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Kivalliq Inuit Association

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May 26, 2015

Phyllis Beaulieu
Nunavut Water Board
Gjoa Haven, NU
X0E 1J0

Re: No. 2AM – MEA 0815 Meadowbank Security Deposit Final Submission

Dear Ms. Beaulieu:

The KIA has proposed ways to resolve the issue of security deposit for the Meadowbank Gold project. We have made AANDC aware of their security requirements and conditions under the KIA's Land Use Leases. It is difficult for KIA to understand that, after 8 years, why the AANDC has not agreed on any of the options to resolve this issue. The Government of Canada has had the time and the power to resolve the issue and has failed.

Based on our technical report presented in May 19, 2015; after the final hearings meeting in Baker Lake regarding water security license renewal ; we submitted to the board the following documentation to support our position on security 90% (hold by KIA) and 10% (Hold by AANDC):

1. Amendment to the Land Claim Agreement provision 19.2.5
2. MMR Amendment of the Regulations Amending the Metal Mining Effluent Regulation; schedule 2 -designating these water bodies as tailings impoundment areas (TIAs)-.
3. Kivalliq Inuit Association Commercial Lease No. KVPL08D280
4. Kivalliq Inuit Association: *Technical Review of the Security Deposit for the Meadowbank Gold Project*, prepared by GeoVector Management Inc. for the Kivalliq Inuit Association. May 19, 2015.
5. Letter of credit under the Lease of 14.9 Million for security
6. Memo to Larry Connell may 22, 2015 "*Comments on Technical Review of Split on Liability on Reclamation Model Closure and Reclamation Plan for Meadowbank Mine, NU*" by Golder Associates.



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The Kivalliq Inuit Association, want to make a note to the Board after reviewing the technical memorandum of the clarification put forward by Golder Associates using the reclaim model for the assessment of the security stated the following:

"...however the cap is for the protection of both land and water, and thus how split is made is a subjective judgement. It could be considered 50%-50% or 75%-25% in favour of land or 75%-25% in favour of water protection, but it should not be 10% in favour of Land or Water".

After this assessment, Kivalliq Inuit Association concluded that the Golder Associates and the reclaim model developed by AANDC did not consider the amendment in Legislation under the MMER in order to proceed in the calculation of the security, therefore we want to inform the Board that our position of 90% (hold by KIA) and 10% (hold by AANDC), remain the same.

The tailing impoundment area is now considered Inuit Owned Lands therefore should be protected by the security.

We believe that the Board has decision-making responsibility in fixing the amount of security under the water license, based on the evidence presented during the hearings; we think we did the best effort to contribute for the Board to make that decision

I would like to thank the Board and the interveners for all the efforts made during the hearings.

Sincerely,

Luis Manzo P, Ag.
Director of Lands