December 12, 2016

Your file - Votre référence 2AM-MEL1631

> Our file - Notre reference IQLAUIT-#1118082

Karen Kharatyan Manager of Licensing Nunavut Water Board GJOA HAVEN, NU X0E 1J0

Re: Indigenous and Northern Affairs Canada Review of Agnico Eagle Mines Ltd.'s Design Plan for Jetty-CP1 and Jetty-CP5 Water Licence #2AM-MEL1631.

Dear Mr. Kharatyan:

Thank you for your email of December 2, 2016, concerning the above mentioned plan. A memorandum is provided for the Board's consideration. Comments and recommendations have been provided pursuant to Aboriginal Affairs and Northern Development Canada'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 information.

Sincerely,

Ian Parsons Regional Coordinator Water Resources Division Resource Management Directorate Aboriginal Affairs and Northern Development Canada IQALUIT, NU X0A 0H0

Encl.

Erik Allain, Manager of Field Operations, AANDC Nunavut C.C.:



Memorandum

Re: Water Licence Design Plan for two Jetties, #2AM-MEL1631

Licensee: Agnico Eagle Mines Ltd.
Project: Meliadine Gold Mine

Region: Kivalliq

Comments:

A. Background

On December 2, 2016, the Nunavut Water Board (the "NWB") provided notification of AEM's Deign plan for Jetty-CP1 and Jetty-CP5 under the approved Water Management Plan contained in Water Licence 2AM-MEL1631. The Design and building of the Jetties will enable AEM to manage and treat all sources of contact water around the mine site. The property is located 25 km north of the Hamlet of Rankin Inlet.

Interested parties were asked to review this application and provide comments by December 12, 2016.

B. Results of review

On behalf of Indigenous and Northern Affairs Canada ("INAC"), the following comments and recommendations are provided:

1. Construction Material

Source: Design report for Jetty-CP1 and Jetty-CP5, Section 4 Construction, Subsection 4.2.1

Comment: Subsection 4.2.1 Run-of-Mine or Class A borrow material from Esker This section states "The rockfill required for earth work construction can be sourced from eskers (borrow pits) or from non-acid generating (NAG) run-of-mine waste (mine) rock."

Recommendation: All material being used to build the jetties must be shown to be non-acid-generating. Given the nature of the two choices AEM should use material sourced from eskers (less likely to be ARD) for the construction of the jetties even though the plan states that the run-of mine waste rock is NAG.