



*Upon the Licensee filing evidence, in writing with the Board and with notice to the Minister and Kivalliq Inuit Association that the Licensee has furnished and maintained security with the Kivalliq Inuit Association in an amount that the Kivalliq Inuit Association confirms is sufficient to secure the mine closure and reclamation costs (including cumulative and legacy liabilities) estimated to be required for the portion of the Project located on Inuit-owned lands, the Board may reduce the amount of security required to be held under Part C, Item 1. The Board shall ensure that the reduced amount of security furnished under Part C, Item 1 is equal to the estimated anticipated mine closure and reclamation costs (including cumulative legacy liabilities) for the portion of the Project located on Crown-owned lands.*

The Board notes that AEM's February 12, 2016 submission included the following documents and was also copied to Indigenous and Northern Affairs Canada (INAC) and the Kivalliq Inuit Association (KIA):

- Cover letter, February 12, 2016;
- Letter from INAC, dated November 02, 2015 verifying the posting of the security required under Part C, Item 1 of the Licence in a manner satisfactory to the Minister;
- Letter from INAC, dated October 29, 2015, verifying receipt of an Irrevocable Standby Letter of Credit for the amount of \$71,700,000;
- Letter from KIA, dated August 31, 2015 advising AEM that the security requirement under the Commercial Production Land Use Lease would be increased from \$43,900,000 to \$78,834,710; and
- Letter from the KIA, dated February 09, 2016 confirming that AEM has posted the additional security required under the Commercial Production Land Use Lease in the form of an Irrevocable Standby Letter of Credit in the amount of \$78,834,710.

These documents have been posted on the NWB's Public Registry and ftp site, which can be accessed using the following link:

[ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA1525%20Agnico/3%20TECH/2%20SECURITY%20\(C\)/](ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA1525%20Agnico/3%20TECH/2%20SECURITY%20(C)/)

The Board has reviewed the Licensee's request and finds AEM has provided the Board with the required evidence to consider the requested amendment. Consequently, as set out in Part C, Item 2, by way of this letter, the Board is requesting that on or before **March 21, 2016 the Kivalliq Inuit Association** provide their comments on the following:

- Comment as to whether or not the KIA agrees that the updated security amount filed under the Commercial Production Land Use Lease is sufficient to secure the mine closure and reclamation costs (including cumulative and legacy liabilities) estimated to be required for the portion of the Project located on Inuit-owned lands; and
- Any other comments the KIA would consider relevant to the Board in assessing the Licensee's request for amendment to the security held under Part C, Item 1 of the Licence.

Also as set out in Part C, Item 2, by way of this letter, the Board is requesting that on or before **March 21, 2016, representatives of the Minister of Indigenous and North Affairs Canada** provide their comments on the following:

- Comment as to whether or not the Minister agrees that the reduced security amount proposed by AEM to be required under an amended Part C, Item 1 of the Licence (\$7,684,904) would be sufficient to secure the mine closure and reclamation costs (including cumulative and legacy liabilities) estimated to be required for the portion of the Project located on Crown owned lands; and

- Any other comments the Minister would consider relevant to the Board in assessing the Licensee's request for amendment to the security held under Part C, Item 1 of the Licence.

In accordance with section 55(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and by copy of this correspondence, the NWB also **gives notice of AEM's amendment request** and invites all interested persons, including the Licensee, Interveners involved in the renewal of the Licence last year and any other party wishing to provide comments on this issue to provide relevant comments and/or recommendations to the Board on or before **4 p.m., MST, on March 21, 2016**. Submissions can be emailed to the NWB at [licensing@nwb-oen.ca](mailto:licensing@nwb-oen.ca) or faxed to (867) 360-6369.

Following the Board's receipt and review of the comments received, the Board will consider further the Licensee's amendment request. It should be noted that as this amendment may be characterized as: "an amendment to a type A licence that does not affect the use, flow or quality of waters or alter the term of the licence" the Board may determine that, as provided for under s. 9 of the *Nunavut Waters Regulations*, SOR/2013-69, that this amendment request will not require a Public Hearing.

In the interim, interested persons can direct all questions related to administrative matters for the file to the NWB's licensing department by email to [licensing@nwb-oen.ca](mailto:licensing@nwb-oen.ca) . Questions related to technical matters should be directed to the NWB's technical department by email to [technical@nwb-oen.ca](mailto:technical@nwb-oen.ca).

Regards,

Stephanie Autut  
Executive Director,  
Nunavut Water Board