

Ministre des Affaires indiennes et  
du Nord canadien et interlocuteur fédéral  
auprès des Métis et des Indiens non inscrits



Minister of Indian Affairs and  
Northern Development and Federal Interlocutor  
for Métis and Non-Status Indians

Ottawa, Canada K1A 0H4

JUL 10 2008

Mr. Thomas Kabloona  
Interim Chair  
Nunavut Water Board  
PO Box 119  
GJOA HAVEN NU X0B 1J0

Dear Mr. Kabloona:

Thank you for your letter of June 9, 2008, that conveyed water licence number 2AM-MEA0815 for the Meadowbank Gold Project and the Nunavut Water Board's reasons for decision. I thank the Nunavut Water Board for its work in the development of this licence.

I have approved the licence effective immediately and a signed copy is enclosed. A copy of this letter is being sent to the project proponent, Agnico-Eagle Mines Ltd. and to the designated Inuit organization, the Kivalliq Inuit Association, to inform them of my approval of the project's water licence as required by the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. I have also instructed the Nunavut regional office of Indian and Northern Affairs Canada to consult with Agnico-Eagle Mines Ltd. on the form and posting of the first security instalment of \$26 million to be held by the Government of Canada in accordance with section 76 of the Act and section 12(3) of the Regulations.

The issue and amount of security was an important concern in my consideration of this water licence, as it was for the Doris North Gold Project. Under the legislative framework for water licencing in Nunavut, the Government of Canada cannot hold security, nor may I draw against security for any purpose other than those specifically authorized under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

.../2

Canada

The issue of security under water licences in Nunavut is a challenging one. Both the Government of Canada, as the owner of the water resource, and private landholders have an interest in establishing security against environmental impacts. Given the Water Board's decision to include all planned reclamation activities in the security amount, it is possible that the landholder for this project may seek an additional reclamation bond over which they have authority and control. Officials from Indian and Northern Affairs Canada will continue the work begun in advance of the Meadowbank Project water licence hearings to explore models and alternatives for security bonds that may reduce the burden on proponents of multiple parties seeking security for the same aspects of project reclamation.

I thank the Water Board again for its efforts and energies in the development of the Meadowbank Gold Project's water licence and look forward to the economic benefits this mine will bring to the people of Nunavut.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chuck Strahl', with a stylized, cursive script.

Chuck Strahl

Encl.

c.c.: Mr. Eberhard Scherkus  
Mr. Jose A. Kusagak