

File No. 2AM-MEA1526 / Amendment No. 2

May 29, 2018

Ryan Vanengen Amaruq Permitting Lead Agnico Eagle Mines Limited – Meadowbank Division 145 King Street East, Suite 400, Toronto, Ontario M5C 2Y7 1C0

Email: ryan.vanengen@agnicoeagle.com

Subject: Consequential Amendments to Type "A" Water Licence No. 2AM-MEA1526

- Meadowbank Gold Mine Project (Amendment No. 2) Required to Reflect

the Whale Tail Pit Project Proposal

Dear Mr. Vanengen,

Please find attached Amendment No. 2 to Type "A" Water Licence No. 2AM-MEA1525 (Licence) issued to Agnico Eagle Mines Limited (Agnico Eagle). As you are aware, Amendment No. 2 was considered by the Nunavut Water Board (NWB or Board) in conjunction with the NWB's consideration of a new Type "A" Water Licence requesting authorization of the use of water and deposit of waste resulting from a proposed open pit gold mine at the Whale Tail Pit site. Amendment No. 2 consists of consequential amendments to the existing Type "A" Water Licence No. 2AM-MEA1525 necessary to reflect that Agnico Eagle proposes to use the established gold processing infrastructure at the Meadowbank Gold Mine to process the additional ore originating from the Whale Tail Pit. The new Type "A" Water Licence for the Whale Tail Pit and the consequential amendments to the Meadowbank Licence were considered together by the three-member Whale Tail Pit Panel (Panel P17) duly appointed by the NWB to consider both matters.

As the new Type "A" Licence and the consequential amendments were determined by the Panel to constitute an application that affects the use, flow or quality of waters and alters the term of an existing Type "A" Licence, a Public Hearing was conducted by the Panel in September 2017 to consider the Application, as required by s. 52(1)(a) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, S.C. 2002, c. 10 (*NWNSRTA*).

On April 26, 2018, Panel P17 by **Motion 2018-06-P17-06** pursuant to the NWB's authority under Article 13 of the *Agreement Between the Inuit of Nunavut Settlement Area and Her Majesty The Queen Of The Right Of Canada (Nunavut Agreement)* and the *NWNSRTA* approved the issuance of this consequential Amendment to the Licence.

Amendment No. 2 reflects changes to the Meadowbank Gold Mine Project considered necessary to accommodate the proposed development of the Whale Tail Pit Project.

Please note that as required under s. 56 of the *NWNSRTA*, before the attached amendments can take effect, the amendments to the Licence recommended by the NWB must be approved by the Minister of Crown-Indigenous Relations and Northern Affairs (CIRNA, formerly Indigenous and Northern Affairs Canada or INAC). Accordingly, the NWB has forwarded to the Minister under a separate cover, the attached Amendment, the new Type "A" Water Licence for the Whale Tail Pit and the accompanying Reasons for Decision and Record of Proceedings for her consideration.

Sincerely,

Lootie Toomasie, Chair, Nunavut Water Board

LT/kk/rqd

Enclosure: Licence No. 2AM-MEA1526 – Amendment No. 2

Comments – DFO, ECCC, INAC and KIA

Cc: Distribution - Meadowbank

LICENCE AMENDMENT No. 2

Licensee: AGNICO EAGLE MINES LIMITED

Licence No: 2AM-MEA1526 Type "A"

Licence Issued: July 23, 2015

Minister Approval of Licence: September 2, 2015

Amendment No. 1 Issued: June 06, 2016
Minister Approval of the Amendment July 19, 2016

Amendment No. 2 Issuance May 29, 2018

Pursuant to its authority under Article 13 of the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act, with respect to an application for amendment dated May 25, 2017, made by Agnico Eagle Mines Limited (Agnico Eagle or Licensee) for the Meadowbank Gold Project, and the Reasons for Decision issued by the Nunavut Water Board (NWB) following the public hearing held with respect to the Application, the NWB hereby issues amendments to Licence 2AM-MEA1525 as follows:

Licence No. 2AM-MEA1526

Pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

AGNICO EAGLE MINES LIMITED

(Licensee)

145, KING STREET EAST, SUITE 400, TORONTO, ONTARIO M5C 2Y7

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water or deposit waste for a period subject to restrictions and conditions contained within this Licence:

Licence Number/Type: 2AM-MEA1526 / Type "A"

Water Management Area: **QUOICH / BACK WATERSHEDS (09 / 31)**

Location: MEADOWBANK GOLD MINE

KIVALLIQ REGION, NUNAVUT

Purpose: WATER USE AND DEPOSIT OF WASTE

Description: MINING UNDERTAKING

Quantity of Water not to be

Exceeded:

9,120,000 CUBIC METRES ANNUALLY

AS PER PART E

Date of Issuance: JULY 23, 2015

Expiry of Licence: JULY 22, 2025 Amended to JULY 22, 2026

This Licence issued (Motion Number 2018-06-P17-06) and recorded at Gjoa Haven, Nunavut includes and is subject to the annexed conditions.

Lootie Toomasie

Chairman, Nunavut Water

Board

APPROVED Carolyn Bennett
BY: No. 1 Co.

Minister of Crown-Indigenous

Relations and Northern Affairs

DATE LICENCE APPROVED:

AMENDMENTS TO

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. SCOPE

a. This Licence authorizes Agnico Eagle Mines Limited ("AEM" or "Licensee") to use Waters and deposit of Waste in support of a Mining Undertaking classified as per Schedule 1 of the Regulations, at the Meadowbank Gold Mine (Project) as outlined in the Type "A" Water Licence Renewal Application (Application) submitted to the Nunavut Water Board (NWB) on August 05, 2014 and as reviewed throughout the regulatory process. The scope of the activities, works and Undertakings authorized under this Licence also includes Meadowbank Gold Mine Project infrastructure used by the Whale Tail Pit Project as outlined in the water licence application submitted by AEM to the Nunavut Water Board (NWB) on July 8, 2016.

The Licensee may conduct mining, milling and associated activities at the Meadowbank Gold Mine in the Kivalliq Region of Nunavut (65° 01' 33" N, 96° 04' 01" W) including, in general, as follows:

Insert Item

• Management and disposal of Wastes associated with the Whale Tail Pit Project.

PART F: CONDITIONS APPLYING TO WASTE DISPOSAL AND MANAGEMENT

Amend Item 19 to Read

The Licensee shall dispose of tailings and operate the Tailings Storage Facility in accordance with the approved <u>Mine Waste Rock and Tailings Management Plan</u> (March 2017), <u>Meadowbank Tailings Storage Facility Management Plan for Whale Tail Pit</u> (January 2017) submitted as part of water licence application for the Whale Tail Pit Project submitted by AEM to the NWB on July 8, 2016, and <u>Guide to the Management of Tailings Facilities</u> (Mining Association of Canada September 1998). The tailings solids fraction shall be permanently contained within the Tailings Storage Facility.

SCHEDULE A: SCOPE, DEFINITIONS AND ENFORCEMENT

In this Licence 2AM-MEA1526

Amend the Definitions to Read:

"<u>Central Dike</u>" means the structure, designed to isolate the south cell portion of the Meadowbank Tailings Storage Facility for the purpose of retaining tailings as described in the approved plans and reviewed by the Independent Geotechnical Expert Review Panel.

"Minister" means the Minister of Crown-Indigenous Relations and Northern Affairs (CIRNA, formerly the Minister of Indigenous and Northern Affairs Canada);

"<u>Tailings Storage Facility</u>" means the facility designed to permanently contain the solid fraction of the mill tailings as described in the approved <u>Mine Waste Rock and Tailings Management Plan</u>. The Facility includes structures and future facilities reviewed by the Independent Geotechnical Expert Review Panel and described in the approved <u>Mine Waste Rock and Tailings Management Plan</u>.

"<u>Water Supply Facilities</u>" means the facilities designated for the supply of water including the Fresh Water Intake Barge at Third Portage Lake, the Reclaim Barge, the Wally Lake Fresh Water Intake and the Emulsion Plant fresh Water intake.

Insert the Definitions:

"Whale Tail Haul Road" means the 64.1 km. haul road and associated water crossings between the Whale Tail Pit Project site and the Meadowbank Mine site as described in the Type "A" 2AM-WTP---- Water Licence Application document entitled "Whale Tail Pit Haul Road Management Plan" dated June 2016;

"Whale Tail Pit" means the satellite deposit located on the Amaruq Exploration property approximately 150 km north of Hamlet of Baker Lake and 50 km northwest of Meadowbank Mine in the Kivalliq Region of Nunavut that the Licensee will mine as an open pit;

"Whale Tail Pit Project" means the Whale Tail Pit Project Proposal as outlined in the Final Environmental Impact Statement and supplemental information submitted by AEM to the Nunavut Impact Review Board (NIRB) as well as the associated Water Licence Application, Supporting Documents, and Technical Meeting Information Supplement documents submitted by AEM to the NWB throughout the 2016-2018 regulatory process. It comprises an open pit mine and haul road from Meadowbank Gold Mine site to the Project site

All remaining terms and conditions of Type "A" Water Licence 2AM-MEA1526 dated July 23, 2015 and Amendment 1 dated June 6, 2016 shall continue to apply.

This Licence Amendment issued and recorded at Gjoa Haven, Nunavut on May 29, 2018.

Lootie Toomasie Chairman, Nunavut Water Board	APPROVED BY:	Carolyn Bennett Minister of Crown-Indigenous Relations and Northern Affairs
DATE LICENCE APPROVED:		