



February 22, 2019

Stephanie Autut  
Executive Director  
Nunavut Water Board  
PO Box 119  
Gjoa Haven, NU X0B 1J0

**Re: Request for a Determination of Compensation under Section 63 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA)**

Dear Ms. Autut,

Further to Agnico-Eagle Mines Limited (Agnico) letters to the Nunavut Water Board (NWB) of December 21, 2018 and January 22, 2019, Agnico and Kivalliq Inuit Association (KIA) have exchanged several offers since our last correspondence, but as of today's date Agnico and KIA have been unable to agree on compensation.

As KIA noted in its letter to you of Feb. 19, 2019, Agnico has been proceeding in good faith in an attempt to resolve this matter and both parties hope to be in a position in the near future to provide you with confirmation that water compensation has been resolved. However, in order to ensure that there are no delays in decision making by the NWB in respect of the In-Pit Disposal Amendment, Agnico is writing to request that the NWB initiate its process for a determination of compensation under section 63 of the NWNSRTA and section 20.3.2 of the Nunavut Agreement.

**Summary of Dispute**

As set out in the evidence included in Agnico's letter to the NWB of January 22, 2019, Agnico is of the view that it has negotiated in good faith with the KIA to resolve outstanding matters relating to water compensation, in accordance with section 66 of the NWNSRTA and section 20.3.2 of the Nunavut Agreement. Should the NWB require additional evidence on Agnico's good faith efforts, we would be pleased to provide it.

To date Agnico and KIA have been unable to come to an agreement on certain water compensation matters relating to the Meadowbank Mine, specifically:

- water compensation matters arising as a result of the In-Pit Disposal modification/amendment; and
  - compensation for water usage associated with milling ore mined from Whale Tail and processed at Meadowbank.
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After repeated requests for KIA's proposal starting in August 2018 (as outlined in Agnico's letter to the NWB of January 22, 2019), Agnico shared with KIA a proposal for water compensation relating to both these topics on December 22, 2018. KIA shared a proposal on these topics on January 16, 2019. Agnico and the KIA have since had the opportunity to meet in person in Winnipeg on February 4-5, 2019 and have exchanged several offers since our last correspondence (most recently, KIA provided Agnico with an offer dated Feb. 14, 2019 and Agnico provided a counter proposal on Feb. 22, 2019).

Agnico requests a final NWB determination on the Meadowbank compensation matters as soon as possible, and in any event no later than March 29, 2019. As set out in previous correspondence, this date is important to support NWB decision making and to avoid further delays.

### **Proposed Next Steps**

Agnico recognizes and respects that it is the role of the NWB to advise on procedural matters but suggests the following key steps are appropriate in the circumstances.

- The NWB to direct KIA and Agnico to file with the NWB their respective proposals on outstanding matters relating to Meadowbank water compensation with supporting evidence on **March 8, 2019**;
- The NWB to hold oral hearings at a location convenient to the NWB during the week of **March 18, 2018**;
- The NWB to issue its determination on water compensation on or before **March 29, 2019**.

Again, it is Agnico's hope that it can work collaboratively with the KIA in order to resolve these matters outside of the NWB process, and it is initiating the NWB process in order to limit potential negative effects of delayed decision making by the NWB in respect of the In-Pit Disposal Amendment on Meadowbank and Whale Tail operations and its workers.

Should you have any questions regarding this letter please do not hesitate to contact the undersigned.

Regards,



Dominique Girard  
VP, Nunavut Operations

copy to: Gabriel Karlik, Kivalliq Inuit Association

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