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NWB File No.: 2AM-MEL1631

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November 6, 2018

Martin Theriault
Compliance Counselor
Agnico Eagle Mines Limited
Meliadine Division, Nunavut
X0C 0G0

Sent via email: martin.theriault@agnicoeagle.com

Re: The Nunavut Impact Review Board's 2017-2018 Annual Monitoring Report for the Meliadine Gold Mine Project and Board's Recommendations

Dear Martin Theriault:

The Nunavut Impact Review Board (NIRB or Board) is hereby releasing its 2017-2018 *Annual Monitoring Report for the Meliadine Gold Mine Project* (NIRB File No. 11MN034; Monitoring Report) along with the 2018 Site Visit Report (Appendix A within the Monitoring Report) and the for the NIRB's monitoring of the Meliadine Gold Mine Project. 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 pursuant to 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 2017 to September 2018.

All materials pertaining to the NIRB's ongoing Monitoring program for the Meliadine Gold Mine Project can be accessed online from the NIRB's online public registry at at www.nirb.ca/project/124106.

By way of a motion carried during its regular meeting held in October 2018, the Board has issued the following recommendations to assist Agnico Eagle Mines Limited (Agnico Eagle or Proponent) in achieving compliance with the Meliadine Gold Mine Project Certificate. These recommendations ensure that the NIRB has all the information necessary to adequately discharge its mandate with respect to provisions within Section 12.7 of the *Nunavut Agreement* as they pertain to the Meliadine Gold Mine Project.

Dust – Project Certificate Terms and Conditions 1, 3, 6, and 27

As noted last year, Terms and Conditions 1, 3, 6, and 27 of the Project Certificate require the Proponent to develop and implement a dust management and monitoring plan along the all-weather access road (AWAR) and associated roads and trails, as well as at the landfill, and to assess the deposition and composition of dust in aquatic systems.

The NIRB acknowledges that the Proponent has developed and begun implementing an air quality monitoring program as well as submitted a Dust Management Plan with its Roads Management Plan developed for Phase 1 of the AWAR. In the summer of 2017, Agnico Eagle began applying dust suppressants (water and/or calcium chloride) along the AWAR and temporary access road at the edge of the Hamlet of Rankin Inlet. On July 6, 2018 Agnico Eagle indicated in its response to the 2017 Board Recommendation 1 that it would be conducting studies on alternate dust products. It is unclear if studies were conducted and what the results from the studies were.

Recommendation 1: The Board requires Agnico Eagle to provide a summary of any dust suppressant studies conducted on the all-weather access road (AWAR) in 2018 with the results contrasted against predictions presented within the Final Environmental Impact Statement for the Meliadine Gold Mine Project and a discussion of any implications for ongoing dust management for the Project.

The requested information should be provided to the Board within 30 days following the issuance of this recommendation.

The Board also acknowledges that there are two (2) operators of the AWAR that are required to manage dust. The Monitoring Officer heard concerns from the public over dust produced by vehicles along the AWAR, and noted that the complaints were related to activity on a section of road that appears to be under Hamlet of Rankin Inlet operations and not necessarily directly managed by Agnico Eagle. That said, during the August site visit, NIRB staff observed dust along the AWAR even though NIRB staff were told that dust suppressants were applied prior to the site visit.

Recommendation 2: The Board requests that Agnico Eagle work with the Hamlet of Rankin Inlet to describe the effectiveness of dust suppression efforts to date along the roads that Agnico Eagle uses to transport equipment and supplies to the Meliadine site (both municipal and proponent-owned). The Board also requests Agnico Eagle and the Hamlet of Rankin Inlet develop a plan for working together in the summer of 2019 to address the concerns of the public.

Agnico Eagle is to include the requested information in its 2018 Annual Report submission to the NIRB.

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

In 2012 the Board approved Agnico Eagle's application for Phase 1 of the AWAR and stipulated that the road be operated as a controlled access road only, with two (2) gatehouses (decision issued February 20, 2012). Phase 2 of the AWAR and the associated spur road to Discovery will be open to the public, and the Proponent is planning this for 2024 – several years later than initially suggested in the Phase 1 application and in the Final Environmental Impact Statement.

As per Agnico Eagle's Road Management Plan, the Proponent has been maintaining a traffic log of authorized and unauthorized users along the AWAR. Further regarding road access in 2018, NIRB staff were informed that the proposed all-terrain vehicle (ATV)/snowmobile trail considered as a detour for public travelers to avoid driving directly through the mine site was no longer being considered.

Recommendation 3: The Board requires Agnico Eagle provide a discussion of traffic volumes, safety issues encountered, and adaptive management activities undertaken to manage traffic and road safety.

The requested information should be provided to the Board within 30 days following the issuance of this recommendation.

Recommendation 4: The Board requests Agnico Eagle coordinate with the Hamlet of Rankin Inlet to install additional signage along the roads used by Agnico Eagle to transport equipment and supplies to site (both municipal and proponent-owned). The signage should identify operators of that section of road, speed limits, and restricted entry on the bypass road.

Agnico Eagle is to include an update on its implementation of this recommendation in its 2018 Annual Report submission to the NIRB.

Recommendation 5: The Board requests Agnico Eagle develop a consultation plan including posters, meetings, radio shows about the all-weather access road (AWAR) to ensure the public understands its role and ability to access the AWAR.

Agnico Eagle is to include the requested information in its 2018 Annual Report submission to the NIRB.

Hunter Harvest Survey – Project Certificate Terms and Conditions 46 and 105

The 2017 Board Recommendation 3 is an ongoing issue for the Meliadine Project as the NIRB has not received the Hunter Harvest Survey Plan from Agnico Eagle or any update regarding the commencement of the study. Project Certificate Terms and Conditions 46 and 48 require the Proponent to work with the Kangiqliniq Hunters and Trappers Organization, the Kivalliq Inuit Association, 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. Term and 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 must be in place prior to development of Phase 2 of the AWAR which would include constructing the spur road to Discovery. The Proponent's latest plan is to develop this road by 2024.

In its response to the Board's recommendations in 2017 the Proponent noted that the survey would be modelled after the one (1) in place at its Meadowbank mine, which was being refined due to decreasing participation. The Proponent noted it hopes to begin implementing the survey at Meliadine in 2018 which appears to have not occurred. The NIRB is concerned that with the Hunter Harvest Study not being completed at present, a gap in available knowledge is developing that needs to be addressed. This is important as Agnico Eagle is proposing more development in the region and plans to be in the region for the long term.

Recommendation 6: The Board requires Agnico Eagle to provide an action plan for meeting the objectives of Terms and Conditions 46, 48, and 105. The plan must 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. A discussion of the feasibility of alternative studies should be included to prevent further delays in implementation.

The requested information should be provided to the Board within 30 days following the issuance of this recommendation.

Consultation Log

The Proponent is currently in the construction phase for the Meliadine Project 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 or collaborate with parties including the Government of Nunavut, the Kivalliq Inuit Association, the Kangiqliniq 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, and marine cumulative effects monitoring and mitigation. It is expected that consultation and collaboration with parties is well underway; however, the Proponent has not provided the NIRB with a summary or log of any such consultation or collaboration making it difficult to assess progress towards meeting these 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. In 2017 the Board recommended that the updates be more detailed and as the information has not yet been incorporated into the updates, would like to emphasize its importance.

Recommendation 7: The Board requires Agnico Eagle include in their twice-yearly updates a summary of the consultation conducted with the Kangiqliniq Hunters and Trappers Organization, the Kivalliq Inuit Association, the Government of Nunavut, and other stakeholders to ensure progress and compliance with the Project Certificate.

The requested information from the August update should be provided to the Board within 30 days following the issuance of this recommendation and be included in updates henceforth.

Spill Management – Project Certificate Terms and Conditions 77 & 124

The NIRB staff during the August 2018 site visit were informed of a 6,500 litre fuel spill at tank farm #2 that happened in February 2018. Agnico Eagle described its investigation into the incident and stated that the spill occurred as a result of a valve being left open and not locked out during a fuel transfer. The NIRB acknowledges that accidents happen and Agnico Eagle is still in the construction phase and that both the mine site and Itivia Harbour site are very busy. However, the Meliadine Gold Mine Project is the second project in development by Agnico Eagle in Nunavut,

with a third site, Whale Tail Pit, also in construction phase. It is important that lessons learned from each location are applied to each site to ensure accidents are minimized.

Recommendation 8: The Board requires Agnico Eagle provide a written explanation of the conditions which contributed to the spills on site for 2017 (both reportable and non-reportable spills) and provide a discussion on steps taken since to prevent future spills.

The requested information should be provided to the Board within 30 days following the issuance of this recommendation.

The Board respectfully requests that for items requiring follow-up action by the Proponent that a response be provided within the timeline as requested for each of the recommendations.

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 the undersigned at (867) 983-4619 or at kgillard@nirb.ca.

Sincerely,

A handwritten signature in blue ink that reads "Kelli Gillard". The signature is fluid and cursive, with the first name "Kelli" written in a larger, more prominent script than the last name "Gillard".

Kelli Gillard B.Sc., PAg
Manager, Project Monitoring
Nunavut Impact Review Board

cc: Nancy Harvey, Agnico Eagle Mines Limited
Meliadine Distribution List

Enclosure: The Nunavut Impact Review Board's 2017-2018 *Annual Monitoring Report for the Meliadine Gold Mine Project*