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November 27, 2017

Jamie Quesnel Environmental Superintendent - Nunavut Agnico Eagle Mines Ltd. P.O. Box 879 Rankin Inlet, NU X0C 0G0

Sent via email: jamie.quesnel@agnicoeagle.com

Re: <u>The Nunavut Impact Review Board's 2016-2017 Annual Monitoring Report for the Meliadine Gold Mine Project and Board's Recommendations</u>

Dear Jamie Quesnel:

The Nunavut Impact Review Board (NIRB or Board) is hereby releasing its 2016-2017 Annual Monitoring Report for the Meliadine Gold Mine Project (Monitoring Report), which includes the 2017 Site Visit Report for the NIRB's monitoring of the Meliadine Gold Mine Project (Appendix I within the Monitoring Report) and the 2017 Public Information Meeting Summary Report (Appendix III within the Monitoring Report). The enclosed Monitoring Report is based on the NIRB's monitoring activities as set out within the Meliadine Gold Mine Project Certificate [No. 006] and Sections 12.7.1 and 12.7.2 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement). This report provides findings that resulted from monitoring of this Project that took place from October 1, 2016 to September 30, 2017.

By way of a motion carried during its regular meeting held in November 2017, the Board has issued the following recommendations to assist Agnico Eagle Mines Ltd. (Agnico Eagle) in achieving full compliance with the Meliadine Gold Mine Project Certificate and to ensure the NIRB has all information necessary to adequately discharge its mandate with respect to provisions within section 12.7 of the Nunavut Agreement as such pertain to the Meliadine Gold Mine Project.

Dust management – Project Certificate Condition #3

Condition #3 of the Project Certificate requires the Proponent to update and implement a dust management and monitoring plan along the All-Weather Access Road (AWAR) and associated roads and trails. The Condition specifies that the dust management plan include commitments to the use of dust suppressants, details of the frequency and timing of application, and specific adaptive management measures to be considered should dust deposition be greater than predicted.

It is noted that Agnico Eagle has developed and begun implementing an air quality monitoring program, and in summer 2017 began applying dust suppressants (water and calcium chloride) along the AWAR and temporary access route from Itivia at the edge of the Hamlet of Rankin Inlet. However, the Monitoring Officer heard concerns from the public over dust produced by vehicles along the AWAR, and the NIRB staff observed large dust clouds along the AWAR and at the mine site during the August 2017.

Recommendation 1: The Board requests that Agnico Eagle provide a submission to the NIRB that describes its assessment of the effectiveness of dust suppression efforts to date and demonstrates its consideration for the use of alternative dust suppressants (e.g., Dust Stop®, EnviroKleen®) and more frequent application. Limitations on the effectiveness of current dust suppression employed for the Project as well as the feasibility of alternative dust suppression compounds should be clearly highlighted. This information should be provided within 30 days' receipt of receiving the Board's recommendations.

Road access management – Project Certificate Conditions #48, #125, and #126

Condition #48 requires Agnico Eagle to consult with the Government of Nunavut, the Kivalliq Inuit Association, the Kivalliq Wildlife Board, and local Hunters and Trappers Organizations to develop a Road Access Management Agreement specifying monitoring and mitigation measures relating to the improved access for caribou harvesting provided by the AWAR. Such monitoring and mitigation measures shall include closing the road when large aggregations of caribou are within 1 km, and having road monitors patrol the road to ensure compliance with hunting rules.

Condition #125 requires Agnico Eagle to implement a road access management plan and to ensure rules for use of the road are clearly communicated to the public. Condition #126 requires Agnico Eagle to include a detailed consultation plan in its Roads Management Plan. The consultation plan shall specify the methods Agnico Eagle will use to provide the Kivalliq Inuit Association, the Hunters and Trappers Organizations, residents of Rankin Inlet, and the Hamlet of Rankin Inlet with rules of the road.

The NIRB acknowledges Agnico Eagle's 2017 Roads Management Plan and understands that Agnico Eagle has conducted consultation with various parties while developing this plan. The NIRB also acknowledges Agnico Eagle is currently managing the AWAR as a controlled access road, has installed signage displaying safety and access rules along both the AWAR and the temporary route from Itivia through Rankin Inlet, and is maintaining traffic logs at two (2) manned gates along the AWAR. The NIRB is also aware of Agnico Eagle's plans to construct ATV/snowmobile trails and crossings, including the recently communicated plan to construct a trail that would bypass the mine site to ensure public safety and access in traditionally used areas.

Agnico Eagle has indicated to the NIRB that an updated Roads Management Plan, a Road Access Management Agreement, and a detailed consultation plan will be provided in 2024 when Phase 2 of the AWAR and the spur road to the Discovery deposit are developed. The NIRB notes this timeline for development of Phase 2 of the AWAR and spur road is later than originally indicated, and the NIRB is concerned that the public is currently accessing and crossings sections of the AWAR on ATV and snowmobile without these finalized plans in place, putting both the safety of users and the protection of caribou at risk. As some of the Proponent's road access management activities have been modified in scope or timing or are in addition to those indicated in the Proponent's last draft of its Roads Management Plan, the NIRB would like to emphasize the importance of clear and frequent communication with both the Board as well as the public and other parties. Traffic monitoring data, and details of consultation and outreach demonstrating progress towards full compliance with Conditions #48, #125, and #126 have not been provided to the NIRB and the Board is concerned about the lack of transparency and progress reporting.

Recommendation 2: The Board requests that Agnico Eagle provide the NIRB with a log of authorized and unauthorized users along the All-Weather Access Road, and a comparison of observed versus predicted traffic volumes. This information should be provided in all of Agnico Eagle's future annual reports, and should be provided for the past monitoring period within 30 days' receipt of receiving the Board's recommendations.

Recommendation 3: The Board requests that Agnico Eagle provide an updated Roads Management Plan with its 2017 Annual Report. The Roads Management Plan should include updates to timelines, rules of the road, methods Agnico Eagle is currently taking to manage access, details of all ATV/snowmobile trails and crossings, methods for keeping the public informed, and consultation plans regarding access management.

<u>Hunter Harvest Survey – Project Certificate Conditions #46 and #105</u>

Conditions #46 requires the Proponent to work with the Rankin Inlet Hunters and Trappers Organization and the Government of Nunavut to gather baseline and monitoring data related to harvesting in order to understand the impacts of the AWAR on caribou harvest, specifically through the implementation of a hunter harvest survey. Condition 105 encourages consultation with local outfitting and guiding businesses as well. The baseline data and hunter harvest survey are to be associated with a road management plan, and all are required to be in place prior to development of Phase 2 of the AWAR which would include constructing the spur road to the Discovery deposit. In the summer of 2017, Agnico Eagle indicated to the NIRB that the hunter harvest survey would be modeled after the one in place at the Meadowbank Gold Mine, which was being refined due to decreasing participation. Agnico Eagle noted it hopes to begin implementing the survey at Meliadine in 2018. The NIRB appreciates the efforts of Agnico Eagle to address issues in the survey, and acknowledges that Agnico Eagle plans to develop Phase 2 of the AWAR and the spur road to the Discovery deposit in 2024. However, the NIRB is concerned that with the hunter harvest survey not being completed at present, a gap in available baseline knowledge is developing that needs to be addressed.

Recommendation 4: The Board requests that Agnico Eagle provide the NIRB with a plan for meeting the objectives of Conditions #46 and #105. The plan should include a clear indication of timelines, next steps in development of the Hunter Harvest Survey,

discussion of limitations of the survey originally carried out at Meadowbank and proposed solutions, measures for success, and contingency planning with a discussion of feasibility of alternative studies to ensure timely implementation. Submission of this plan should be within 30 days' receipt of the Board's recommendations.

Consultation Log with Compliance Table

The Proponent is in the Construction phase with plans to begin operations in late 2019, and it is recognized that some mitigation, management and monitoring plans are just beginning to be implemented, and others have yet to be refined. To do so, many of the terms and conditions within the Project Certificate require or encourage the Proponent to consult with or collaborate with parties including the Government of Nunavut, the Kivalliq Inuit Association, the Rankin Inlet Hunters and Trappers Organization, Elders, and other community members. Some key areas where consultation and collaboration are encouraged or required as per the Project Certificate include training and education programs, employee counselling programs, health, wellness, and demographic monitoring, climate change studies, the hunter harvest survey and road access management, and marine cumulative effects monitoring and mitigation. It is expected that consultation and collaboration with parties is well underway, and it is acknowledged that in Agnico Eagle's 2016 Annual Report a general log of consultation activities in that year was provided, however details are limited, making it difficult to assess progress towards meeting specific terms and conditions.

In 2015, the Board requested that Agnico Eagle provide regular progress updates in the form of a table to facilitate tracking of terms and conditions within the Project Certificate. In 2016, the Board requested more frequent updates, and Agnico Eagle has committed to providing its condition table twice-yearly. These updates have been received but are incomplete and lack detail.

Recommendation 5: The Board requests that Agnico Eagle include in their twice-yearly compliance updates to the NIRB ("Condition Tables"), a detailed summary of the consultation conducted with the Rankin Inlet Hunters and Trappers Organization, the Kivalliq Inuit Association, the Government of Nunavut, and other stakeholders to ensure progress compliance with the Project Certificate. Additionally, the Board requests that, where possible, Agnico Eagle add status updates and general timelines to the table for Conditions that are in progress.

Employment records – Project Certificate Conditions #93 and #101

Condition #93 encourages the Proponent register all trades, journeypersons and apprentices working with Project including those from other jurisdictions and the share this information with the GN. Condition #101 requires the Proponent to include with its annual report a summary of employee origin including number of Inuit and non-Inuit employees and which communities and regions they are from. This information was not included in the Proponent's 2016 Annual Report.

Recommendation 6: The Board requests that Agnico Eagle provide the NIRB with a summary of employee origin information as per Conditions 93 and 101 in all future Annual Reports, and for the past monitoring period within 30 days' receipt of receiving the Board's recommendations.

Secondary containment

As per the *Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum and Allied Petroleum Products*, ¹ aboveground fuel storage tanks with capacities of greater than 50,000 L must be placed entirely within a dyked area, with an *impermeable barrier* in the floor of the containment area and in the dyke walls. During the NIRB's 2017 Site Visit (Appendix I), it was observed that the fuel tanks at the temporary fuel farm (which have capacities ranging from 53,000 L to 110,000 L) did not have the required secondary containment. Moreover, it is noted that there was a considerable spill at this location in April 2017.

Recommendation 7: The Board would like to remind Agnico Eagle of the requirements for secondary containment and requests that Agnico Eagle provide a plan with timelines for implementing secondary containment at the temporary fuel farm as soon as possible and until such time as this fuel farm is no longer being used. This information should be provided to the Board within 30 days' receipt of receiving the Board's recommendations.

The Board respectfully requests that for items requiring follow-up action by Agnico Eagle a response be provided within the timeline as requested for each of the recommendations. Where no timeline has been stipulated for a response, the Board requests that Agnico Eagle submit a plan of action to address these items prior to **date two (2) months from issuance**.

Should you have any questions or require further clarification regarding this request or related to the NIRB's monitoring program for the Meliadine Gold Mine Project, please contact me directly at (867) 983-4607 or sthompson@nirb.ca.

Sincerely,

Shanley Thompson

Meliadine Gold Mine Project Monitoring Officer

Nunavut Impact Review Board

Shily Tyn

cc: Alex Chernoloz, Agnico Eagle Mines Ltd.

Meliadine Gold Mine Distribution List

Enclosure: The Nunavut Impact Review Board's 2016-2017 Annual Monitoring Report for the Meliadine

Gold Mine Project

¹ Published by the Canadian Council of Ministers of the Environment through its National Task Force on Storage Tanks. Available online at https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/publications/code-practice-storage-tank-systems.html

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