

File No: 2AM-MEA1526 Your File: CIDM#1222975

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Transmitted via Email

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Re: CIRNAC Assessment of Proposed Modification to Allow In-Pit Tailings Deposition under Agnico Eagle Mines Limited's Type "A" Water Licence No. 2AM-MEA1526

This correspondence is being provided on behalf of the Nunavut Water Board (NWB or Board) to follow up with respect to one aspect of the assessment submissions of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) filed with the NWB on July 16, 2018 and described above. These submissions are in relation to the request of Agnico Eagle Mines Limited (Agnico Eagle or the Licensee) received by the NWB on February 23, 2018, seeking authorization from the NWB to allow changes to the way tailings would be deposited from the disposal previously authorized under the Type "A" Water Licence No.: 2AM-MEA1526 for the Meadowbank Gold Mine Project (the Modification Request).

In CIRNAC's recent submission CIRNAC stated that:

CIRNAC concludes the proposed modification request received on July 3, 2018 is an amendment to, and not a modification of, Type "A" Water Licence No. 2AM-MEA1526. The July 3, 2018 proposed modification request changes the terms and conditions of Type "A" Water Licence No. 2AM-MEA1526, and alters the purpose or function of the Goose and Portage pits at the Meadowbank Gold Mine Project.

As expressed in the correspondence, the basis for CIRNAC's recommendation is that changes to definitions and approved managements plans (*Mine Waste Rock and Tailings Management Plan*

and Meadowbank Tailings Storage Facility Management Plan for Whale Tail Pit) would be required in order to authorize the Modification Request.

As there are significant process and procedural implications that would arise, if the NWB were to require that the proposed changes be handled as an amendment to the Type "A" Water Licence rather than as a modification, for the benefit of all parties, the NWB is providing the following additional guidance in response to CIRNAC's submission.

At the outset, the Board has concluded, for the reasons that follow, that it is appropriate for the Board to continue considering the Modification Request as a "modification" under the Licence and the Board does not agree that the Modification Proposal would require an amendment to the Licence. On this basis, as indicated in the NWB's correspondence of July 3, 2018, the Board awaits the receipt of technical comments from the parties about the Modification Request on or before August 3, 2018.

The Board has based its conclusion that the Modification Request does not warrant an amendment to the Licence on a consideration of the following factors. Firstly, with respect to Type "A" Water Licences generally there are expectations that operational flexibility over the course of the term of the Licence may dictate that changes and updates to already approved management plans may be required. Although the Board continues to exercise authority over reviewing, considering and approving (or refusing to approve) such changes, the Board does not generally handle such requests as amendments to the Licence. The mechanisms applicable to considering such changes are set out in Part B, Items 13 and 16 of Water Licence No. 2AM-MEA1526:

The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing. The Board has approved (or accepted) the following Plans for implementation under the relevant sections in the Licence: Any changes to the plans deemed significant shall be considered as an amendment to the plan(s) or as a modification and must be approved by the Board.

The Licensee shall review the Plans or Manuals referred to in this Licence as required by changes in operation and/or technology and modify the Plans or Manuals accordingly. Revisions to the Plans or Manuals are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 2, complete with a revisions list detailing where significant content changes are made.

Similarly, with respect to consequential changes that may be required under the Schedules to the Licence in respect of definitions (tailing storage facility) and Monitoring, as set out in Part B, Item 18 Water Licence No. 2AM-MEA1526:

Schedules attached to this Licence provide details regarding the requirements associated with specific items in the main body of the Licence and are included in the Schedule to provide greater clarity and as an aid to interpretation for the Licensee. If the Board subsequently determines that an item in any of the Schedules requires revision in order to better reflect the intent and objectives of the Licence, the Board may at its discretion, and upon consulting and providing written notice to the Licensee and interested parties, revise the Schedule accordingly. Unless the Board directs otherwise, such revision may not necessarily be considered as an "Amendment" to the Licence.

Having concluded that the NWB's consideration of the Modification Request will not be handled as an amendment, the Board, does, however want to emphasize that the NWB's consideration of the Modification Request will be rigorous and thorough. In respect of a modification under the Licence, the NWB clearly has the discretion to accept or reject the Modification Request based on the NWB's full and fair consideration of the request. As indicated by the NWB in correspondence on July 3, 2018, the NWB has invited parties to provide the Board with technical comments about the Modification Request, and afterward Agnico Eagle will be required to respond to concerns and comments received by the Board. In addition, the Nunavut Impact Review Board will have concluded their impact assessment of the Modification Request before the NWB would engage in decision-making for the file.

If you have any questions or require further direction with respect to this matter, please contact Karén Kharatyan, NWB Director of Technical Services, by email to karen.kharatyan@nwb-oen.ca or by phone at (867) 360-6338 (ext. 35).

Regards,

Karén Kharatyan Director of Technical Services Nunavut Water Board

cc. Meadowbank Distribution List Spencer Dewar, CIRNAC Erik Allain, CIRNAC Wajid Daouda, CIRNAC Ian Parsons, CIRNAC Mark D'Aguiar, DFO