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March 30, 2015

Mr. Phylliss Beaulieu
Manager of Licensing
Nunavut Water Board
Gjoa Haven, Board
NU. X0C 1J0

Dear Mr. Phylliss:

Re: Kivalliq Inuit Association Intervener Submission for 2AM-MEA0815 Meadowbank Water License Renewal Application Public Hearing Process

1 INTRODUCTION

The Kivalliq Inuit Association (KIA) subcontract Hutchinson Environmental Sciences Ltd. (HESL) to review Agnico Eagle Mine's (AEMs) Type A Water License 2AM-MEA0815 renewal application. Our review generated 27 separate information requests (IRs) and Technical Comments (TCs) with one presented in two parts. Our review comments were guided by the Nunavut Water Board's (NWB) water quality framework seeking to protect, manage and regulate freshwaters in Nunavut in a manner that will provide the optimum benefits for the residents of the territory in particular and Canadians in general. This guidance was tied to the Nunavut Land Claims Agreement (NLCA) and an understanding of the KIA's right to minimized changes to the environment.

Our initial review was submitted on September 29, 2014, which was subsequently forwarded to AEM for response. AEM responded to the issues raised by HESL on behalf of the KIA in a letter dated October 14, 2014 directed to M. Karén Kharatyan of the NWB titled "NWB 2AM MEA0815: Response to NWB completeness reviews of the Type A water license renewal application". Our initial comments, AEM's October 14, 2014 responses and our follow up responses submitted on December 11, 2014 to GeoVector have been appended to this letter as the HESL (2014) report titled "Meadowbank Water License Review" as Appendix A. These outline the dialogue between HESL and AEM resulting in resolution of most issues.

Remaining issues raised on behalf of the KIA were successfully resolved through:

- A WebEx held between AEM, GeoVector and HESL, on January 9, 2015, and
- Active participation by HESL and the KIA at the January 14-15, 2015 NWB Renewal Hearings held in Baker Lake, NU.

We have appended a selection of the NWB Microsoft Excel spreadsheet titled "150114 2AM MEA0815 Preliminary AEM response to Technical Comments revised-ILAE" (Appendix B) to document those additional resolutions. We note that the NWB have provided dates when specific issues were resolved.

As all dates provided indicate 2014 while the hearings were held in 2015, we assume this was a typographical error.

2 Summary of Primary Issues and Resolutions

The KIA, HESL, GeoVector and AEM have worked through collaborative discussions to provide resolutions to all issues raised on behalf of the KIA to the satisfaction of all stakeholders. Here we summarize our primary issues in each of five discussion topics identified by the NWB during the Prehearings in January, 2015 as part of the KIA's intervener submission for the Final Hearings.

2.1 Freshwater Quantity: KIR-01, 01B, 23

Our primary concern regarding freshwater quantity was the increase in volume requested by AEM and the potential impact additional freshwater use may have on Third Portage Lake. This issue has been resolved through the agreed implementation of a staged water license that will limit unnecessary excess freshwater consumption in a given year. AEM has also provided further documentation indicating no negative impact to Third Portage Lake will result from the additional freshwater use.

2.2 Waste Disposal and Management: KIA-20, 22, 27

The KIA was concerned with seepage from the tailings storage facility (TSF) into the receiving environment. This concern was raised in light of the 2013 seepage detected at AEM's ST-16 monitoring station and subsequent elevated cyanide concentrations in Lake NP-2. AEM agreed to update the Freshet Action Plan, a subsection in the Water Management Plan, within 60 days of the license issuance. Specifically documented changes will include:

- Increased tailings beaches on RF-1 and RF-2 in 2015;
- Documenting installation of fines filters on RF-1 and RF-2, completed as part of the mitigation response to the initial seepage;

- Commence capping of the North Cell in the TSF as part of progressive reclamation to stem the seepage at its source;
- Drain water from the TSF North Cell to the TSF South Cell in 2015;
- Install thermistors in the Rock Storage Facility (RSF) between the TSF and Lake NP-2 in conjunction with closure assessments;
    - AEM will consider installation of piezometers in the RSF as part of the adaptive management if thermistor data indicates insufficient freeze back to cut off flow between the TSF and Lake NP-2;
- Submit monitoring results as part of the Annual Report to the NWB;
- Continue the current monitoring plan as stated in the Freshet Action Plan until
    - Five years of consecutive water quality results in Lake NP-2 meet Canadian Council of Ministers of the Environment (CCME) criteria for key parameters (free cyanide, nickel, copper); and
    - Five years of consecutive water quality results for total and WAD cyanide are below accepted method detection limits (0.005 mg/L).
- Continue the current mitigation strategy of pumping seepage back to the TSF and regular (weekly during the open water season, monthly outside of the open water season) inspections.

2.3 Emergency and Spill Contingency Planning: KIA-20, 22, 27

The KIA wanted to ensure AEM adequately characterized spills, monitored and mitigated their environmental impacts, and followed up with anomalous instrumentation readings. AEM has agreed to amend the license wording to characterize seepages as a spill within the associated plans. They have also provided assurance the environment will be adequately protected in the event of an emergency or spill by clarifying the emergency and spill monitoring as well as the associated adaptive response framework.

2.4 Monitoring: KIA-2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 24, 26 and28

The majority of issues raised on behalf of the KIA focused on ensuring AEM adequately assessed mine related impacts to the aquatic environment. As stewards of the land, the KIA were concerned the environment was being adequately protected. Comments therefore focused on AEMs environmental

monitoring programs - the Aquatic Effects Monitoring Program (AEMP) and the Core Receiving Environment Monitoring Program (CREMP).

Specific concerns included:

- Concerning water and sediment quality monitoring results
- Monitored parameters including
    - Biological indicators,
    - The suite of assessed chemical parameters, and
    - Water quality detection limits
- Modelling results and comparisons to measured values,
- Data quality objectives to ensure accuracy of reported data,
- Water license wording for clarity and precision,
- Conditions to require the collection of water quality samples at depth,
- Requirements to discuss elevated water and sediment chemistry results in the body of reports, Photographic record of preconstruction conditions,
- A reference site for Wally Lake,
- Capacity to statistically detect changes in the receiving environment.

These issues have been resolved through:

- Key changes to the CREMP reporting framework, Commitments to implement adaptive management,
- Commitments to improve data quality, achieve lower method detection limits and meet hold time requirements,
- Inclusion of key parameters in the water quality analysis suite, and
- Providing additional supporting information for decisions made regarding statistical analysis.

Specific commitments and changes are documented in Appendix A and B.

2.5 Closure and Reclamation Planning: KIA-8, 29, 30, 31

The KIA's commitment to the land extends beyond the post closure phase of mine life. Concern was raised on behalf of the KIA regarding adequate monitoring to confirm no long-term mine related impacts to the aquatic environment and assurance potentially acid generating rock and the TSF would be successfully capped.

These concerns were alleviated through commitments to continued adequate monitoring and AEM's work with the "Research Institute in Mines and Environment" and their consultants which began in 2013. This consultation looks to ensure that design controls for acid rock drainage in the TSF, the waste rock storage facility encapsulation project and freeze control strategies will be effective and use the most up to date scientific knowledge. This, alongside using the most up-to-date climate change models will ensure sources of water pollution are controlled to protect nearby waterbodies and groundwater. AEM has committed to submit specific details in the final reclamation and closure plan one year prior to closure.

3 CLOSING

While the KIA has no outstanding issues at this time, we have provided this summary and documentation for public record to ensure AEM follows through with all commitments and agreed to changes prior to renewal of the Meadowbank Water License. We once again thank AEM for their cooperation throughout the renewal process.

We hope this letter and appendices can serve as supporting documentation for the Final Hearing intervener submission to the NWB.

Sincerely
Kivalliq Inuit Association.

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