.

We can't guarantee that nothing will happen. What we have to do is have in place the procedures to address an accident or a spill, and we do have those procedures. We're building upon those and improving them so that we can address accidents and things that do happen.

And this is why we have the landfarm on site so that we have a place to take the soil that gets contaminated with that fuel, take it back up to the mine site to be able to clean it. We're doing those things to try and minimize our impact outside our footprint, make sure that we address accidents and things that happen.

THE CHAIR: Thank you. Our Board Member Hanson has pointed out to the Board, and I agree, that

the statement made by Mr. David Simailak required a full response.

This Board is carrying out its responsibilities pursuant to its obligation under the Nunavut Land Claims Agreement to ensure that the freshwaters are protected for our children and our children's children. The Board has worked with Agnico to survey this process, but it will do so only in accordance with the application.

So (Inuktitut spoken).

MR. TOOKOOME: The fish that will be transferred, I feel that they will be transported, some will die from being transported. It would be better if you do not bring the dead fish to the communities. And when you're dewatering the lake, I don't know how you will dispose of the dead fish. That's my concern.

MR. CONNELL: Thank you, Mr. Chair.

That is the kind of subject we're trying to get support or our -- community input from. One of the things we've talked about doing is buying freezers, taking them up to the mine site so that the bigger fish that we recover would be immediately killed, cleaned, and put into a freezer, and then we could use that as a food source. Or do we not do that? And those are the kinds of things we're looking for community input on.

We have put together a plan. We're now trying to seek to make -- to see if our plan is sound or whether

it should be changed or adapted, and it's this kind of input that we're looking for.

We don't think -- as you said, we don't think it's viable to try and bring live fish down to the community. That's just two hours, four hours. It's not going to work, and so we're looking for alternative ways. Are these fish of value, or should we try to bring them down? We just want to make sure that what we do in causing this harm is done in an appropriate fashion and not a wasteful fashion.

THE CHAIR: Thank you. Are there any more comments from the local people?

MS. IYAGO: The lake that will be -- that the fish will be transferred to, will that lake have the same kind of food that the fish will eat in the lake that has been transferred from? I would like an answer before I express my other concerns.

MR. CONNELL: Thank you, Mr. Chairman. Thank you for the question.

Yes, the intention is -- we recognize that the fish cannot be moved very far. The fish are to be moved from the piece of the lake that we're dewatering and put into the piece of the lake that's not being dewatered. So they're actually going into the same lake or the adjoining lake so that they are in the same water system. We're not taking them to another lake or

farther away. We're putting them into the piece of the lake that we're not dewatering.

THE CHAIR: Do you have more comments?

MS. IYAGO: While we are on the subject, the climate is starting to change. It has changed from before, and wildlife is starting to change and fish, and when we have fish, it tastes different now. Will they be okay?

We have been asking this question since last year, so that we also know as community, we would like to find out what the results have been. We did not get any response from the research that has been done on fish that has been transferred or research that have been done. I support the project -- I mean, I support my descendants. I want to see that they are okay.

When there was a spill here, the water changed, and there was not as much water. Will we have enough water in there; the lake is drained from different lakes or waters, if it will be monitored and protected? I hear that they are not well-protected and monitored, and I have been heard that barges will be fine. Will they be monitored and -- as in today, the fish and wildlife, caribou are different now.

We have to speed up, but we also have to have answers. When I was a member of the Hamlet Council, I have heard these issues before, and we still hear these

same issues, and so I would like to see what the -- I had heard that the road was going to be built in -- three years ago. We have to look out for our young people. I would like to see what is slowing down the project.

I'm not sure if I am clear with my comments. Maybe some people have seen that I have made comments to speed up the project, and I was not involved in going to see the project. When will the transfer of fish be worked on?

I will stop here for now, and I'll speak tomorrow.

MR. CONNELL: So a lot of questions, and I'll try to do my best to remember what was said and to be responsive.

To date, we have not moved any fish yet. That is something we need permission to do. It is our intent to do the first fish movement, if we get our licenses, this summer. It would start after July 1st. Sometime in July and August we'll be moving those fish, and we would have to do another program again in 2009 and again in 2010 for the different bodies of water. So to date, we haven't done any fish, and so we don't have any monitoring data to show what's happened with moving fish because we haven't done it yet.

With respect to monitoring of water, part of this process, we're doing it with the Water Board, and we

spent a lot of discussion, a lot of time, and there are plans within the process to ensure that the license we get will have a good monitoring program in it. It will have an extensive monitoring program to look after all pieces of the project that have an impact on water, and those will be a requirement for the company to do that. And the information that comes from that monitoring will go to the Water Board, and it will be made into the public domain at that point so that everybody can look at that information, so that it's publicly there.

As well, because the Kivalliq Inuit Association owns that land, in their negotiations with us, they too have the same kind of concerns that you've expressed about the effects on the water and the land, and so they too have in this compensation arrangement ensured that monies are being provided for them to also do some monitoring to ensure that we are doing appropriate -- that we aren't -- that what we said was going to happen is what's happening, and so that if we're not -- if harm is occurring, we can stop and make changes to stop that harm occurring.

With respect to the process, we are trying to move the project forward as fast as we can. We hope that we are near the end, that this is -- this summer we will actually see the start of construction, but we have to go through the process that's in front of us. It has to

involve all people and all -- involvement so that all of people's concerns are put on the table and addressed, and we are following that process to get into production as soon as we can.

THE CHAIR: Thank you. Any more comments?

MR. MANERNALUK: I will ask you a question in Inuktitut. First of all, I will ask in English first and in Inuktitut. Water licencing, if water licensing is a strong issue, what would happen if one of the tailings ponds or any lakes or any little streams be contaminated? What are the percentage of the costs of the water licensing? Would that water licensing be changed to a different number, or is it going to be the same? Thank you.

My question was if there's going to be any damage -- it's regards to the same question I had earlier -- is there going to be any changes made?

MR. CONNELL: Thank you, Mr. Chairman. That's a good question to ask.

A lot of discussion around water licensing is looking at making sure that the facilities that are built, the systems that are put in place, we do as much as possible to make sure that those accidents don't occur by thinking about what can happen now and making sure we've got plans to address it.

And I think you had some specific concern about what would happen, say, if the tailings escaped. In this case if our tailings were to escape, they would actually flow -- as you can see, they're right on the edge of the open pit. They would actually flow into the open pit. That was one of the reasons for wanting to put the tailings as close as they are so that we would be able to keep the contamination from exiting the site and going off site.

The Water Board itself contains stringent conditions that we have to live with. It doesn't address compensation for a harm that was done. That is a subject that comes elsewhere under the legislation and also through the compensation agreements, but the water license works to prevent that happening, monitoring that it happens, and puts all of its focus on prevention rather than focussing on what we would do if it happens.

So we're spending our efforts trying to make sure that we think of all the potential things that can go wrong and put in place the things to stop those from causing the damage that could go off the site.

THE CHAIR: Thank you. Any more comments? Comments to residents? You have an opportunity.

MR. NIVIATSIAQ: I have very short question or comment here. Our Elder had said -- commented that

once the fish has been removed, and are the Elders going to be included in monitoring the fish habitat? Thank you.

MR. CONNELL: Thank you, Mr. Chairman.

The purpose of our meeting tomorrow was to try and engage through the Hunters and Trappers Organization with the community, with the appropriate people in the community to address that issue. I've been talking too much today, sorry about that.

So, yes, we're trying to find ways to engage the community and find the appropriate people to help us make those right choices as to how we handle those fish and how we handle the fish-out, and so we have been trying to arrange this meeting with the Hunters and Trappers and with the community to address just that matter, to try and find how we can best engage the community so that when we put together the plan and do it this summer, we do it with the best knowledge from us all combined.

THE CHAIR: Thank you. Any more comments?

MR. TOOKOOME: I don't have too many comments here. And I see the mining company here periodically. Sometimes people tend to do a sloppy job when they give their presentation, and there was -- don't -- it really -- never happen -- when you tend to

give your presentation too fast, we tend to get confused, cannot really follow at times, especially as an Elder, and I would like to be able to communicate with them better and a more slower pace. That's all I have to say.

THE CHAIR: Thank you. Larry?

MR. CONNELL: Thank you for that advice, and we'd like the opportunity maybe to, even on a one-to-one basis, do it at a slower pace where we're not bound with other people, and we'd gladly turn to that with you.

THE CHAIR: Thank you. You have an opportunity.

MS. MUELLER: Thank you, Mr. Chairman. My name is Barb Mueller.

Recently in Baker Lake, and it's been raised in the Legislative Assembly, concern about caribou drinking at the sewage lagoon, and probably other wildlife drink and eat at the sewage lagoon as well.

I'm wondering with your tailings pond, many of the chemicals that are a byproduct of mining are more dangerous than sewage. I'm wondering what measures you would have intact or in place to protect wildlife, to grizzly bears, foxes, lemmings, rabbits, the numbers of wildlife that are in the Nunavut.

I understand that that area is quite prolific for

wildlife, and I think we have to look at, as people of Baker Lake, making sure that there is wildlife for our future generations to care, and especially the sustenance hunters. Thank you.

THE CHAIR: Thank you. Larry?

MR. CONNELL: Thank you. We appreciate that; we understand that that is a very sensitive and very important issue.

Some of the steps we are taking to make sure that our tailings impoundment doesn't have that kind of contamination in it, the first one is the water that leaves the mill before it ever goes to the tailings pond, it goes through a water treatment plant, so that we try -- we actually do destroy the cyanide, destroy the metals and the other chemicals that are in it so that the water going out to our tailings pond has been treated before it actually goes in the pond, rather than treated after. We treat it beforehand. We then recycle the water back to our plant, so that there's not any of water escaping our system.

We also very carefully placed everything in a very tight space, as you can see from my slides, so that the waste rock dump's on one side of the tailings, the pit's on the other, the mill site's on the other so that we have a close hub to avoid -- to try and get animals to go around us and avoid us, rather than spread ourselves

out over the land, to try and prevent exactly that because we've heard that many times and appreciate that that is the necessary thing that we have to look out for.

THE CHAIR: Thank you. Any more questions, concerns?

MS. IYAGO: As a Board Member then for the Hamlet, I talked about my same concerns over and over again. I have heard this before. This has been a long process, and also I had also brought some issues related to -- health issues related and the fact that the waste, where are they going to place the waste in the tailings pond. I have not heard what would be the result, what would harm the environment. I have not heard the results out of this, what could harm us or the environment, the habitat in that area.

THE CHAIR: Larry?

MR. CONNELL: Thank you, Mr. Chairman. We've had lots of discussions with the Water Board in this hearing today and over the past hearings.

The -- with specific to the tailings, the tailings themselves are not -- none of the water that's in our tailings pond is released to the environment. The water that goes out to the tailings pond they recycle back into the plant so that the whole life of the operation, none of that water actually leaves the site. We just

keep using that water back into the plant, and ultimately we lose a bunch of the water within the solids themselves. So the tailings water itself to protect health is actually kept at the site. We just keep cycling that water rather than release it to the environment. We take other waters that are less contaminated, and those are the ones that we release so that we maintain our water balance.

THE CHAIR: Thank you. Any more comments? Any more comments?

MS. IYAGO: Could I have another opportunity?

THE CHAIR: Yes, you may.

MS. IYAGO: We're being included here for the first time. I'm in support of that. I'm very pleased to see that. I'm not putting anyone down or any individual or group.

When I was a member of the Hamlet Council, we did lots of water-related issues, and the water is always flowing from various rivers, from various lakes, and we had spoken with the health staff, health workers about our concerns. And I think I have heard this numerous times and also people are not happy with some issues related to water licensing.

It's good to see that you are saying you are going to be monitoring, you're going to be mitigating issues

that might contaminate the land, the environment. I'm glad to hear those positive words.

We preserve our water. We use -- it's part of our life and us. What about the community people in Baker Lake; are they going to be involved in monitoring as part of the team?

I'm not talking against you or at anyone. I believe in preserving and supporting the project. I will talk with you again tomorrow, one-on-one with someone tomorrow.

THE CHAIR: Larry?

MR. CONNELL: Thank you. No, I appreciate your questions. They're -- this is an important issue. It's good to bring them forward, and thank you very much for that.

With respect to involvement in monitoring, we are trying right now to hire local people to be part of our environmental team so that they will participate and be part of us. We -- already on the wildlife team, we have people from the local community who are actually participating, doing our monitoring with us. We plan to continue to do that.

On top of that, all the results that we produce, it's our intention to make them available so that people will see the numbers and see the results because that's the way we operate. We have to be transparent. If

we're going to build trust, it's only by sharing information, and the water license will keep us to that.

On top of that, the Kivalliq Inuit Association acting on behalf as a landowner, they too are going to hold us to the fire when it comes to doing our monitoring, making sure that that information is being protective. And this is part of the agreement we have with them is to ensure that there's checks on that monitoring program, because as we all know, it's a very important issue, and we have to work together to make sure that this mine is successful but it also protects the environment.

THE CHAIR: Thank you. Are there any more comments?

MR. IKSIRAQ: Thank you, Mr. Chairman.

My question is we all use water; how much water will you be utilizing? And you will probably be using water every day. Will you be reusing the water, or will you be transferring the water, the clean water after it's cleaned?

THE CHAIR: Thank you. Larry?

MR. CONNELL: Thank you, Mr. Chairman.

The company will use water. The total amount of freshwater that we have asked the Water Board to authorize us to use is 0.7 million cubic metres per year. And I know that's a number, so it doesn't help,

mean anything. That relates to 0.2 percent, less than half of 1 percent of the volume of the Third Portage Lake, the lake we're on, so it is a small amount of the lake.

In order to keep that number small, what we are doing is taking the process water that we use in the plant, we're using some freshwater, but we're recycling the majority of our water from our tailings back to the plant. So we keep re-using that water to minimize the amount of freshwater we use.

The same with the dewatering; our intent is to dewater and remove that water before we contaminate it so that that water too is not lost; it's moved before we do any mining or any activity in those areas.

THE CHAIR: Thank you. The NWB is aware that AEM has scheduled a community session on a fish-out plan tomorrow night. I would like to advise the public that tomorrow night's meeting is regulated by DFO, not NWB. So there's another opportunity, forum tomorrow night.

Are there any more comments?

MR. ARNAUYUQ: Thank you, Mr. Chairman. Welcome to Baker Lake. My question -- that will be drained into, I'm not sure how big it will be. It will freeze up, and it freezes up faster up in the north. There might be an occasion where it will freeze up

before it is cleaned. Will it be okay when it starts melting? And in the springtime, we freeze a lot faster and a lot longer than Saskatoon and Quebec. The lake or water that you will have to clean will probably freeze before it's completely cleaned. This is my question.

Thank you, Mr. Chairman.

THE CHAIR: Larry?

MR. CONNELL: Thank you, Mr. Chairman.

Yes, you sure do freeze up much faster than northern Quebec or Saskatoon, and we know that. We have taken that into account in our plans. It really means that we have a very short summer season in which to build and construct, and that's why we've come to the Board and asked for the speed with which we have because we know we've got a short summer season.

The other thing is that when we discharge water from our system, we only discharge that during the open-water year, the open-water months, a very short season. When it's frozen, we don't discharge any longer. And so for the ongoing operational life, the discharge from the mine will only take place during the summer months. Nothing during the winter months.

The only exception to that is, of course, in this dewater, where we're removing the dewatering water, that would take place into the fall and would go partway into the winter before it was finished, but in that case,

we're basically just taking water from below ice and putting it below ice in the other lake.

THE CHAIR: Thank you. Now the time is 9:00, and it's been a long day today here in this room since this morning. There's another opportunity tomorrow night for DFO to respond to this community session. So I would like to call this -- to close this community session now, but -- because there will be another opportunity for the public to express your concern tomorrow night.

But before we do that, Larry?

AEM PRESIDENT ADDRESSES COMMUNITY:

MR. CONNELL: Thank you, Mr. Chairman. Just one short thing, and we appreciate your time, our company president, Mr. Ebe Scherkus, has been sitting in the audience, the president of Agnico-Eagle. He's been listening to your words tonight, and I think he would like to say a few words just as a thanks before we close.

MR. SCHERKUS: Thank you, Mr. Chairman. Thank you, Board Members, thank you, Staff, thank you population of -- citizens of Baker Lake.

I agree with the Chairman that it has been a very long day, but I also believe it's been a very fruitful day.

I've been involved with this project for about a

year-and-a-half. I've been involved with the mining company, Agnico-Eagle Mines, for over 23 years, and I think over the past year-and-a-half and especially today by all of the comments, concerns expressed by the Elders that we still have a lot to learn, but I can also assure you that our company has got three things that we are very proud of and things that I personally am very proud of.

I think number one is our people. We have over a thousand people that work for us in northwestern Quebec. When I started with this company 23 years ago, we only had seven people. I can also assure you that a lot of our people have stayed with us for over 20 years, and so for them to stay with us for 20 years, that speaks to what we strongly believe in.

I think the second thing is trust. We have to earn your trust. There's a lot of words, there's a lot of commitments, there's a lot of study, there's a lot of input, but the only way that we can really earn your trust is by our actions and by delivering. And I think as a company, we've made that commitment, and we will continue to make that commitment, but we are not perfect. We will make mistakes, and there will be things that will happen.

But I think the key is when there is a mistake or when something happens, that leads me to the third

thing, which is transparency, honesty, and integrity. If there is something that were to happen or happens as a company, we have to notify the proper authorities, and I think, most importantly, we have to show how we are going to take care of it and resolve it.

I think there's an amazing future here in Nunavut. We're a company that's been around for over 35 years. Part of our company's been around for over a hundred years. When we make a commitment to a region, it's not on the basis of here today, gone tomorrow. And we are making that commitment to Nunavut, we're making it to the citizens of Baker Lake, and I think, most importantly, we're making it to the Elders and to the new generation that's coming.

So, you know, it's been a long night. Thank you for your attention. There's been a lot of input. I've learned a lot, and we will continue to move forward. I think this is a very valuable project. It's a precedent for Baker Lake. It's a precedent for Nunavut. So I look forward to tomorrow and the coming days, and I also look forward to a very successful development project and a very successful mining operation that will stand as an example for the rest of the Nunavut and Canada to follow.

So thank you for your time, good evening, and hopefully Montreal won.

THE CHAIR: We will start again at 9:00.
(WHICH WAS ALL THE EVIDENCE TAKEN AT 9:02 P.M.)

I, Karoline Schumann, Court Reporter, hereby certify that I attended the above Hearing and took faithful and accurate shorthand notes, and the foregoing is a true and accurate transcript of my shorthand notes to the best of my skill and ability.

Dated at the City of Calgary, Province of Alberta, this 24th day of April, 2008.

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Karoline Schumann, CSR(A)
Official Court Reporter

EXHIBITS