



NUNAVUT WATER BOARD

WATER LICENCE NO: 2AM-MEA0815

**REASONS FOR DECISION
INCLUDING
RECORD OF PROCEEDINGS**



**Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding**

NUNAVUT WATER BOARD

In the Matter of:

Applicant: Agnico-Eagle Mines Limited

Subject: Application for Amendment to Existing Type “A” Water
Licence 2AM-MEA0815

Date: June 30, 2014

Precedence: Where there is any inconsistency or conflict between the *Nunavut Land Claims Agreement (Agreement)* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWSRTA)*, the *Agreement* prevails to the extent of the inconsistency or conflict. Where there is any inconsistency or conflict between the *NWSRTA* and any other act of Parliament, except the *Nunavut Land Claims Agreement Act*, the *NWSRTA* prevails to the extent of the inconsistency or conflict.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding

RECORD OF PROCEEDINGS

Applicant: Agnico-Eagle Mines Limited

Address: 10200, Route de Preissac
Rouyn-Noranda, Québec
J0Y 1C0

Purpose: Application for Amendment of Type “A” Water Licence 2AM-MEA0815 Mining and Milling Undertaking

Application Received on: April 22, 2013

Application Received from: Stéphane Robert, Manager Regulatory Affairs; and
Kevin Buck, Environment Superintendent
Agnico-Eagle Mines Limited

Date of Written Public Hearing: Friday, January 17, 2014

Date Board Confirmed Public Hearing Record Closed: Friday, January 24, 2014

Date Water User Compensation Confirmed: Friday, June 13, 2014

Nunavut Water Board Panel
Members (P9 Meadowbank Panel):

Panel Chair	L. Toomasie
Member	B. Dean
Alternate Member	R. Mrazek
Member	A. Ningark

Nunavut Water Board Staff:

Executive Director	D. Côté
Board Secretary/Interpreter	B. Kogvik
Director Technical Services	D. Hohnstein
Technical Advisor	K. Kharatyan
Technical Advisor (Public Hearings)	S. Aredes
Manager of Licensing	P. Beaulieu
Licensing Administrator	R. Ikkutisluik
Legal Counsel	T. Meadows, (Shores Jardine, LLP)

Interpreter(s): N/A



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding

Court Reporter:

N/A

Applicant:

Agnico-Eagle

- S. Robert, Manager Regulatory Affairs
- K. Buck, Environment Superintendent
- E. Voyer, Principal Geotechnical Engineer

Parties:

Kivalliq Inuit Association

- L. Manzo, Director of Lands

Aboriginal Affairs and Northern
Development Canada

- K. Costello, Director of Resource Management
- D. Abernethy, Regional Coordinator, Water Resources
Division, Nunavut Regional Office
- M. Ball, Manager of Water Resources, Nunavut Regional
Office

Environment Canada

- Y. Fan, Senior Environmental Assessment Coordinator

Participants Appearing at Public
Hearing:

N/A

Written Record of Submissions:

Available from the Board's public registry using the following
(username: public, password: registry):

<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815%20Agnico/2%20ADMIN/3%20SUBMISSIONS/>



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

Table of Contents

RECORD OF PROCEEDINGS.....	1
REASONS FOR DECISION	4
Executive Summary	4
SECTION I: BACKGROUND AND REGULATORY HISTORY	6
Application.....	6
Application and Supporting Materials Submitted by the Applicant	6
The Project.....	8
Existing Licence History.....	8
Regulatory History	9
SECTION II: SUMMARY OF FINAL HEARING SUBMISSIONS OF THE PARTIES	13
Kivalliq Inuit Association (KIA)	13
Water Compensation.....	14
Aboriginal Affairs and Northern Development Canada (AANDC).....	14
Environment Canada (EC).....	15
Agnico-Eagle Mines Limited (AEM)	16
SECTION III: SUBMISSIONS BY OTHER INTERVENING PARTIES OR MEMBERS OF THE PUBLIC	16
SECTION IV: JURISDICTION OF THE BOARD.....	17
SECTION V: REQUIREMENTS OF THE NWNSRTA, NWR AND NLCA.....	18
Objects of the Board and its Relationship to other Bodies	18
Land Use Planning.....	18
Environmental Assessment.....	18
Inuit Water Rights.....	18
The Nunavut Waters Regulations	18
SECTION VI: DECISION TO DENY/GRANT THE AMENDMENT.....	19
Compensation of Existing or Other Users	19
SECTION VII: WATER LICENCE 2AM-MEA0815 AMENDED TERMS AND CONDITIONS	20
Part A: Scope, Definitions and Enforcement	20
Scope.....	20
Schedule A: Definitions	20
Enforcement and Compliance.....	21
Part B: General Conditions	21
Water Use Fees	21
Part E: Conditions Applying to Water Use.....	22
Water Use	22
APPENDIX A—List of Acronyms.....	24
APPENDIX B – List of Submissions and Correspondence.....	25



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

REASONS FOR DECISION

Executive Summary

This decision is in relation to an application by Agnico-Eagle Mines Limited (AEM or the Applicant) requesting the Nunavut Water Board to amend Part E, Item 3 of Type “A” Water Licence 2AM-MEA0815 to increase the authorized use of water associated with the Meadowbank Gold Mine from the existing licensed amount of **700,000 m³** per year of freshwater for all purposes (domestic camp use, mining, milling and associated uses), to a total licensed amount of **1,870,000 m³** in 2013 and **1,150,000 m³** per year after 2013 (the Amendment Application). The Meadowbank Gold Project involves the construction, operation, maintenance, reclamation, closure and monitoring of an open pit gold mine and mill associated infrastructure located approximately 70 km north of Baker Lake, within the Kivalliq Region of Nunavut.

As indicated in the Amendment Application, the amendment seeks to add considerably to the current water use limit. AEM has indicated that the additional volume of water is being sought because, since the Meadowbank Gold Mine went into commercial production in March 2010, the annual freshwater consumption at the mine has consistently exceeded the freshwater usage permitted within the existing Type “A” Licence. The Applicant has indicated that the higher-than-predicted freshwater use can be attributed to several factors, including higher than anticipated rates of ore processing, and an adjustment to the initial water balance model, resulting in a deficit of reclaimed water compared to the information provided in the original Water Licence Application submitted in 2007.¹

Given that the Amendment Application is very narrow in terms of scope and that the Licensee is anticipated to be required to submit a renewal application for the existing Type “A” Licence nine to twelve months prior to the expiry of the Licence (May, 2015) the Nunavut Water Board, as previously outlined in the Pre-hearing Conference Decision associated with the Amendment Application,² determined that the Amendment Application could be processed on the basis of a written rather than an in-person Public Hearing.

¹ See Meadowbank Mining Corporation, Meadowbank Gold Project Type “A” Water Licence Application, August 2007, available on-line at: <ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815%20Agnico/1%20APPLICATION/070904%202AM-MEA----%20Final%20Application/070828%202AM-MEA----%20485%20Type%20A%20Water%20License%20Application-ILAE.pdf>

² Nunavut Water Board, Type “A” Water Licence 2AM-MEA0815, Agnico-Eagle Mines Limited: Pre-Hearing Conference Decision Regarding an Application for Amendment, issued November 1, 2013, at pp. 14-15.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

On the basis of technical review comments, the written submissions and evidence filed with the Board, the Board has decided the following:

- To grant the Applicant's request to amend Type "A" Water Licence 2AM-MEA0815 to increase the total authorized use of waters from **700,000 m³** per year of freshwater for all purposes (domestic camp use, mining, milling and associated uses) to a maximum of **1,870,000 m³** in 2013 and a maximum of **1,150,000 m³** per year after 2013 as outlined in the attached Decision and Licence;
- Reflecting the Panel's decision, the Board authorizes the following amendments to terms and conditions of Type "A" Water Licence 2AM-MEA0815:
 - A revision to the water management areas specified on the cover page of the Licence to reflect changes to the water management areas that were introduced when the Nunavut Waters Regulations came into force on April 18, 2013;
 - A revision to Part A: Item 1. Scope, Clause a. to change the location of the undertaking from 67°0'75" N, 96°04'39" W to **65°01'33" N, 96°04'01" W** to reflect the exact location of the undertaking as provided by the Applicant in all annual reports provided to the NWB;
 - A revision to Part B: General Conditions, Items 3 and 4 to reflect a change to the references in the new Nunavut Waters Regulations governing the calculation and payment of water use fees;
 - Amendment of Part E, Item 3 to change the total volume of fresh Water for all uses from **700,000 m³** per year to a total amount of **1,870,000 m³** for 2013 and **1,150,000 m³** per year after 2013;
 - A revision to Schedule A: Scope, Definitions and Enforcement: definition of "Regulations" to reflect that the *Nunavut Waters Regulations* are now in force in Nunavut and replace the former *Northwest Territories Water Regulations*, SOR/93-303, June 8, 1993.
- Further, the Applicant is reminded that compliance with the terms and conditions of this Licence, as amended, does not absolve the Licensee from responsibility for compliance with all applicable legislation, guidelines and directives, including, without limitation, the requirements to obtain the necessary authorizations from agencies such as the Nunavut Impact Review Board, the Kivalliq Inuit Association, Aboriginal Affairs and Northern Development Canada, Environment Canada, the Department of Fisheries and Oceans and Natural Resources Canada.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

SECTION I: BACKGROUND AND REGULATORY HISTORY

Application

The Amendment Application before the Board is an application to amend Part E, Item 3 of Type “A” Water Licence 2AM-MEA0815 (the Existing Water Licence) to increase the authorized use of freshwater from the existing licensed amount of **700,000 m³** per year for all purposes (domestic camp use, mining, milling and associated uses), to a total licensed amount of **1,870,000 m³** for 2013 and **1,150,000 m³** per year after 2013 (the Amendment Application).

As indicated in the Amendment Application, the increased water use reflects that since the Meadowbank Gold Mine went into commercial production in March 2010, the annual freshwater consumption at the mine has consistently exceeded the freshwater usage authorized under the existing Type “A” Licence. The Applicant reported annual water use of 1,148,505 m³, 1,088,254 m³, 1,044,674 m³ and 1,587,801 m³ of freshwater in 2010, 2011, 2012 and 2013, respectively. The Applicant has indicated that the higher than predicted freshwater use is due to higher than anticipated rates of ore processing, and an adjustment of the initial water balance model, resulting in a deficit of reclaimed water compared to the information provided in the original water licence application submitted in 2007.

Further, although the Applicant has implemented an action plan to minimize the use of freshwater and come into compliance with the Licence since the increased use was noted, the Applicant conceded in the Amendment Application that despite significant success at engineering solutions to optimize freshwater use, the Applicant’s freshwater use requirements are still projected to continue to exceed the initially permitted rate. Also, the Applicant further noted that, because of operational problems with the reclaim water barge, limited water recycle occurred from approximately February 2013 through to June 2013 and, as such, this amendment to the Licence is required.

Application and Supporting Materials Submitted by the Applicant

The following documents were included within the Amendment Application:

1. Cover Letter;
2. Completed Application form for Water Licence Amendment;
3. Compliance assessment/status report;
4. Water Management Plan 2012, updated March 2013 and including:
 - Appendix A1: Maps;
 - Appendix A2: Water Balances Schematics;
 - Appendix A3: Freshwater Usage Sensitivity Analysis;



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

- Appendix B: Water Quality for the Portage Area (2012-2025);
- Appendix B1: Water Quality Analysis;
- Appendix C: Ammonia Management Plan;
 - Appendix C1: Environmental Field Stations – Mine Site View; and
 - Appendix C2: Spill Control and Loading Procedures Plan;
 - Appendix C3: Dyno Nobel Emergency Responsibility Plan – Magazine, Plant and Work Site; and
 - Appendix C4: MSDS for Bulk Emulsion and Presplit.
- 5. Freshwater Consumption Executive Summary – English and Inuktitut; and
- 6. \$30 application fee.

On July 15, 2013, in response to a query from the NWB dated July 11, 2013 inquiring as to the basis for the water use volumes and discrepancies in amounts sought in the Amendment Application, Stéphane Robert from AEM provided an e-mail entitled “Clarification on Water Consumption” that confirmed that the water use volumes sought included a contingency value that was not identified in the Amendment Application form filed with the Board in April.

For further details on the existing Type “A” Water Licence and this Amendment Application for the Meadowbank Gold Project, consult the NWB’s FTP site under 2AM-MEA0815 (user name: public, password: registry) at the following link:

<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815%20Agnico/>



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

The Project

The Project, as it was assessed by the Nunavut Impact Review Board³ and licensed by the NWB in 2007,⁴ involved the construction, operation, maintenance, reclamation, closure and monitoring of an open pit gold mine and milling facility in the Kivalliq Region of Nunavut. The Project as proposed in the NWB Application consisted of mining four main gold-bearing deposits in close proximity to one another, extraction via three separate open pits and milling of the ore at an on-site facility. Mining the ore beneath shallow lakes required the construction of water retention dikes from mined rock. Tailings and waste rock storage facilities were also required to be constructed on-site.

The mine life was predicted to be 8 – 10 years and, upon conclusion of the activities, the Licensee planned to fully decommission the mine by removing the mill and ancillary buildings, access roads, including the all-weather access road and re-contouring disturbed areas and reclaiming vegetation.

Existing Licence History

The existing Type “A” Water Licence 2AM-MEA0815 was issued by the NWB on June 9, 2008⁵ (the Existing Licence). The Existing Licence was subsequently approved by the Minister of Indian and Northern Affairs Canada (as the Minister was known then, now Aboriginal Affairs and Northern Development Canada, or AANDC) on July 10, 2008. The Existing Licence authorizes the use of Waters and deposit of waste in relation to the operation of the Mining and Milling undertaking at the Meadowbank Gold Project located approximately 70 km north of Baker Lake, within the Kivalliq Region of Nunavut.

Amendment No. 1 to 2AM-MEA0815 was issued by the NWB on May 6, 2010 and was subsequently approved by the Minister on June 18, 2010. Amendment No. 1 allowed AEM to

³ See Nunavut Impact Review Board, Final Hearing Report for the Meadowbank Gold Project, Cumberland Resources Ltd., August 30, 2006; the letter from the Hon. J. Prentice, Minister of Indian and Northern Affairs Canada (as AANDC then was) to E. Copland, NIRB Acting Chair, November 17, 2006 accepting the NIRB’s Final Hearing Report; and Project Certificate NIRB No.: 004 for the Meadowbank Gold Mine Project Proposal, issued December 30, 2006. **NOTE:** In 2009, the NIRB reconsidered and revised Term and Condition #32 of Project Certificate NIRB No.: 004 (this term and condition related to restrictions on non-mine use of the All Weather Access Road), but as this reconsideration did not result in consequential amendments to the Existing Licence, this assessment is not discussed further).

⁴ Nunavut Water Board, Reasons for Decision for 2AM-MEA0815, Applicant: Miramar Hope Bay Ltd., issued September 19, 2007.

⁵ Nunavut Water Board, Reasons for Decision for 2AM-MEA0815, Applicant: Agnico-Eagle Mines Limited, issued June 9, 2008.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

expand the Marshalling Area Bulk Fuel Storage Facility and fuel storage area, increasing capacity from 40 million litres (ML) to 60 ML of diesel fuel by adding two additional 10 ML capacity diesel fuel tanks. In addition, the amendment authorized the construction of an additional 2 ML tank for the bulk storage of Jet A fuel to refuel aircraft flying into the Meadowbank mine site.

Regulatory History

On April 26, 2013, on the basis of an AANDC Inspector recommendation, AEM submitted an Amendment Application to amend Part E, Item 3 of the Licence to increase the use of waters volume from the existing limit of 700,000 m³ per year to 1,870,000 m³ in 2013 and 1,150,000 m³ per year thereafter. The Applicant made it clear that following the completion of the action plan and despite significant success at engineering solutions to optimize freshwater use, the water requirements of the Project would continue to exceed the permitted rate. The Applicant indicated that the need for the increased freshwater use is related to higher than anticipated rates of ore processing and an adjustment of the initial water balance model, both of which resulted in a deficit of reclaimed water.

On June 5, 2013, the Board acknowledged receipt of the required application fee from the Applicant.⁶ On July 15, 2013,⁷ the NWB acknowledged receipt of the Amendment Application and asked interested persons to review the scope and completeness of information provided, as well as to identify any deficiencies with the Application. The Board also requested that the Nunavut Impact Review Board (NIRB) confirm whether any additional screening, reconsideration or review of the NIRB's Project Certificate [004] for the Project would be required as a result of the Amendment Application.

The NWB also provided notification to the Nunavut Planning Commission (NPC), as the Commission provided the original conformity determination for the Meadowbank Gold Project. The NPC has not provided any indication that an additional conformity determination is required for the Amendment Application.

⁶ Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Divison, from Megan Porter, Licensing Administrator Assistant, dated June 5, 2013. Re: Acknowledgement and Receipt of Application Fee – Amendment 2 Water Licence – Meadowbank Gold Project.

⁷ Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Divison, from David Hohnstein, Director Technical Services, NWB, dated July 15, 2013. Re: Licence No. 2AM-MEA0815, Agnico-Eagle Mines Ltd.: Amendment Application - Fresh Water Consumption.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

By August 6, 2013, the NWB was in receipt of comments on the completeness of the application from Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC).⁸ In the comments received and as a result of the Board's own review there was no indication that the application should not proceed through the regulatory process.

Following the review of technical comments and pursuant to Article 13 Clause 13.3.6 of the Nunavut Land Claims Agreement and s. 29⁹ of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, S.C. 2002, c. 10 (NWNSRTA), the Board delegated its power to dispose of all matters relating to the Application, including the conduct of the Public Hearing, to the duly constituted Meadowbank Panel (P9 or the Panel) of the Board.

On August 29-30, 2013, the Board gave notice of the Amendment Application in accordance with s. 55(1) of the NWNSRTA, inviting interested persons to continue their technical review of the application and make representations within thirty days of the Notice of Application (September 29, 2013).¹⁰ The Notice also indicated that the Meadowbank Panel (P9) had directed the staff to hold a Technical Meeting and Pre-Hearing Conference in Baker Lake (tentatively scheduled to take place over two days during the week of October 14th – 18th, 2013).

By September 29, 2013, the NWB received written technical review comments from AANDC and EC.¹¹

⁸ See letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated August 6, 2013, Re: Water Licence #2AM-MEA0815 – Meadowbank Gold Mine – Agnico-Eagle Mines Ltd. – Kivalliq Region Amendment Application #2 – Completeness Review and also letter and attachment to Robin Ikkutisluk, Licence Administrator Assistant, NWB, from Yongshu Fan, Senior Environmental Assessment Coordinator, Prairie and Northern Region Environmental Protection Operations (EPO) Directorate, Environment Canada, dated August 6, 2013, Re: Licence No. 2AM-MEA0815 - Agnico-Eagle Mines Ltd.: Amendment Application – Fresh Water Consumption.

⁹ Section 29 of the NWNSRTA states:

(1) The Board may establish panels of the Board and delegate any of its powers, duties and functions to them.

¹⁰ Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Division, from Damien Côté, Executive Director, NWB, dated August 29, 2013. Re: Notice of Type "A" Water Licence Amendment – 2AM-MEA0815 and Nunavut Water Board Public Notice of Amendment Application Agnico-Eagle Mines Limited, distributed to Meadowbank Distribution List on August 30, 2013.

¹¹ Letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated September 26, 2013, Re: Technical Review – Amendment Application No. 2 – Increased Water Use Water Licence #2AM-MEA0813 – Meadowbank Gold Mine Project – Agnico-Eagle Mines Ltd. – Kivalliq Region and letter and attachment to Robin Ikkutisluk, Licence Administrator Assistant, NWB, from Loretta Ransom, Senior Environmental Assessment Coordinator, Prairie and Northern Region Environmental Protection Operations (EPO) Directorate, Environment Canada, dated September 26, 2013, Re: 2AM-MEA0815 - Agnico-Eagle Mines Limited Type A Water Licence Amendment.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

On October 1, 2013, the Nunavut Impact Review Board (NIRB) issued correspondence to the NWB stating that the Amendment Application was exempt from the requirement for further screening by the NIRB pursuant to Section 12.4.3 of the Nunavut Land Claims Agreement (NLCA) because the Amendment Application would not change the general scope of the Meadowbank Gold Project as previously reviewed by the NIRB and as subject to NIRB Project Certificate [004].¹² The NIRB also determined that the Amendment Application did not trigger reconsideration or other change to the terms and conditions of the NIRB Project Certificate [004] and therefore the Amendment Application could proceed to the next steps in the licensing process, namely the NWB's TM/PHC.

On October 9, 2013, the Kivalliq Inuit Association (KIA), citing internet problems that prevented the electronic delivery of their submissions on September 29, 2013, provided the Board with their written technical review comments.¹³

On October 22, 2013, as follow up to the attendance and participation of Sophia Granchinho, the NIRB's Monitoring Officer for the Meadowbank Gold Project, at the NWB TM/PHC, the NWB received correspondence from the NIRB clarifying that "no additional monitoring or reporting with regard to the current water licence amendment are required at this time."¹⁴

On October 31, 2013, by Panel Motion #2013-18-P9-03, the members of the Meadowbank Panel (P9), on the basis of the results of the Technical Meeting and confirmation from the parties in attendance at the Pre-hearing Conference, approved the Amendment Application proceeding to Public Hearing. The Panel also approved the release of the Pre-Hearing Conference Decision (PHC) Report¹⁵ along with the procedural direction for the written Public Hearing to be conducted for the Amendment Application. The PHC Report set December 20, 2013 as a deadline for intervenors' final written submissions, and January 3, 2014 as a deadline for the Applicant's final responses to the information filed with the NWB to date, including any written

¹² Letter to Thomas Kabloona, Chair, NWB, from Ryan Barry, Executive Director, Nunavut Impact Review Board dated October 1, 2013. Subject: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Agnico-Eagle Mines Ltd.'s Application to Amend Type A Water Licence for the Meadowbank Gold Project, Kivalliq Region.

¹³ Letter to Nunavut Water Board, from Kivalliq Inuit Association, dated October 9, 2013, Re: Review of Amendment of the Type A Water Licence for the Meadowbank Gold Project.

¹⁴ Letter to Phyllis Beaulieu, Manager of Licensing, NWB, from Sophia Granchinho, Senior Technical Advisor & Monitoring Officer, Nunavut Impact Review Board, dated October 22, 2013. Re: Clarification provided to the NIRB regarding AEM's Type A Water Licence Amendment Application for the Meadowbank Gold Project, Kivalliq Region.

¹⁵ Nunavut Water Board, Type "A" Water Licence 2AM-MEA0815, Agnico-Eagle Mines Limited: Pre-Hearing Conference Decision Regarding an Application for Amendment.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

submissions filed by intervenors on December 20, 2013. In addition, January 17, 2014 was set as the date on which the written Public Hearing would close.

On December 20, 2013, ANNDC submitted its final submission however no technical issues were identified to be addressed by the Applicant before the Public Hearing.¹⁶ On January 24, 2014, the Board advised all interested parties that the PH record for the NWB PH regarding AEM's Type "A" Water Licence 2AM-MEA0915 Amendment Application for the Meadowbank Gold Project was closed and remitted the matter to the Panel for deliberations and a decision.¹⁷ At the time the matter was remitted to the Panel, Panel Member B. Dean was unable to participate in the Panel deliberations and consequently alternate Panel Member, R. Mrazek replaced her on the Panel. Alternate Panel Member Mrazek was then fully briefed on the file, reviewed all submissions received and participated in the deliberations and the Panel's decision in this matter in place of Panel Member Dean.

On January 17, 2014, the NWB received advice from the Kivalliq Inuit Association indicating that the water user compensation assessment for Meadowbank was underway with AEM and it was anticipated that it should be concluded shortly. On February 4, 2014, the KIA updated the Board that the final water user compensation negotiations had commenced and that these should last approximately one week.¹⁸ However, final confirmation that water user compensation had been adequately addressed in respect of the Amendment Application was not actually received until June 13, 2014.¹⁹

A complete list of submissions and correspondence in support of this Amendment Application is provided in APPENDIX B – List of Submissions and Correspondence. All listed submissions and correspondence associated with the Amendment Application have been placed on the Board's public registry and are available from the NWB's ftp site using the access username of "public" and the password of "registry" (without the quotes) at the following link:

¹⁶ Letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated December 20, 2013. Re: Final Written Submission Water Licence: #2AM-MEA0815 Licensee: Agnico Eagle Mines Ltd. Issue: Amendment Application #2 Region: Kivalliq.

¹⁷ Letter to Meadowbank Distribution List, from Phyllis Beaulieu, Manager of Licensing, NWB, dated January 24, 2014, Re: Licence No. 2AM-MEA0815, Agnico-Eagle Mines Limited, Amendment Application for the Type "A" Water Licence, Meadowbank Gold Mine Project: Close of the Public Hearing Record.

¹⁸ Email to Karén Kharatyan, Technical Advisor, NWB, from Luis Manzo, Director of Lands, Kivalliq Inuit Association, dated February 4, 2014. Subject: Water Compensation Agreement.

¹⁹ Letter to Damien Côté, Executive Director, NWB, from Luis Manzo, Director of Lands, Kivalliq Inuit Association, dated June 12, 2014 (received by the Board on June 13, 2014), confirming that a Water User Compensation Agreement is in place.



**Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding**

<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEA0815%20Agnico/>

SECTION II: SUMMARY OF FINAL HEARING SUBMISSIONS OF THE PARTIES

Kivalliq Inuit Association (KIA)

The KIA is a Designated Inuit Organization under the Nunavut Land Claims Agreement, representing the rights and values of the Inuit within the Kivalliq Region of Nunavut in respect of rights to water and wildlife compensation, landowner rights and negotiation of an Inuit Impact and Benefit Agreement.

The KIA provided written submissions in advance of the Technical Meeting and Pre-Hearing Conference²⁰ and did not provide further comments following the TM/PHC. Overall, the KIA indicated that they did not have issues with the Amendment Application specifically. The KIA noted that they were satisfied with AEM's commitment to increase monitoring from monthly to weekly frequency if changes in water levels or erosion were observed at the source where the increased water withdrawal would take place (Third Portage Lake).

As discussed in detail at the TM/PHC, the KIA did not identify specific technical issues associated with the increased use of Waters proposed under the Amendment Application. The KIA did identify concerns in relation to understanding of the effects associated with the increased rate of ore processing (increased ore processing having been identified as one of the central factors that resulted in AEM requiring the use of additional freshwater).

The KIA conceded at the TM/PHC that these more global site issues could be addressed during the licensing process associated with the upcoming renewal application. Consequently, the Board has not considered these comments in detail with respect to this specific Amendment Application, but anticipates that these issues will be revisited during the renewal application. In particular, the KIA identified concerns that the increased ore processing could also increase the footprint of the waste rock storage and could also then create more contact water points and associated seepage. Further the KIA indicated that it wanted to ensure that monitoring sufficient to identify adverse impacts to the water chemistry in the north cell of the Tailings Storage Facility (TSF) resulting from recently identified seepage be continued. Overall the KIA indicated that additional information should be supplied regarding whether the reclamation plan,

²⁰ Letter to the Nunavut Water Board, from Kivalliq Inuit Association, dated October 9, 2013, Re: Review of Amendment of the Type A Water Licence for the Meadowbank Gold Project.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

security deposit and monitoring plans provided by the Applicant should also be updated to reflect the increased ore processing rate.

Water Compensation

At the TM/PHC, the KIA indicated that water user compensation discussions would be commenced and concluded in early 2014. On June 13, 2014 the Board received written confirmation from the KIA that there are no outstanding water compensation issues under the Existing Licence.

Aboriginal Affairs and Northern Development Canada (AANDC)

Aboriginal Affairs and Northern Development Canada (AANDC) has a broad mandate for the co-management of water resources and the management of Crown land in Nunavut under the following applicable law and policy: the *Department of Indian Affairs and Northern Development Act*,²¹ the *Nunavut Land Claims Agreement* and the *Nunavut Land Claims Agreement Act*,²² the *Territorial Lands Act*²³ and applicable *Regulations*,²⁴ the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*,²⁵ the *Nunavut Waters Regulations*,²⁶ the *Canadian Environmental Assessment Act*,²⁷ and the *Mine Site Reclamation Policy for Nunavut*.²⁸ AANDC administers Crown land and resources and enforces regulatory permits affecting land and water resources in Nunavut.

In AANDC's written submissions,²⁹ AANDC identified several issues for consideration by the NWB associated with the Amendment Application.

²¹ R.S.C. 1985, c. I-6.

²² S.C. 1993, c. 29.

²³ R.S.C. 1985, c. T-7.

²⁴ See for example *Territorial Land Use Regulations*, C.R.C. c. 1524 and the *Northwest Territories and Nunavut Mining Regulations*, C.R.C. c. 1516.

²⁵ S.C. 2002, c. 10.

²⁶ S.O.R./2013-69.

²⁷ S.C. 1992, c. 37.

²⁸ Minister of Indian Affairs and Northern Development, (Ottawa: Minister of Public Works and Government Services Canada, 2002) available on-line: http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/recpolnuna_1100100036043_eng.pdf.

²⁹ Letter to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated August 6, 2013, Re: Water Licence #2AM-MEA0815 – Meadowbank Gold Project – Agnico-Eagle Mines Ltd. – Kivalliq Region Amendment Application #2 – Completeness Review; letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated September 26, 2013, Re: Technical Review – Amendment Application No. 2 – Increased Water Use Water Licence #2AM-



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

AANDC stated overall that “it is not anticipated that the increased freshwater consumption rate will cause significant impacts to Third Portage Lake’s local aquatic ecosystem.” AANDC’s submission did however identify some key recommendations intended to improve the modeling, monitoring and reporting aspects of the Existing Licence as follows:

- ensuring that, going forward, annual water balance and water quality modeling reports compare predicted and measured water quantity and water quality parameters;
- ensuring that future water balance, water quality modeling reports and/or Water Management Plan updates detail what measures are being implemented to ensure that the water quality of the re-flooded Portage, Goose and Vault Pits will be acceptable to the local aquatic ecosystem before perimeter dikes are breached;
- the existing Licence should be amended to reconcile differences between licence requirements and the Applicant’s management planning procedures; and
- the existing Licence should be updated to reference the most recent plans submitted by AEM to meet the objectives of the planning, monitoring and reporting aspects of the Licence.

In its December 20, 2013 final submission, AANDC stated that “adequate justification for increased freshwater consumption has been provided and the amendment will bring AEM into compliance with licence terms and conditions” with respect to the use of waters. Further, in the same submission, AANDC stated that “details associated with the provision of monitoring information (water balance and water quality) and referencing of updated management plans in licence terms and conditions should be addressed in the upcoming licence renewal process”.

Environment Canada (EC)

The primary relevant legislation and standards that Environment Canada (EC) administers or adheres to and that are applicable to the Application are the *Department of the Environment Act*,³⁰ *Canadian Environmental Protection Act, 1999*³¹ and the pollution prevention provisions of the *Fisheries Act*.³² EC is a science-based Department responsible for leading implementation of

MEA0813 – Meadowbank Gold Project – Agnico-Eagle Mines Ltd. – Kivalliq Region; and Letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated December 20, 2013. Re: Final Written Submission Water Licence: #2AM-MEA0815 Licensee: Agnico-Eagle Mines Ltd. Issue: Amendment Application #2 Region: Kivalliq.

³⁰ R.S.C. 1985, c. E-10.

³¹ S.C. 1999, c. 33.

³² R.S.C. 1985, c. F-14.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

the Government of Canada's environmental agenda that is committed to contributing to the realization of sustainable development in Canada's North. The Department focuses on the provision of scientific expertise for incorporation into decisions on developments, such that all parties, by working together, can ensure that there is minimal impact on the natural environment and that ecosystem integrity is maintained and preserved for future generations.

EC filed a submission with the NWB³³ in response to a request from the NWB for written submissions with respect to the technical review of the Amendment Application indicating EC had no concerns with the increase in water use and with the Amendment Application. Having no technical comments and raising no technical issues, EC did not participate in the Technical Meeting/Pre-Hearing Conference held in respect of the Amendment Application and also did not provide a final written submission for the Public Hearing by the December 20, 2013 deadline applicable to intervenors providing final written submissions.

Agnico-Eagle Mines Limited (AEM)

In its written submission of February 5, 2014, AEM provided the Board³⁴ with the Proposed Water Level Trigger for Weekly Monitoring (dated January 5, 2014) that will be included within the updated Water Management Plan.

SECTION III: SUBMISSIONS BY OTHER INTERVENING PARTIES OR MEMBERS OF THE PUBLIC

There were no submissions on the Amendment Application provided to the Board by any other intervening parties or members of the public.

³³ Letter and attachment to Robin Ikkutisluuk, Licence Administrator Assistant, NWB, from Loretta Ransom, Senior Environmental Assessment Coordinator, Prairie and Northern Region Environmental Protection Operations (EPO) Directorate, Environment Canada, dated September 26, 2013. Re: 2AM-MEA0815 - Agnico-Eagle Mines Limited Type A Water Licence Amendment.

³⁴ Letter and attachment to Karén, Kharatyan, Technical Advisor, NWB, from Stéphane Robert, Manager Regulatory Affairs Nunavut, AEM, dated February 5, 2014: Proposed Water Level Trigger for Weekly Monitoring.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

SECTION IV: JURISDICTION OF THE BOARD

This Board has jurisdiction over this Application pursuant to Division 2 of the NWNSRTA.³⁵ Relevant sections in that Division allow the Board to issue a licence,³⁶ amend a licence,³⁷ or in certain circumstances, cancel a licence.³⁸ In deciding to issue a licence or engage in any other statutory function, the Board must follow the objects of this legislative base, which are:

“... to provide for the conservation and utilization of waters in Nunavut, except in a national park, in a manner that will provide the optimum benefit from those waters for the residents of Nunavut in particular and Canadians in general.”³⁹

In setting the Terms and Conditions of a licence the Board is guided by these objects and also by the Project Certificate issued by the Nunavut Impact Review Board that addresses effects and mitigation measures applicable to the use of water and deposit of waste in a particular case.⁴⁰ The Board must meet its statutory duty to make *all* reasonable efforts to minimize *any* adverse effects on aquatic ecosystems. Reading several of the Articles of the NLCA together,⁴¹ the Board relies on the broad definition of “ecosystemic” found in Article 12, Section 12.1.1. of the NLCA, requiring not only the NIRB but also the NWB to ensure that all components of the ecosystem, such as fish and fish habitat, are protected within the parameters of s. 71 of the NWNSRTA.

As with all applications considered by the Board, the burden of proof rests with the Applicant to demonstrate that the Applicant’s request for an amendment to an existing water licence should be granted. In addition, the NWB Rules of Practice state: “[a]ny party offering evidence before the Board shall have the burden of introducing sufficient and appropriate evidence to support its position.”⁴² Where intervening parties, community representatives and the public present no evidence supporting or rejecting the Applicant’s evidence, the NWB will base its decision on its own assessment of the Applicant’s request.

³⁵ Sections 42-81 of the NWNSRTA.

³⁶ See ss. 42, 48, 55, 56, and 70 of the NWNSRTA.

³⁷ See s. 43(1)(b) of the NWNSRTA.

³⁸ See s. 43(1)(c) of the NWNSRTA.

³⁹ See s. 35 of the NWNSRTA.

⁴⁰ See the NWB’s implementation obligations as set out in Article 12, Section 12.9.7 of the NLCA and see the Project Certificate NIRB No.: 004 for the Meadowbank Gold Mine Project Proposal, issued December 30, 2006.

⁴¹ This approach is consistent with the direction provided in Article 2, section 2.9.1 of the NLCA.

⁴² Section 23.1 of the Nunavut Water Board “Rules of Practice and Procedure for Public Hearing” (May 11, 2005).



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

SECTION V: REQUIREMENTS OF THE NWNSRTA, NWR AND NLCA

Objects of the Board and its Relationship to other Bodies

Land Use Planning

As noted in the discussion of the regulatory history, the Nunavut Planning Commission (NPC) has provided no indication that a conformity determination was required by the NPC and the NWB has considered the requisite land use planning requirements of the NLCA to be fulfilled such that the NWB could proceed to process the Amendment Application.

Environmental Assessment

As outlined briefly in the section of this decision discussing the regulatory history of the file, as the Nunavut Impact Review Board has previously screened the Meadowbank Gold Mine Project⁴³ and as the Application did not involve any substantive changes to the project proposal as originally screened, further screening by the NIRB was not required by the NIRB⁴⁴ before the NWB could process the Amendment Application.

Inuit Water Rights

As of June 13, 2014, the Kivalliq Inuit Association has confirmed that the requirements of water user compensation pursuant to s. 63(1) of the NWNSRTA had been satisfied with respect to the Amendment Application.

The Nunavut Waters Regulations

At the time that the Existing Licence was issued, the NWB's jurisdiction to charge water user fees and to require a Type "A" Water Licence for this activity was set out in accordance with certain provisions of the *Northwest Territories Waters Regulations*.⁴⁵ These *Regulations* were identified as applicable in Nunavut (in the absence of Nunavut's own regulations) under the

⁴³ See Nunavut Impact Review Board, Final Hearing Report for the Meadowbank Gold Mine Project, Cumberland Resources Ltd., August 30, 2006; the letter from the Hon. J. Prentice, Minister of Indian and Northern Affairs Canada (as AANDC then was) to E. Copland, NIRB Acting Chair, November 17, 2006 accepting the NIRB's Final Hearing Report; and Project Certificate NIRB No.: 004 for the Meadowbank Gold Mine Project Proposal, issued December 30, 2006.

⁴⁴ Letter to Thomas Kabloona, Chair, NWB, from Ryan Barry, Executive Director, Nunavut Impact Review Board dated October 1, 2013, Subject: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Agnico-Eagle Mines Ltd.'s Application to Amend Type A Water Licence for the Meadowbank Gold Project, Kivalliq Region.

⁴⁵ S.O.R./93-303.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

“Application of Regulations” made under paragraph 33(1) (m) or (n) of the *Northwest Territories Waters Act* in Nunavut Order, S.O.R./2002-253. However, the *Northwest Territories Waters Regulations* were replaced by the new *Nunavut Waters Regulations* (NWR),⁴⁶ which came into force on April 18, 2013. Consequently, the Amendment Application and issued issues such as water user fee calculations are to be governed by the provisions of the NWR, and the Board has amended the relevant references in the Existing Licence, as discussed in more detail in the appropriate sections of the decision to reflect this regulatory change.

SECTION VI: DECISION TO DENY/GRANT THE AMENDMENT

Following the close of the written Public Hearing held in respect of this Application and for reasons elaborated further below, the Board has decided to grant the Applicant’s request to amend Type “A” Water Licence 2AM-MEA0815 to increase the total authorized use of waters from 700,000 m³ per year of freshwater for all purposes (domestic camp use, mining, milling and associated uses) to 1,870,000 m³ in 2013 and 1,150,000 m³ per year after 2013 subject to the conditions set out therein.

Based on the Amendment Application, the technical comments received and the Board’s consideration of its objects and mandate, the Board has determined that if the requested Amendment is granted, the Project can continue to meet acceptable standards for water quantity, water quality and effluent quality. In issuing the Amended Licence, the Board is satisfied that the Amendment Application contained the required information and was in the proper form, having regard to the requirements of the NWNSRTA⁴⁷ and associated regulations.⁴⁸

Compensation of Existing or Other Users

The NWNSRTA requires that the Board be satisfied that compensation of existing or other users has been or will be paid prior to the issuance of a Licence.⁴⁹ Given that the Amendment Application involves additional water use, the Board ensured that the Notice of the Amendment Application invited parties with water user compensation issues to advise the Board regarding such issues. The NWB confirms that no representations regarding compensation were made to the Board.

⁴⁶ S.O.R./2013-69.

⁴⁷ See s. 48 of the NWNSRTA.

⁴⁸ *Nunavut Waters Regulations*, SOR/2013-69, April 18, 2013.

⁴⁹ See ss. 58-60 of the NWNSRTA.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

SECTION VII: WATER LICENCE 2AM-MEA0815 AMENDED TERMS AND CONDITIONS

The Licence Amendment does not take effect until approval of the Minister is given or deemed to have been given pursuant to s. 56 of the NWNSRTA.⁵⁰ As indicated in Section VI, the Panel, by way of Motion #2014-08-P9-07 has decided to issue the Amendment to Water Licence No. 2AM-MEA0815, subject to the amended terms and conditions set out below. To provide context and clarity, the Board has provided discussion and comments about only the specific terms and conditions that have been amended and has not provided commentary for those licence terms and conditions that remain the same.

Part A: Scope, Definitions and Enforcement

The Project for which this Amended Licence is issued is classified as a Mining Undertaking in accordance with Schedule 1, Item 2 of the *Nunavut Waters Regulations*.⁵¹

Scope

The scope of the Type “A” Water Licence remains the same as the Existing Licence with the following exception; the Board has revised Part A: Item 1. Scope, Clause a. to change the location of the undertaking from the description under the Existing Licence **67°0’75” N, 96°04’39” W** to the revised description **65°01’33” N, 96°04’01” W** to reflect the exact location of the undertaking as provided by the Applicant in all annual reports provided to the NWB.

Schedule A: Definitions

The Board has revised the definition of “Regulations” to reflect that, as of April 18, 2013, Nunavut is subject to the *Nunavut Waters Regulation*, SOR/2013-69.

⁵⁰ Section 56 of the NWNSRTA states:

The issuance, amendment, renewal and cancellation of a Type A licence, and if a public hearing is held, a Type B licence are subject to the approval of the Minister.

Under s. 56(2.2) if the Minister does not issue a decision within 45 days of receiving the Licence from the Board, (or within 90 days if the Minister has extended the decision-making period by an additional 45 days) the Minister is deemed to have approved the Licence.

⁵¹ Formerly classified as a “Mining and Milling Undertaking” under Schedule 1 of the *Northwest Territories Waters Regulations*, S.O.R./93-303 and Application of Regulations made under paragraph 33(1) (m) or (n) of the *Northwest Territories Waters Act* in Nunavut Order, S.O.R./2002-253.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

Consequently the definition of “Regulations” has been revised from the Existing Licence definition that states:

“Regulations” means the *Northwest Territories Water Regulations* SOR/93-303 8 June, 1993

To the amended definition:

“**Regulations**” means the *Nunavut Waters Regulation*, SOR/2013-69

Enforcement and Compliance

During consideration of this Amendment Application, the Board was mindful of the fact that the Applicant’s request for the amendment to the Existing Licence was in part a reflection of AEM’s non-compliance with the water use limits in the Existing Licence and the direction from the Inspector designated by the Minister under the NWNSRTA⁵² to enforce the terms and conditions of the Existing Licence.⁵³ To this end, the Board recognizes the steps that have been taken by AEM to more effectively manage freshwater use at the site and the Board anticipates that the upcoming application for renewal of the Existing Licence will include further information on AEM’s water management measures, including increased emphasis on water conservation and recycling.

Part B: General Conditions

Water Use Fees

It should be noted that although the Applicant did not request an Amendment to this section of the Existing Licence, the Board has changed the terms and conditions related to the calculation of fees payable for the right to use waters, as the Regulations referred to in the Existing Licence as the basis for calculating fees changed in April 2013, when s. 12 of the *Nunavut Waters Regulations*, SOR 2013/69, came into force.

Further, it should be noted that pursuant to s. 12(6) of the new NWR “no licence fees are payable for the right to the use of waters on, in or flowing though Inuit-owned Lands”. As a result, the fees being referred to in this section are only for waters on, in or flowing through Crown Lands,

⁵² Sections 85-94 of the NWNSRTA.

⁵³ Letter to Louise Grondin, VP Environment, Agnico-Eagle Mines Ltd., from Andrew Keim, Inspector, Indian and Northern Affairs Canada, dated April 17, 2012. Re: Water Licence Inspection – Meadowbank Mine Site March 23/24 2012.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

which must be submitted to the NWB's Manager of Licensing and made payable to the Receiver General for Canada. The Licensee is responsible to conduct the appropriate water use fee calculations for all waters in, on or under **Crown lands** that will be used by the Licensee in the upcoming year and then remit the required water use fees in advance.

On this basis Part B: Items 3 and 4 have been amended so that the appropriate sections in the NWR in relation to the payment of water use fees are now referenced.

Part E: Conditions Applying to Water Use

Section 11 of the NWNSRTA states "... no person shall use, or permit the use of, water in Nunavut except in accordance with the conditions of a licence."

Water Use

As noted by AEM in the Amendment Application before the Board despite the implementation of various management measures, the Project continues to require much more freshwater use than sought in the original water licence application in 2007. The Board notes, however that AEM has implemented an action plan to minimize the use of freshwater and come into compliance with the Licence since the increased use was noted, but the Applicant conceded in the Amendment Application that despite significant success at engineering solutions to optimize freshwater use, the Applicant's water use requirements are still projected to continue to exceed the permitted rate due to higher than anticipated rates of ore processing and an adjustment of the initial water balance model which has resulted in a deficit of reclaimed water compared to the information provided in the original water licence application submitted in 2007.

The Board recognizes that there are situations where the operational realities of a Project may diverge from the predictions available at Project inception. Further, the Board recognizes that specific operational problems with the reclaim water barge (which AEM indicated at the Technical Meeting/Pre-hearing Conference have now been resolved) caused significant limitations on the ability to recycle water through the process from approximately February 2013 through to June 2013 have resulted in the unusual request to the Board to retroactively establish a water use limit specifically for 2013 that reflects these unusual circumstances.

Having considered the Amendment Application and the comments received, the Board has amended Part E, Item 3 of Type "A" Water Licence 2AM-MEA0815 as requested to increase the authorized use of waters from the existing licensed amount of **700,000 m³** per year for all



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2 Reasons for Decision Including Record of Proceeding

purposes (domestic camp use, mining, milling and associated uses), to a total authorized use total licensed amount of **1,870,000 m³** for 2013 only and **1,150,000 m³** per year after 2013.

In granting the Amendment the Board is confident that the Amended Licence yearly limits on water requirements for the Project will still protect sources from the effects of drawdown and are sufficiently protective that no harm to the receiving freshwater environment will result from the increased water use.



**Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding**

APPENDIX B – List of Submissions and Correspondence

Application:

1. Cover letter to Phyllis Beaulieu, Manager of Licensing, NWB, from Stéphane Robert and Kevin Back, Agnico Eagle, dated April 22, 2013. Re: Meadowbank Water License – 2AM-MEA0815 Fresh Water Consumption Amendment Application.
2. Application for Water Licence Amendment, from Stéphane Robert, AEM Manager Regulatory Affairs, dated April 19, 2013, received April 26, 2013.
3. Meadowbank Mine Application for Amendment NWB Licence 2AM-MEA0815 Freshwater Consumption April 2013, prepared by Agnico Eagle Mines Limited – Meadowbank Division, received April 26, 2013.
4. Meadowbank Gold Project Water Management Plan 2012, prepared by SNC Lavalin, dated March 15, 2013, received on April 26, 2013.
5. Letter to Louise Grondin, VP Environment, Agnico-Eagle Mines Ltd., from Andrew Keim, Inspector, Indian and Northern Affairs Canada, dated April 17, 2012. Re: Water Licence Inspection – Meadowbank Mine Site March 23/24 2012.
6. Letter to Andrew Keim, A/Manager Field Operations Aboriginal Affairs and Northern Development Canada, from Jeffrey Pratt, Environmental Coordinator, Agnico-Eagle Mines Ltd., dated June 2, 2012. Re: Water License Inspection – Meadowbank Mine Site March 23/24 2012 – NWB Lic # 2AM-MEA0815.
7. Water Use Inspection Report Form, Licensee: Agnico-Eagle Mines Ltd. (AEM, Licence No.: 2AM-MEA0815, prepared by Christine Wilson, Inspector, Aboriginal Affairs and Northern Development Canada, dated July 27, 2012.
8. Letter to Christine Wilson, Resource Management Officer, Aboriginal Affairs and Northern Development Canada, from Jeffrey Pratt, Environmental Coordinator, Agnico-Eagle Mines Ltd., dated August 15, 2012. Re: Water Use Inspection Report – Meadowbank Mine Site July 27, 2012.

Further Submissions and Correspondence:

9. Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Division, from Megan Porter, Licensing Administrator Assistant, dated June 5, 2013. Re: Acknowledgement and Receipt of Application Fee – Amendment 2 Water Licence – Meadowbank Project.
10. Email to Stéphane Robert, Manager Regulatory Affairs, AEM, from Karén Kharatyan, Technical Advisor, NWB, dated July 11, 2013. Re: 2AM-MEA0815 Amendment 2 Clarification on Water Consumption.
11. Email to Karén Kharatyan, Technical Advisor, NWB, from Stéphane Robert, Manager Regulatory Affairs, AEM, dated July 15, 2013. Re: 2AM-MEA0815 Amendment 2 Clarification on Water Consumption.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding

12. Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Divison, from David Hohnstein, Director Technical Services, NWB, dated July 15, 2013. Re: Licence No. 2AM-MEA0815, Agnico-Eagle Mines Ltd.: Amendment Application - Fresh Water Consumption.
13. Letter to Phyllis Beaulieu, Manager of Licencing, NWB, from Yongshu Fan, Senior Environmental Assessment Coordinator, Environmental Protection Operations Directorate, Environment Canada, dated August 6, 2013. Re: Licence No. 2AM-MEA0815, Agnico-Eagle Mines Ltd.: Amendment Application - Fresh Water Consumption.
14. Letter to Phyllis Beaulieu, Manager of Licencing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated August 6, 2013. Re: Water Licence #2AM-MEA0815 – Meadowbank Gold Mine – Agnico-Eagle Mines Ltd. – Kivalliq Region Amendment Application #2 – Completeness Review.
15. Letter to Stéphane Robert, Manager Regulatory Affairs Nunavut, Agnico-Eagle Mines Limited-Meadowbank Divison, from Damien Côté, Executive Director, NWB, dated August 29, 2013. Re: Notice of Type “A” Water Licence Amendment – 2AM-MEA0815.
16. Nunavut Water Board Public Notice of Amendment Application Agnico-Eagle Mines Limited, distributed to Meadowbank Distribution List on August 30, 2013.
17. Letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated September 26, 2013. Re: Technical Review – Amendment Application No. 2 – Increased Water Use Water Licence #2AM-MEA0813 – Meadowbank Gold Mine Project – Agnico-Eagle Mines Ltd. – Kivalliq Region.
18. Letter and attachment to Robin Ikkutisluk, Licence Administrator Assistant, NWB, from Loretta Ransom, Senior Environmental Assessment Coordinator, Prairie and Northern Region Environmental Protection Operations (EPO) Directorate, Environment Canada, dated September 26, 2013. Re: 2AM-MEA0815 - Agnico-Eagle Mines Limited Type A Water Licence Amendment.
19. Letter to Local Organizations – Request to Post Notices, from Robin Ikkutisluk, Licence Administrator Assistant, NWB, dated October 1, 2013.
20. Letter to Thomas Kabloona, Chair, NWB, from Ryan Barry, Executive Director, Nunavut Impact Review Board dated October 1, 2013. Subject: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Agnico-eAgle Mines Ltd.’s Application to Amend Type A Water Licence for the Meadowbank Gold Project, Kivalliq Region.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2
Reasons for Decision Including Record of Proceeding

21. Letter to Nunavut Water Board, from Kivalliq Inuit Association, dated October 9, 2013. Re: Review of Amendment of the Type A Water Licence for the Meadowbank Gold Project.
22. Email to Stéphane Robert, Manager Regulatory Affairs, AEM, from Phyllis Beaulieu, Manager of Licensing, NWB, dated October 11, 2013. Subject: 131009 2AM-MEA0815 KIA Final Report.
23. Letter to Robin Ikkutisluk, Licence Administrator Assistant, NWB, from Loretta Ransom, Senior Environmental Assessment Coordinator, Prairie and Northern Region Environmental Protection Operations (EPO) Directorate, Environment Canada, dated October 11, 2013. Re: 2AM-MEA0815 - Agnico-Eagle Mines Limited – Meadowbank - Type A Water Licence Amendment Technical Meeting and Pre-Hearing Conference.
24. Letter to Phyllis Beaulieu, Manager of Licensing, NWB, from Sophia Granchinho, Senior Technical Advisor & Monitoring Officer, Nunavut Impact Review Board, dated October 22, 2013. Re: Clarification provided to the NIRB regarding AEM's Type A Water Licence Amendment Application for the Meadowbank Gold Project, Kivalliq Region.
25. Letter to the Meadowbank Distribution List, from Damien Côté, Executive Director, NWB, dated November 1, 2013. Subject: Type "A" Water Licence 2AM-MEA0815, Agnico-Eagle Mines Limited: Pre-Hearing Conference Decision Regarding an Application for Amendment.
26. Nunavut Water Board Notice of Public Hearing, distributed to Meadowbank Distribution List on November 1, 2013.
27. Letter and attachment to Phyllis Beaulieu, Manager of Licensing, NWB, from David Abernethy, Regional Coordinator, Water Resources Division, Resource Management Directorate, Aboriginal Affairs and Northern Development Canada, dated December 20, 2013. Re: Final Written Submission Water Licence: #2AM-MEA0815 Licensee: Agnico Eagle Mines Ltd. Issue: Amendment Application #2 Region: Kivalliq.
28. Email to Phyllis Beaulieu, Manager of Licensing, NWB, from Luis Manzo, Director of Lands, Kivalliq Inuit Association, dated January 17, 2014. Subject: Water Compensation Agreement.
29. Email to Meadowbank Distribution, from Nunavut Water Board, dated January 22, 2014. Subject: 2AM-MEA0815 Meadowbank Gold Mine Project Amendment Application Closing of Public Hearing.
30. Letter to Meadowbank Distribution List, from Phyllis Beaulieu, Manager of Licensing, NWB, dated January 24, 2014. Re: Licence No. 2AM-MEA0815, Agnico-Eagle Mines Limited, Amendment Application for the Type "A" Water Licence, Meadowbank Gold Mine Project: Close of the Public Hearing Record.



Nunavut Water Board | Water Licence 2AM-MEA0815 – Amendment No.2

Reasons for Decision Including Record of Proceeding

31. Email to Stéphane Robert, Manager Regulatory Affairs Nunavut, AEM, from Karén Kharatyan, Technical Advisor, NWB, dated February 3, 2014. Subject: 2AM-MEA0815 Amendment, Proposed Water Level Trigger for Weekly Monitoring.
32. Email to Luis Manzo, Director of Lands, Kivalliq Inuit Association, from Karén Kharatyan, Technical Advisor, NWB, dated February 4, 2014. Subject: Water Compensation Agreement.
33. Email to Karén Kharatyan, Technical Advisor, NWB, from Luis Manzo, Director of Lands, Kivalliq Inuit Association, dated February 4, 2014. Subject: Water Compensation Agreement.
34. Email to Luis Manzo, Director of Lands, Kivalliq Inuit Association, from Karén Kharatyan, Technical Advisor, NWB, dated February 4, 2014. Subject: Water Compensation Agreement.

Letter and attachment to Karén Kharatyan, Technical Advisor, NWB, from Stéphane Robert, Manager Regulatory Affairs Nunavut and Ryan Vanengen, Environmental Biologist, AEM, dated February 5, 2014. Re: Proposed Water Level Trigger for Weekly Monitoring.
35. Letter to Damien Côté, Executive Director, NWB, from Luis Manzo, Director of Lands, Kivalliq Inuit Association, dated June 12, 2014 (received by the Board on June 13, 2014), confirming that a Water User Compensation Agreement is in place.