NIRB File No. 11MN034

October 7, 2011

To: Meliadine Distribution List

Sent via email

Re: Commencement of the NIRB's Review of Agnico-Eagle Mines Ltd.'s "Meliadine Gold Mine Project"

Dear Parties:

On September 14, 2011 the Nunavut Impact Review Board (NIRB or Board) received the enclosed letter from the Honourable John Duncan, Minister of Aboriginal Affairs and Northern Development (the Minister), regarding the NIRB's Screening Decision Report for Agnico-Eagle Mine Ltd.'s (AEM or the Proponent) "Meliadine Gold Mine" project proposal (NIRB File No. 11MN034). The Minister has accepted the Board's recommendation and has referred the Meliadine Gold Mine project proposal (the Project) to the NIRB for further review pursuant to Part 5 of Article 12 of the Nunavut Land Claims Agreement (NLCA).

On September 16, 2011 the NIRB issued correspondence to AEM which outlined the NIRB's need for additional information prior to moving forward with key stages in the review process. Specifically, the NIRB requested that AEM submit a revised project description for the proposed mine project and a standalone application for the proposed all-weather road development. The Proponent had indicated during follow up discussions with the NIRB that it intended to modify the previously screened all-weather road proposal[1] into a two-phase approach, with Phase 1 of the all-weather road presented to the NIRB as a standalone application for an allowable exception to the NIRB's review of the Meliadine Gold Mine project, pursuant to NLCA 12.10.2 (b). Furthermore, AEM had indicated that Phase 2 of the all-weather road would be included in the revised project description of the mine proposal.

The NIRB received AEM's revised project description and the stand-alone application for Phase 1 of the all-weather road on September 29, 2011. All information pertaining to the Meliadine project proposal can be accessed on the NIRB's ftp site at the following link:

[1] This project was previously screened by the NIRB in 2011, with the NIRB recommending to the Minister of AAND that the road proposal be returned to the Proponent for clarification and/or modification in accordance with NLCA 12.4.4 (c). All information regarding this screening, including the Board's recommendation and the Minister of AAND's subsequent acceptance of this recommendation, can be obtained from the NIRB's FTP site at the following link: ftp://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2011/11RN017-AEM%20Meliadine%20All%20Weather%20Road/.

ftp://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/11MN034-AEM%20MELIADINE/2-REVIEW/

The NIRB notes that in its original submission to the NIRB[2], the Proponent requested that the NIRB and the Nunavut Water Board (NWB) implement a coordinated approach to the processes for NIRB's Review and the NWB's consideration of the Type A Water Licence application for the Meliadine Project. Given that AEM's Phase 1 road development proposal includes the requirement for a Type B Water Licence from the NWB, the NIRB and NWB intend to coordinate their respective processes to allow for a joint public comment period for the consideration of this proposal. Once the NWB is in receipt of an application from AEM and has judged it to be complete, the Boards will issue a joint notice providing parties with at least 30 days to submit their comments or concerns for consideration.

The NIRB and the NWB will work together to develop a detailed description of the proposed file-specific coordination between the Boards for the Meliadine Project and will distribute this to all parties once complete. In the meantime, a public guide to this coordinated approach entitled "*Detailed Coordinated Process Framework for NIRB Part 5 Reviews and NWB Licensing"* was previously developed by the NIRB and NWB and is available from the NIRB's online registry here:
http://ftp.nirb.ca/02-REVIEWS/NIRB%20NWB%20COORDINATION/.

NIRB SCOPING PROCESS

The NIRB's review process is designed to carry out the functions as assigned to the NIRB in Section 12.2.2 of the NLCA and further, in accordance with Section 12.5.5 of the NLCA will, among other things:

- Review the ecosystemic and socio-economic impacts of the proposed Project;
- Gauge and define the extent the impacts will have on regions and communities; and
- Determine, on the basis of its review, whether the project proposal should proceed, and it so, under what terms and conditions, and then report its determination to the Minister.

The first step in the NIRB's Part 5 review process is to **scope** the project proposal and the potential impacts associated with the Meliadine Project, including all project stages such as pre-construction, construction, operation, modification/maintenance, decommissioning, abandonment, and restoration. Scoping is a process that pinpoints significant issues requiring more detailed study and analysis. This process aims to identify those components of the biophysical and/or socio-economic environment that may be impacted by the Project and for which there is public concern. The NIRB will solicit input from the Proponent and interested parties, including Territorial and Federal Government departments, Regional Inuit Associations, and members of the public, in order to determine:

- Which project components and activities will be included in the review;

[2] AEM correspondence to the NIRB dated April 26, 2011 can be obtained from the NIRB's FTP site at the following link: http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2011/11MN034-AEM-Meliadine%20Gold%20Mining%20Project/01-APPLICATION/110504-11MN034-AEM%20Ltr%20NIRB%20Re%20Project%20Description-IT4E.pdf

- The temporal (time-related) and spatial (physical) boundaries of the project;
- The issues and concerns to be considered in the review; and,
- Any other requirements for the assessment of the project.

Based on AEM's September 29, 2011 submission of its revised Meliadine project description, the NIRB has developed a *Draft* Scope for the assessment of the Meliadine Project. Parties should note that the standalone application for the "Phase 1" development of an all-weather access road has ***not*** been included within the current scope of the NIRB's Review of the Meliadine project, but that it has been applied for in a separate standalone application for consideration as an exception to the NIRB's Review. The current scope will encompass only "Phase 2" of the road development at this time as described in AEM's September 29, 2011 Revised Project Description.[3] Should the NIRB ultimately determine that it is unable to approve the exception as requested, the Board would be required to amend the scope of the Review to include both Phase 1 and Phase 2 road development.

By copy of this letter, the NIRB requests that interested parties review the *Draft* Scope and provide comments to the NIRB on or before **October 28, 2011**.

The NIRB scoping process requires the development of a public participation and awareness program intended to engage the public during the early stages of the review process in order to facilitate meaningful consultation with those communities potentially affected by the Meliadine Project. The NIRB will consult with the public and interested parties to identify Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) that should be addressed by the Proponent's *Draft* Environmental Impact Statement.

The NIRB is currently in the process of confirming details for its community scoping tour in the Kivalliq Region. The NIRB will be visiting Rankin Inlet, Chesterfield Inlet, Whale Cove, Arviat, Repulse Bay, Coral Harbour and Baker Lake between November 13th and 30th, 2011 to consult with members of the public in these potentially affected communities regarding the Meliadine project and the NIRB Review Process.

The objectives of these public scoping sessions will be to:

- Explain the NIRB's Review process, including how members of the public can become involved and participate;
- Inform the public of the proposed Meliadine project under Review; and,
- Work with members of the public to identify Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) that should be considered in the NIRB's Review of the Meliadine project.

The NIRB will be conducting open houses and scoping meetings in each community and will be noting questions and concerns brought forth at each session. These questions and comments will be incorporated, where appropriate, into a revised version of the *Draft* Scope (Appendix A), and will also be compiled in a Public Scoping Summary Report to be released at a future date.

[3] AEM's September 29, 2011 Revised Project Description is available from the NIRB's FTP site at the following link: ftp://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/11MN034-AEM%20MELIADINE/2-REVIEW/04-SCOPING%20&%20GUIDELINES/01-SCOPING/01-REVISED%20PROJECT%20DESCRIPTION%20&%20SUPPORTING%20DOCUMENTS/.

EIS Guideline Development

Section 12.5.2 of the NLCA directs the NIRB to issue project specific guidelines to the Proponent for its preparation of an Environmental Impact Statement (EIS). An EIS is a detailed document prepared by the Proponent in accordance with the EIS Guidelines issued by the NIRB which identifies, predicts, evaluates, and communicates information about the ecosystemic and socio-economic impacts of a project proposal. An EIS also provides for the identification and development of mitigation measures – those provisions or measures which are designed to control, reduce, or eliminate potentially adverse impacts of an activity or the project.

The NIRB will draw on information obtained during the scoping of this Project in the development of the EIS guidelines, and will further, offer an opportunity for public comment into their development, including the potential facilitation of an EIS Guidelines Development Workshop prior to finalizing the EIS Guidelines. At the completion of this iterative process the NIRB will issue the EIS Guidelines to the Proponent for its preparation of a *Draft* EIS for the Project.

Section 12.5.2.of the NLCA contains a list of information to be included, where appropriate, in an EIS (NIRB's 10 Minimum EIS Requirements) and grants the NIRB authority to add, "*any other matters that NIRB considers relevant*." For more information on the preparation of Environmental Impact Statements and a list of requirements that Proponents must comply with, please see the NIRB's *Guide 7 – The Preparation of Environmental Impact Statements* (available at ftp://ftp.nirb.ca/04-GUIDES/).

Overview of Next Steps

The following provides an overview of the next steps in the NIRB's review of the Meliadine project:

October 7, 2011	NIRB requests parties provide comments regarding the *Draft* Scope
October 28, 2011	NIRB receives parties' comments regarding the *Draft* Scope
November 13-30, 2011	NIRB holds Scoping Meetings in the Kivalliq Region
November 13, 14 & 15	**Rankin Inlet**
November 16 & 17	**Chesterfield Inlet**
November 18 & 19	**Whale Cove**
November 21 & 22	**Arviat**
November 23 & 24	**Repulse Bay**
November 25 & 26	**Coral Harbour**
November 28 & 29	**Baker Lake**
December 8, 2011	NIRB releases revised *draft* Scope and *draft* EIS Guidelines for parties' consideration and comment

The NIRB has enclosed a more detailed timeline and review process map for the Meliadine project for the information of parties. Please note that this timeline is subject to change based on project-specific circumstances and the NIRB's discretion.

Again, the NIRB invites interested parties to submit comments on the *Draft* Scope (Appendix A) for the Meliadine Project to the NIRB by **Friday October 28, 2011**. Please forward all comments to the NIRB's Environmental Administrators at info@nirb.ca, or via fax to (867) 983-2594.

If you have any questions or require clarification regarding the NIRB's Review of the Meliadine Project, please contact Kelli Gillard, Technical Advisor, at kgillard@nirb.ca or by phone at (867) 983-4619.

Sincerely,

Amanda Hanson
Director, Technical Services
Nunavut Impact Review Board

cc: The Honourable John Duncan, Minister of Aboriginal Affairs and Northern Development
John Witteman, Agnico-Eagle Mines Ltd.
Eric Lamontagne, Agnico-Eagle Mines Ltd.
Dionne Filiatrault, Nunavut Water Board

Attachment: Appendix A – *Draft* Scope for the NIRB's Assessment of the Meliadine Gold Mine Project

Enclosures (2): Minister of Aboriginal Affairs and Northern Development's Decision Re: Meliadine Gold Mine Project (*September 14, 2011*)
Anticipated Timeline and Process Map for the NIRB's Part 5 Review of the Meliadine Gold Mine Project

APPENDIX A
DRAFT SCOPE LIST FOR THE NIRB'S ASSESSMENT OF THE MELIADINE GOLD MINE PROJECT

The scope of the NIRB's assessment of the Meliadine project proposal is based on the requirements of Sections 12.5.2 of the Nunavut Land Claims Agreement (NLCA), the NIRB's 10 Minimum EIS Requirements and the project proposal submitted by Agnico-Eagle Mines Ltd. (AEM or Proponent) on September 29, 2011.

The process of "scoping" intends to identify the scope of the project, including the physical works and activities proposed, and the factors to be assessed (i.e., ecosystemic and socio-economic factors and environments to be considered in assessing the effects of the project) in the context of spatial and temporal scales at various project stages including preconstruction, construction, operation, modification/maintenance, decommissioning, abandonment or other undertakings. The NIRB will consult with the public and interested parties to identify Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) that should be addressed by the Proponent's Environmental Impact Statement.

As previously discussed, on September 29, 2011 AEM submitted a separate and stand-alone application for the construction and operation of a single lane all-weather road (Phase 1) for consideration as a 12.10.2(b) exception to the NIRB's review of the Meliadine project. This all-weather road, as proposed, would be used solely to transport fuel and materials to the Meliadine site in support of the bulk sampling program that had been previously screened by the NIRB per File No. 10EA018. The Phase 1 development of this road is therefore ***not*** included within the NIRB's *Draft* Scope of the Meliadine project. Details on how the 12.10.2(b) exception application will be processed by the NIRB and the NWB will be forthcoming.

1) Project Description, including the purpose and need for the Project

The scope of the development under review includes the physical works and activities or undertakings that constitute the revised Meliadine project proposal, as filed by AEM with the NIRB on September 29, 2011.

Project Proposal Summary

The Meliadine Project is a proposed gold mining and milling operation located in the Kivalliq region, approximately 25 kilometres (km) northwest of Rankin Inlet. The mine and mill are expected to process approximately 8,500 tonnes of ore per day based on currently known mineral resources. The production rate could be re-evaluated and potentially increased if additional mineral resources are confirmed.

The proposed project includes seven geographical areas: Tiriganiaq, Wolf, Wesmeg, F Zone, Pump, Discovery, and the Rankin Inlet facility including a dock site, fuel storage and laydown areas. More information based on feasibility studies currently being conducted will be included in the *Draft* Environmental Impact Statement (*Draft* EIS).

The main base of operations will be at the Tiriganiaq deposit which will include open pit and underground mining, ore processing, a power plant, warehousing, administration, personnel accommodation, and all associated facilities to support these activities. The final gold product will be transported off site via air to the Royal Canadian Mint.

AEM is looking at developing five (5) other deposits: Wolf, Wesmeg, F Zone, Pump and Discovery. It is anticipated that both open pit and underground mining may be required at these additional deposits; however, a final decision as to how these areas will be mined will be based on feasibility studies currently being conducted. A decision on mining techniques at each deposit is expected to be presented in the *draft* Environmental Impact Statement.

The existing Itivia dock and a fuel and laydown area (to be constructed) will be within the community of Rankin Inlet and would serve as a transfer and storage facility for materials and supplies en route to the Meliadine mine site. Reagents, fuel and supplies would be barged to a storage facility adjacent to Rankin Inlet and transported to site via a separately proposed 23.8 km long all-weather access road.

The anticipated operational mine life is approximately ten (10) years, with a four (4) year pre-operational construction phase and a post-operational decommissioning period of approximately three (3) years. The potential development of additional deposits in the project area could extend the operating life of the project.

Project Components

a. Tiriganiaq/Main Mine site

Activities: The main base of the operations will be at the Tiriganiaq site, which will include: open pit and underground mining, dewatering and diking of waterbodies; ore processing, warehousing, power generation and heat recovery, administration, and personnel accommodations.

Facilities (during operation): open pit and underground mine; explosives storage; waste rock pad; ore storage pads; haul roads; mill facility; water treatment facilities; water storage facility; tailings management facilities; hazardous material handling and storage facility; fuel storage; warehouse; main maintenance shop; main administration complex; dry facilities; power plant; and accommodation complex.

b. Development of five other mineral deposits/mine sites (Wolf, Pump, Wesmeg, F Zone, and Discovery)

Activities: Mined ore will be hauled to the Tiriganiaq/main mine site for processing; diking and dewatering of lakes where required.

Facilities (during operations): open pit mine and/or underground mines; waste rock/overburden management areas; all-weather haul roads, satellite fuel area(s) where required; dikes and/or water diversion where required; and water intake facilities.

c. Rankin Inlet Dock Site, Tank Farm and Storage Facility

Activities: These facilities are proposed to be located adjacent to the Rankin Inlet airport. The existing Itivia dock is proposed to be used for the receipt of materials from barges. Fuel will be offloaded via a floating pipeline from barges at the dock directly to the tank farm. The Rankin Inlet storage facility will be used to store fuel, containers, supplies and other materials that are brought in for the Meliadine project. Supplies and fuel will be trucked via all-weather road to the Meliadine site on an on-going basis.

Facilities (during operations): Include the fuel storage/tank farm; storage facility; warehouse and laydown area; and satellite administration office.

d. Road transportation connecting Rankin Inlet to the Meliadine area

Note: AEM has proposed a two-phase approach for an all-weather access road between Rankin Inlet and the Meliadine Mine site. Phase 1 is being considered as a separate application and therefore, Phase 2 is the only road component that will be considered within the scope of this project.

Activities: Phase 2 of the all-weather road involves a proposed widening of an existing single lane road to two (2) lanes, the construction of a spur road from the existing main access road to the Discovery gold deposit, and to allow public access to certain portions of the proposed roads.

Facilities (during operation): Three gates, two manned and one unmanned in order to restrict public access to the mine and related facilities to authorized personnel, use of existing quarries for road development and maintenance as developed per Phase 1.

e. Mobilization and Shipping

Activities: The required fuel, reagents and supplies for the Meliadine project will be brought in via marine or air shipping. The established harbour at Itivia will be used to receive loaded barges from Canada's eastern ports during the open-water season.

Facilities (during operation): Spud barge to be installed to facilitate transfer of materials from barges to trucks for immediate transport to Meliadine. Materials brought in by air will be moved by truck directly to the site.

2) Anticipated ecosystemic and socio-economic impacts of the Project

The assessment of the potential for ecosystemic and socio-economic impacts caused by the proposed project components and activities in the above section and extending through all the Meliadine project phases should refer to the environmental and socio-economic factors listed below. The scope of potential impacts caused by the project components, activities, and undertakings to environmental and socio-economic factors shall take into account the appropriate temporal boundaries and spatial boundaries and is expected to draw upon relevant information from scientific sources and traditional knowledge.

a) Climate (including climate change) **and Meteorology**
b) Air Quality
c) Noise and Vibration
d) Geology
e) Hydrology (including water quantity) **and hydrogeology**
f) Groundwater and Surface Water Quality
g) Terrestrial Environment, including
    i. Terrestrial ecology
    ii. Geomorphology and soils
h) **Permafrost and Ground Stability**
i) Vegetation
j) Freshwater Aquatic Environment, including
    i. Aquatic ecology
    ii. Sediment quality
    iii. Aquatic biota including fish as defined in the *Fisheries Act*
    iv. Habitat
k) Marine Environment, including
    i. Marine ecology
    ii. Marine water and sediment quality
    iii. Marine biota including fish
l) **Marine Wildlife and Marine Habitat**
m) Terrestrial Wildlife and Wildlife Habitat
n) **Birds,** including
    i. Raptors
    ii. Migratory birds
    iii. Seabirds
o) **Socio-Economic Factors**, including
    i. Population demographics
    ii. Education and training
    iii. Livelihood and food security
    iv. Employment
    v. Economic development and self-reliance
    vi. Community infrastructure and public services
    vii. Contracting and business opportunities
    viii. Land use
    ix. Benefits, royalty and taxation
    x. Governance and leadership
p) **Human Health and Well-being** (including worker health and safety)
q) Non-traditional Land and Resource Use, including
    i. Protected areas
    ii. Visual and aesthetic resources
r) Cultural, Archaeological and Palaeontological Resources
s) **Cumulative Effects**
t) **Transboundary Effects**

3) Anticipated Effects of the Environment on the Project

The scope of the assessment will include the potential anticipated effects of the arctic environment on the project throughout the project's life. The scope of factors will include:

a) Climate (including climate change) and Meteorology
b) Permafrost
c) Geotechnical hazards (including slope movement, differential or thaw settlement, frost heave, and ice scour)
d) Subsidence
e) Flooding
f) Extreme weather events
g) Unfavourable geological conditions

4) Steps which the proponent proposes to take including any contingency plans, to avoid and mitigate adverse impacts

The scope of the assessment will include any contingency plans to avoid and mitigate adverse impacts caused by the proposed project components and activities and these plans should extend through all the project phases. The contingency plans shall take into account the appropriate temporal boundaries and spatial boundaries and is expected to draw upon relevant information from scientific sources and traditional knowledge.

a) Risk Management, including
    i. Emergency response
    ii. Hazardous materials management
    iii. Accidents and malfunctions
    iv. Regulations
    v. Mitigation measures

5) Steps which the Proponent proposes to take to optimize benefits of the project, which specific consideration being given to expressed community and regional preferences as to benefits

The scope of the assessment will include steps which the Proponent proposes to take to optimize benefits of the project, and should include, but not be limited to:

a) Compensation and Benefits
b) Health Benefits
c) Human Health and Well-being (including worker health and safety)
d) Employment
e) Education and Training
f) Land Use
g) Contracting and Business Opportunities
h) Any non-confidential details from the Inuit Impact Benefits Agreement

6) Steps which the Proponent proposes to take to compensate interests adversely affected by the project

The scope of the assessment will include the steps which the Proponent proposes to take to compensate interests adversely affected by the project including all non-confidential Inuit Impact Benefits Agreement process and content details.

7) The monitoring program the Proponent proposes to take to compensate interests adversely affected by the project

The scope of the assessment will include the monitoring programs that will be established to mitigate the potential for ecosystemic and socio-economic impacts caused by the proposed project components and activities. The scope of factors will include:

a) Monitoring Programs (environmental and socio-economic components)
b) Post Project Analysis (PPA)

8) The interests in lands and waters which the Proponent has secured or seeks to secure

The scope of the project under review will include any interests in lands and waters which the Proponent has secured or seeks to secure based on the proposed physical works and activities or undertakings that constitute the Meliadine project proposal.

Nunavut Planning Commission	Conformity Determination under the Keewatin Regional Land Use Plan
Nunavut Impact Review Board	Project Certificate
Nunavut Water Board	Type 'A' Water Licence
Aboriginal Affairs and Northern Development Canada	Class 'A' Land Use Permit, rights-of-ways, Mineral Lease
Kivalliq Inuit Association	Land Use Licences, leases, easements, rights-of-ways and various other permits
Fisheries and Oceans Canada	Section 35 Fisheries Act Authorization
Transport Canada	Navigable Water Permit
Government of Nunavut-Community and Government Services	Quarry approval and Right-of-Way approval
Natural Resources Canada	Explosive Manufacturing Licence
Environment Canada	Schedule 2 Amendment to Metal Mining Effluent Regulations
Canadian Nuclear Safety Commission	Nuclear Substances & Radiation Devices Licence
Workers Safety & Compensation Commission	Explosive magazine Permit renewal
Government of Canada – Department of Culture, Language Elders & Youth	Class 2 Permit for Heritage Sites
Nunavut Research Institute	Socio-economic & Traditional Knowledge Research Licence

9) Options for implementing the proposal

The scope of the assessment will include Project Alternatives including alternatives to individual components/activities, alternate timings and development options, as well as presenting the "no go" option.

10) Any other relevant matters

The scope of the assessment will include any other matters that the NIRB considers relevant, including:

a) Technical innovations previously untested in the Arctic including new technology for mine design, operation, and tailings containment;
b) Traditional knowledge;
c) Statement of Consultation Principles and Practices;
d) Significant Effects Analysis; and
e) Sustainability Analysis.