

File: 2AM-MEL1631/TR/D1, 2

December 16, 2019

Martin Theriault Compliance Counselor Agnico Eagle Mines Limited 145, King Street East Suite 400, Toronto, ON M5C 2Y7

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Subject: Design Report for Saline Effluent Treatment Plant; Type "A" Water Licence 2AM-MEL1631, Meliadine Gold Project, Agnico Eagle Mines Limited

Dear Mr. Theriault:

The Nunavut Water Board ("NWB") received from Agnico Eagle Mines Limited (Agnico Eagle or Licensee) on August 31, 2019, the document entitled: "Design Report Saline Effluent Treatment Plant (SETP)" (Report) as a requirement of Part D, Item 1 of Water Licence 2AM-MEL1631 (Licence). The Report was prepared by WSP Canada Inc. and dated May 2019.

The Report includes the final design and construction drawings for the Saline Effluent Treatment Plant (SETP), including including the pumping and piping. The water treated at the SETP will be sourced from underground mine. The effluent water from the SETP will be pumped in SP3 and transported by truck tanker to its final location for sea discharge at Itivia in Melvin Bay via an underwater pipe diffuser.

It is indicated that *contaminants of concern identified in underground water are: pH, Ammonia, TSS and oil and grease.* The Report indicates that the plant is designed to meet the regulatory, including for toxicity of marine species in addition to the parameters stated above and operational (Ammonia) criteria before the treated water from SETP could be discharged into SP3 pond then discharged into Melvin Bay.

On May 31, 2019, the Report was distributed for interested parties' review with a deadline for submissions set at June 17, 2019. On June 16, 2019, the Kivalliq Inuit Association (KivIA) informed the Board that they do not have comments at this time related to the document. On June 18, 2019, the Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) requested clarification on the connection between SETP and Saline Water Treatment Plant. On June 21, 2019, Agnico Eagle provided explanation, stating that the Saline Effluent Treatment Plant (SETP) is a saline water treatment facility designed to treat or remove oil and grease, TSS, ammonia, and TDS so that the final product meets treatment objectives for the effluent to be discharged to Melvin

Bay, as defined by NIRB.

The interaction of these two facilities is primarily with respect to the supply of saline water. Within the SWTP are two saline water holdings tanks, supplied directly from saline water storage both underground and on surface. These holding tanks feed the SWTP treatment process as well as the SETP treatment process (water is transferred from the holding tanks in the SWTP to the SETP via a short pipeline).

On June 28, 2019, CIRNAC informed the Board that CIRNAC has reviewed AEM's response and had a follow-up conversation with AEM personnel to further understand the Saline Effluent system and the Saline water system, at this time CIRNAC is sasfied with AEM's responses.

The Board is satisfied that the Report addresses the requirements of Part D, Item 2 of Licence 2AM-MEL1631, and has approved the Design Report for Saline Effluent Treatment Plant through Board Motion No. 2019-A1-004, dated July 2, 2019, as required by Part D, Item 1 of Licence. The Licensee is advised that the Board's "approval" of this document is a verification that the proposed activity is consistent with the existing terms and conditions of the Licence and more specifically with the Part D, Item 2, and may proceed in accordance with the Report and drawings provided. It should be noted that the Board's "approval" is NOT intended or offered as any representation regarding the suitability of the plans nor third party verification of the design, construction, planning or engineering discussed in the document.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 or karen.kharatyan@nwb-oen.ca at your earliest convenience.

Regards,

Karén Kharatyan Director of Technical Services

cc: Distribution List - Meliadine