

NIRB File No.: 11MN034 NWB File No.: 2AM-MEL1631

March 27, 2020

Jamie Quesnel Regional Manager – Permitting and Regulatory Affairs Agnico Eagle Mines Limited Baker Lake, NU X0C 0A0

Sent via email: jamie.quesnel@agnicoeagle.com

Re: NIRB Clarification on scope of the Meliadine Gold Mine Project in relation to Agnico
Eagle Mines Limited's "Meliadine Mine Saline Water Management Update – Mid
Term Strategy 2020" Update

Dear Jamie Quesnel:

The Nunavut Impact Review Board (NIRB or Board) acknowledges receipt of the March 18, 2020 letter from Agnico Eagle Mines Limited (Agnico Eagle) which provides notice to the NIRB regarding proposed interim measures for conveying additional saline effluent to Itivia Harbour for discharge into Melvin Bay.¹ Previously the NIRB received Agnico Eagle's updated Roads Management Plan (ver. 8) on January 9, 2020 which outlined the updated strategy for managing the increased saline effluent in 2020² which was posted on the NIRB's public registry and circulated for the information of parties. The NIRB appreciates the efforts of Agnico Eagle in providing these updates to current operations, as it assists the Board and reviewing parties to prepare for upcoming applications.

The Board notes that the scope of activities referenced in the March 18, 2020 letter to the NIRB for the "Mid-Term Strategy 2020" are associated with the saline water management component of the Meliadine Gold Mine Project (as modified to reflect the 2018 Saline Effluent Discharge Proposal³) expected to occur during the summer of 2020, specifically indicating the following:

¹ Public Registry ID: 329028

² Public Registry ID: 328359

³ Nunavut Impact Review Board, Reconsideration Report and Recommendations, Saline Effluent Discharge to Marine Environment Proposal, Agnico Eagle Mines Limited, NIRB File No. 11MN034, October 31, 2018 (the 2018 Saline Effluent Discharge Proposal). Public Registry ID: 320879.

- An increase to the volume of saline effluent discharged, from the previously-assessed maximum of 800 m³ per day⁴ to a maximum of 1600 m³ per day, to be discharged directly into Melvin Bay during the open water season 2020; and
- An associated increase to the transportation of treated groundwater via truck along the all-weather access road, from the previously-assessed maximum of 16 round trips to Itivia (32 one-way trips) per day⁵ to up to 44 trips (it is unclear if these are one-way or round trips) per day.

The NIRB is aware of a separate application Agnico Eagle provided to the Nunavut Planning Commission (Commission) on March 18, 2020 entitled the "Saline Water Management" Proposal (the 2021 Saline Water Management Proposal) and would note that the activities listed above were not included in the scope of the application provided to the Commission.

From Agnico Eagle's letter defining its Mid-Term Strategy 2020, the NIRB would like to address several issues raised within the following paragraph:

Based on three years (2017 to 2019) of operational experience at Meliadine, Agnico Eagle has identified that further adaptive management strategies are necessary to ensure best management practices are implemented at site as additional volumes of saline groundwater are forecasted. As an initial step, during Summer 2020, Agnico Eagle plans to increase discharge at Itivia from the current 800 m3 per 12 hour period up to 1600 m³ per day using the existing infrastructure and trucking methods. This increased discharge during 2020 is described in the updated Roads Management Plan, which was approved by the NWB through Board Motion No. 2019-A1-014 dated February 22, 2020 as required by Part B, Item 12 of the Water Licence. During the NWB's review of this plan, Environment and Climate Change Canada (ECCC) reviewed the plan but did not submit any technical comments.

In 2018, the Board considered draft plans during the assessment of the 2018 Saline Effluent Discharge Proposal, and while updates to these plans are expected through permitting and operations, the Board's receipt of changes to adaptive management strategies, descriptions of project activities, and the development and implementation of best management practices provided in post-assessment copies of the plans do <u>not</u> constitute approvals of changes to the scope of the previously-assessed project. Even if parties participated in the review of updated plans to determine if the measures are appropriate, or the proposed activities are justified as necessary, such changes have not been subject to the applicable regulatory requirements, including conformity and impact assessment or associated operational requirements associated with the approval of specific activities, works or undertakings that are outside the scope of previous assessment and approval processes.

Specifically, in Agnico Eagle's referencing of the approval of the Roads Management Plan by the NWB, the NIRB would like to clarify that while this plan was submitted to fulfill the licensing requirements of the project and involved review by parties, review of such plans is not meant to

ⓑ(867) 983-2594

info@nirb.ca

⊕www.nirb.ca

⁴ This was the maximum predicted by Agnico Eagle during the NIRB's assessment of the 2018 Saline Effluent Discharge Proposal.

⁵ This was the maximum predicted by Agnico Eagle during the NIRB's assessment of the 2018 Saline Effluent Discharge Proposal.

operate as a substitute for the required impact assessment of potentially significant changes to project operations and should not be used to argue that regulatory agencies have made determinations of the significance of a modification or appropriateness of current mitigation or monitoring efforts, when they have not expressly made such determinations.

The NIRB notes that the focus of the 2021 Saline Water Management Proposal submitted to the Commission is saline water management in 2021 associated with the installation and operation of a pipeline to transport the increased volume of saline groundwater that Agnico Eagle must manage beyond the volumes predicted by Agnico Eagle in the Board's previous assessment of the 2018 Saline Effluent Discharge Proposal. The Board emphasizes that Agnico Eagle's referencing of the increased truck transport and discharge of increased volumes of saline effluent proposed in 2020 solely in the Road Management Plan (ver. 8) and confining the scope of the 2021 Saline Water Management Proposal submitted to the Commission to the activities surrounding construction of a pipeline to discharge the saline effluent in 2021, Agnico Eagle has not sought, and the NIRB has not issued, confirmation with respect to whether the scope of activities as referenced in the "Mid-Term Strategy 2020" letter does or does not constitute a "significant modification" of the scope of the Meliadine Gold Mine Project as previously assessed and approved under Project Certificate No. 006 (as amended on February 26, 2019 to reflect the 2018 Saline Effluent Discharge Proposal).

As referenced above, during the NIRB's previous assessment of the 2018 Saline Effluent Discharge Proposal, the scope of activities related to trucking and discharge of saline effluent were:

- discharge of up to 800 m³ per day (211,338 gallons/day) directly into Melvin Bay during the open water season (from approximately May to October); ...
- transportation of treated groundwater by water tanker trucks, with up to 16 round trips to Itivia (32 one-way trips).

Commitment 13 and 20 associated with the NIRB's decision to approve the 2018 Saline Effluent Discharge Proposal⁶ were Agnico Eagle's self-imposed limits on operations for trucking and release rates made to address participants concerns, and these Commitments were key factors in parties' support for the 2018 Saline Effluent Discharge Proposal, and in the Board having confidence that the potential for ecosystemic and socio-economic effects could be appropriately managed, mitigated and monitored. Despite Agnico Eagle's conclusion that the increased transportation and discharges are not-significant, the NIRB has yet to issue the Board's determination of the significance of these proposed changes to the scope of the previously-assessed 2018 Saline Effluent Discharge Proposal.

From the cover letter Agnico Eagle provided to the Commission with its 2021 Saline Water Management Proposal, while referencing the Nunavut Water Board's approval of the updated Roads Management Plan noted to contain the increased trucking and release rates, the scope provided later in the letter lists "discharge to Melvin Bay and related water management activities will not change". Noting that the Commission has recently referred the 2021 Saline Water Management Proposal to the NIRB for assessment, the Board notes that the scope of changes

(866) 233-3033

⁶ Commitment 13: "Regardless of the first day or last day of discharge in any given year, Agnico Eagle commits to a maximum of 800m³/day discharge through the pipe and diffuser to Melvin Bay" and Commitment 20: "Agnico Eagle has committed to no more than 16 one way truck trips per day for transport of saline effluent. If Agnico Eagle exceeds the number of trips due to caribou migration, weather and mechanical issues, Agnico Eagle will notify KIA with the reason."

proposed in the 2021 Saline Water Management Proposal do not seem to include the changes included in the updated Roads Management Plan and the changes to the limits included in Commitments 13 and 20.

Noting the above context and in particular, the scope of the previous assessments of saline effluent transportation and discharge, and in response to Agnico Eagle's statement that it considers "no further steps are required by NIRB in relation to the increase discharge at Itivia during summer 2020", the NIRB advises Agnico Eagle that the Board does not agree with this statement. The increased saline effluent transportation and discharge activities are considered by the Board to be outside the scope of what was assessed under the 2018 Saline Effluent Discharge Proposal and approved under the current Project Certificate No. 006, Amendment 001.7 Further, to date, the NIRB has not been provided with the necessary detail in the scope of the increased saline effluent transportation and discharge activities proposed by Agnico Eagle to take place in 2020, as well as information sufficient for the Board to determine the significance of this proposed modification of the Meliadine Gold Mine Project. Therefore, the NIRB requires Agnico Eagle to provide additional detail regarding the scope of the 2020 increased saline effluent transportation and discharge activities referenced in Agnico Eagle's March 18, 2020 letter, including the likely impacts associated with these increased activities to enable the NIRB to determine if the changes proposed constitute a significant modification to the project, and if so, whether further assessment is required prior to these activities being approved to proceed.

Finally, the Board understands that there may be additional changes to the Meliadine Gold Mine Project being contemplated by the Proponent and that an application(s) to modify the Project to reflect these changes may be submitted by Agnico Eagle in the near future. Consequently, in Agnico Eagle's response to this correspondence, the NIRB requires Agnico Eagle to provide confirmation as to whether the scope of the 2020 increased saline effluent transportation and discharge activities will be addressed as a single, stand-alone application to the NIRB or will be included within the scope of other application(s) seeking changes to the existing Meliadine Gold Mine Project.

If you have any questions or require additional clarification, please contact the undersigned directly at tarko@nirb.ca.

Sincerely,

Tara Arko

Director, Technical Services

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Nunavut Impact Review Board

Enclosure (1): Agnico Eagle Ltr NIRB Re Meliadine Mine Saline Water Management [March 18, 2020]

⁷ Public Registry ID: 320879; NIRB Reconsideration Report and Recommendations, Agnico Eagle Mines Limited, Saline Effluent Discharge to Marine Environment, NIRB File No. 11MN034, October 2018, p. 6.

cc:

Manon Turmel, Agnico Eagle Mines Limited Michel Groleau, Agnico Eagle Mines Limited Sharon Ehaloak, Nunavut Planning Commission Peter Scholz, Nunavut Planning Commission Stephanie Autut, Nunavut Water Board Karén Kharatyan, Nunavut Water Board Sergey Kuflevskiy, Nunavut Water Board