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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

April 25, 2016

File No: 2AM-MEA1525

By Email

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Re: Nunavut Water Board Response to February 18, 2016 Notice of Modification from Agnico-Eagle Mines Meadowbank Mine under Type “A” Water Licence No. 2AM-MEA1525

Dear Mr. Robert and Mr. Venengen,

This letter is a response to the notification provided by Agnico-Eagle Mines Ltd. (AEM or Licensee) to the Nunavut Water Board (NWB or Board) on February 18, 2016 advising the Board of AEM’s planned modification to the Vault Pit and ancillary works. As noted in that correspondence, under Part G, Item 1 of Type “A” Water Licence 2AM-MEA1525 (the Licence) AEM may, without written consent from the Board, carry out modifications (as defined in the Licence) provided that such modifications are consistent with the terms of the Licence and meet the requirements of Part G, Item 1, including providing at least 60 days’ notice prior to undertaking the modifications.

To prepare the Board’s response as to whether the proposed changes do meet the requirements

for a Modification as set out in Part G of the Licence, the NWB has now reviewed the information provided with AEM's February 18, 2016 notification of Modification and the Licence for consistency with the proposed changes. In addition, the Board noted that on April 18, 2016 the Nunavut Impact Review Board (NIRB) issued its Public Hearing Report under Article 12, Section 12.8.2 of the Nunavut Land Claims Agreement assessing the proposed changes to Vault Pit and Phaser Lake and recommending to the Minister of Indigenous and Northern Affairs (the Minister) that these changes to the project be allowed to proceed, subject only to some amendments to NIRB Project Certificate 004 that governs the project.

The NWB information relevant to the proposed modifications is available from the Board's ftp site 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/6%20MODIFICATIONS%20\(G\)/](ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA1525%20Agnico/3%20TECH/6%20MODIFICATIONS%20(G)/)

On the basis of the Board's review, the Board accepts that the changes as proposed in AEM's February 18, 2016 letter do constitute modifications that are consistent with the existing terms and conditions of the Licence. The Board has also concluded that the Modifications do, for the most part (subject to the exception noted below), meet the requirements of Part G of the Licence, including having provided at least 60 days' advance notice of the proposed Modifications.

However, the NWB does note that until the Minister has indicated her acceptance of the NIRB's Public Hearing Report, the NIRB Project Certificate reconsideration process is not complete and to the extent the modifications diverge from the project as originally assessed by the NIRB in 2006 as referenced in Part G, Item 1(c), the Licensee will need to await the Minister's decision and conclusion of the NIRB process before these aspects of the Modifications can proceed.

The NWB would also like to highlight some specific Licence conditions and requirements that will apply to the proposed modification. Dewatering of Phaser Lake and management of water will follow Part D Items 8, 10 and 11, applying to construction and dewatering activities. More specifically, the Effluent quality limits included within Part D, Item 8 shall be applied to all dewatering activities:

Effluent from new dewatering activities shall be monitored at Monitoring Stations ST-DD-1 to ST-DD-TBD and not exceed the following Effluent quality limits:

Parameter	Maximum Monthly Mean	Short Term Maximum
Total Suspended Solids (TSS)	15.0 mg/L	22.5 mg/L
Turbidity	15 NTU	30 NTU
pH	6.0 to 9.0	6.0 to 9.0
Total Aluminium	1.5 mg/L	3.0 mg/L

Phaser and BB Phaser Pit related water will be managed in accordance with Part, E applying to

water use and management. Part E, Item 2 states:

The Licensee shall obtain fresh Water from Wally Lake at Monitoring Station ST-2 for re-flooding of Vault Pit and associated use, or as otherwise approved by the Board in writing. The use of Waters from Wally Lake shall not exceed a total of four million one hundred eighty five thousand (4,185,000) cubic metres per year starting in 2018 through to the Expiry of the Licence.

The Licensee is therefore advised that fresh Water amount required for Phaser Lake re-flooding shall be included within the allocated total amount to be obtained from Wally Lake as stated within Part E, Item 2.

All surface waters that reports to Phaser and BB Phaser Pits are expected to be pumped to the approved Vault Attenuation Pond. Part F of the Licence set conditions for waste management, including criteria for the discharge of effluent from Vault Attenuation Pond through Wally Lake Outfall Diffuser. Water transferred from Phaser and BB Phaser Pits to Vault Attenuation Pond for discharge during operation will follow Part F, Items 4 and 5 regarding the effluent discharge limits, monitoring and acute lethality testing.

The Licensee is also advised that all monitoring requirements related to the Vault Pit Lake and Vault Pit Sump are to be applied to Phaser and BB Phaser Pits potential lakes and sumps.

The Board also notes that the proposed Modifications will require updates to the following plans, which were submitted by AEM to the NWB on April 22, 2016 as part of the Licensee's 2015 Annual Report:

- 2015 Water Management Report and Plan, Version 1 (March 2016);
- Water Quality and Flow Monitoring Plan, Version 5 (March 2016); and
- Mine Waste Rock and Tailings Management Plan, Version 5 (March 2016).

As this constitutes a change to the previously approved plans, by this correspondence the Board is requesting that interested parties and the public review the plan updates provided to the Board in the 2015 Annual Report, which are available from the Board's ftp site at the following link:

[ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA1525%20Agnico/3%20TECH/1%20GENERAL%20\(B\)/2%20ANNUAL%20RPT/2015/](ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA1525%20Agnico/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/2015/)

In particular, the Board would appreciate receiving comments with respect to the proposed sample locations at the new Phaser and BB Phaser Pits and any other changes specifically required to reflect the Modifications as proposed in AEM's notification letter.

Any comments and recommendations in respect of the updated plans should be submitted to the NWB's Acting Manager of Licensing at licensing@nwb-oen.ca no **later than May 25, 2016 (4:00 p.m. MST)**.

If you have any questions regarding this matter, please contact me, Karén Kharatyan, Acting Manager of Licensing, at (867) 360-6338 or by e-mail to licensing@nwb-oen.ca. For inquiries

related to technical matters, please contact David Hohnstein, the Board's Director of Technical Services, by email to David.Hohnstein@nwb-oen.ca.

Sincerely,

Karén Kharatyan
Acting Manager of Licensing

cc: Kivalliq Distribution