



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

December 23, 2015

Phyllis Beaulieu
Manager of Licencing
Nunavut Water Board
Gjoa Haven, NU, X0E 1J0

INAC reference
CIDM# 1008784

NWB reference
#2AM-MEL----

**Re: Indigenous and Northern Affairs Canada's (INAC's (Formerly AANDC)) Final
Technical Review of Agnico Eagle Mines Ltd.'s Application for a New Type A
Water Licence for its Proposed Meliadine Gold Mine. Licence No. 2AM-MEL----**

Dear Ms. Beaulieu,

Thank you for your email on November 10, 2015, concerning the above mentioned
water licence application process.

A memorandum is provided for the Nunavut Water Board's (Board or NWB)
consideration. Comments have been provided pursuant to the Department's mandated
responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and
the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4282 or email at
ian.parsons@aandc-aadnc.gc.ca for further comments or any questions.

Sincerely,

Ian Parsons, B.Sc
Regional Coordinator
Indigenous and Northern Affairs Canada
P.O. Box 100
Iqaluit, NU, X0A 0H0

c.c.: Scott Burgess, A/Manager Water Resources, Nunavut Regional Office (NRO),
INAC
Erik Allain, Manager of Field Operations, NRO, INAC



Memorandum

To: Phyllis Beaulieu, Nunavut Water Board

From: Ian Parsons, Regional Coordinator, Water Resources Division, INAC

CC: Scott Burgess (INAC)
Erik Allain (INAC)
Christine Wilson (INAC)
Karen Costello (INAC)

Date: December 23, 2015

Re: INAC's (Formerly AANDC) Final Technical Review of Agnico Eagle Mines Ltd.'s Application for a New Type A Water Licence for its Proposed Meliadine Gold Mine. Licence No. 2AM-MEL----

Applicant:	Agnico Eagle Mine Ltd.
Project:	Meliadine Gold Project
Region:	Kivalliq

A. BACKGROUND

On August 27, 2015 the Nunavut Water Board (NWB or Board) provided notification to interested parties that Agnico Eagle Mines Limited Partnership (Agnico Eagle or the applicant) had completed submission of an application for a Type "A" water licence # 2AM-MEL---- for development work related to the mining of the Meliadine Gold Project.

Interested parties were asked to review the water licence application and provide technical comments by October 5, 2015.

On October 14-15, 2015 the NWB held a Technical Meeting and Pre-Hearing Conference in Rankin Inlet.

On November 10, 2015 the NWB distributed its Pre-Hearing Decision Report; this report contained all applicable upcoming submission dates for intervenors as well as the applicant for the final review stage of the licencing process. As well, the Pre-Hearing Decision Report contained a list of all outstanding commitments and applicable dates for the applicant attached to the Decision Report as Appendix D.



B. RESULTS OF REVIEW

On behalf of Aboriginal Affairs and Northern Development Canada's (AANDC) Water Resources Division, comments and recommendations are provided for the NWB's consideration.

Pre-Hearing Decision Report – Appendix D

- 1) **Comment:** Since the conclusion of the Technical Meeting/Pre-Hearing Conference and the subsequent issuing and distribution of the NWB's Pre-Hearing Decision Report there has been no additional plans, reports and/or submissions from the applicant to review and/or provide further comment as you can see from the column entitled Timeline for Submission in Appendix D of the Pre-Hearing Decision Report issued by the NWB

APPENDIX D: List of Commitments Generated during the Technical Meeting/Pre-Hearing Conference held October 14 and 15, 2015 for Water Licence Application No.: 2AM-MEL----

No.	Party Responsible for Commitment	Party(s) who raised (Item#)	TM Commitment	Timeline for Submission	Form of Submission
1	AEM	AANDC (Arcadis 2)	Management of Lakes A9 and A38 will be added to the next revision of the Water Management Plan (WMP).	Within 60 days after issuance of the licence	Updated Water Management Plan
2	AEM	AANDC (Arcadis 3(2, 4))	Hydrogeological study results including Saline Water Management shall be provided to the NWB. If any information from the study becomes available before January 2016, AEM will make this information available to the NWB.	January 2016	Hydrogeological Study Report
3	AEM	AANDC (Arcadis 3(3))	Detailed designs of dikes and channels to be submitted to the NWB.	At least 60 days prior to construction	Design Plan
4	AEM	AANDC (Arcadis 3(9))	Adaptive management shall be included within the next revision of WMP to deal with potential high concentrations of Arsenic in Collection Pond – 1 (CP1).	Within 60 days after issuance of the licence	Updated Water Management Plan
5	AEM	AANDC	Water monitoring frequency	Within 60	Updated



		(Arcadis 3(11))	(table 9.1) shall be added in the next revision of the WMP.	days after issuance of the licence	Water Management Plan
6	AEM	AANDC (Arcadis 3(12))	Regulatory and Verification monitoring shall be provided within Annual Reporting to the NWB.	Annually, by March 31 st of the following year	Annual Reports
7	AEM	AANDC (Arcadis 4)	Details for thermal instrumentation and monitoring shall be provided within the final design of the Tailings Storage Facility (TSF).	At least 60 days prior to construction	Design Plan

Recommendation: AANDC recommends that commitments 1-7 remain as stated and reserves the right to provide further comment and recommendation to each commitment in the above table upon reviewing the associated plans and/or reports.

Security

- 1) **Comment:** Since the Technical Meeting/Pre-Hearing Conference, INAC, AEM and the Kivalliq Inuit Association (KIA) engaged in a teleconference to come to an agreement on the amount of security for the Meliadine project proposal. During the teleconference it was agreed by all parties that an amount of \$49,554,667 Million dollars would represent a sufficient quantum of security that could be recommended to the board.

In addition to this, INAC and KIA are working on a Security Management Agreement (SMA) to eliminate over bonding, whereby both parties would hold a 50-50 split of the total amount of security. There has been no formal agreement reached as of yet on this SMA however, INAC is confident an agreement can be reached and signed before the Public Hearing is held.

Recommendation: Since a total amount of security (49,554,667 Million) has been agreed upon between INAC, KIA and AEM, INAC recommends that the Financial Security to be held under the water licence for the proposed Meliadine project be set at the agreed amount (between INAC and KIA) that will be set out in the Security Management Agreement.