



# Executive Summary

## Final Submission

### Amendment and Renewal Application Water Licence #2AM-MEA0815

Meadowbank Gold Project  
Agnico Eagle Mines Ltd  
Nunavut, Canada

April 25, 2015

Pursuant to federal legislation Aboriginal Affairs and Northern Development Canada (AANDC /the department) co-manages Nunavut's freshwater resources with the Nunavut Water Board (NWB). This submission represents AANDC's position as an interested party in the NWB review of Agnico Eagle Mines Ltd's (the Licensee) application for a 10 year renewal of the Meadowbank Gold Project's Type 'A' Water Licence, #2AM-MEA0815. The existing Type A licence expires May 31, 2015 and a Short Term Renewal Licence issued by the NWB on March 20, 2015 expires on November 27, 2015. The application covers the project's transition from operations to closure.

Contained in the application is a request for the freshwater consumption allowance to be increased from 1,870,000 cubic metres per year to 9,119,652 cubic metres per year to allow for the planned refilling of the Portage, Goose, and Vault pits. In addition, the Licensee is submitting revised management and monitoring plans and a revised reclamation cost estimate. The department's position is that the licence renewal and amendment application should be accepted with a modification of the reclamation cost estimate. The application provides adequate detail for the project's current operational status and the Licensee has committed to providing a Final Closure and Reclamation Plan at least one year before the expected end of mining operations as per licence requirements.

On December 24, 2014, the Department provided 29 technical review comments to the Board in advance of the January 14-15, 2015 technical meeting and pre-hearing conference. All of the comments were resolved with the Licensee either prior to or during the technical meeting through clarifications and commitments. The comments of the department can be categorized as relating to the following broader issues:

- Design considerations for closing the tailings and waste rock storage facilities;
- Freeze back of tailings and waste rock storage facilities in light of temperature rise and/or climate change;
- Design considerations for tailings and waste rock storage facilities diversion ditches;
- Ensuring the water quality of Third Portage Lake and Second Portage Lake are not impacted following pit reflooding and the eventual breaching of perimeter dikes;
- Discharge limits for fuel storage facility secondary containment areas; and
- The need for the final closure and reclamation plan to base all indirect costs on a formal construction plan and rational construction schedule.

The department reviewed the Licensee's reclamation cost estimate dated December 2, 2014 prepared by Golder Associates Inc. with assistance from BGC Engineering Inc. The reclamation cost estimate of \$84,869,488, derived from the RECLAIM v.7 model, was found to be reasonable. There was an absence of post-abandonment interim care and maintenance costs and an additional \$1,650,126 is proposed to cover these costs. It is the position of AANDC that the Meadowbank Gold Project's reclamation cost estimate should be revised to \$86,519,614.

AANDC recognizes that the Kivalliq Inuit Association, as a private land owner, is also seeking reclamation security under land lease authorizations. Discounting of the security held under the water licence should only occur once the Nunavut Water Board is satisfied that the privately held security is a good substitute for security that would otherwise be fixed by the Board as a condition of the licence. In the absence of necessary evidence on private security, the department recommends that the entire reclamation cost estimate of \$86,519,614 be secured under the

licence.

In summary, the department is satisfied with the contents of the Licensee's application to renew and amend its Type 'A' Water Licence for ten years. The department will work with the Licensee, the Kivalliq Inuit Association, and the NWB to ensure that anticipated reclamation costs are adequately secured.