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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2AM-MEL1631/TR/D20

December 8, 2016

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Subject: Addendums to Water Management Plan and Borrow Pits and Quarries Management Plan; Type “A” Water Licence 2AM-MEL1631, Meliadine Gold Project, Agnico Eagle Mines Ltd.

Dear Ms. Turmel and Mr. Quesnel:

The Nunavut Water Board (NWB or Board) received from Agnico Eagle Mines Ltd. (Agnico Eagle or Licensee) on November 3, 2016 a submission including Addendums to the Water Management Plan and Borrow Pits and Quarries Management Plan consistent with the requirement of Part B, Item 15 and as required by Part D, Item 20 of the Licence 2AM-MEL1631 (Licence).

Part D, Item 20 of Licence states:

The Licensee shall conduct all activities in a manner so as to minimize impacts on Surface Drainage and immediately undertake any corrective measures required in the event of any impacts on Surface Drainage.

AEM states in its submission that during the extraction of construction material from Meliadine Esker, *it was noted the boundaries of the esker had inadvertently encroached 7m beyond the boundary of the quarry lease and the boundary of excavation was within the 31 meters setback of pond H17C. The Licensee proposes to undertake immediate corrective measures consistent with Part D, Item 20, of our current Water Licence 2AM-MEL1631 to minimize and mitigate potential impacts to ponds H17A, B and C.*

The Licensee also states that that ponds H17A, B and C were not incorporated into the approve Water Management Plan *even though Agnico Eagle assumed that the above-mentioned ponds would be dewatered. As such, Table 4.1 and Figure 3.1 have been updated to provide clarification in operations. The approximate water volume to be pumped from ponds H17A, B and C is 15,165m³ and will not impact CPI and the water balance.*

The Addendum to Borrow Pits and Quarries Management Plan proposes to include a table with approved borrow pits and quarries with addition of Tiriganiaq, Wesmeg, Meliadine esker and B6 borrow pits. Also included are the clarification of interpretation of the 31 m buffer condition and changes in operations.

Public Review

The submission was distributed for a twenty-one (21) day public review and comments on November 3, 2016. Comments were received from Environment and Climate Change Canada (ECCC) on November 23, 2016, and from Indigenous and Northern Affairs Canada (INAC) on November 24, 2016.

ECCC recommended that *borrow setbacks from any waterbody are consistent in terms of providing adequate buffer capacity to mitigate any issues that could potentially occur; and the Proponent take steps to ensure that any seeps containing deleterious substances will not be allowed to enter surface waters frequented by fish.*

ECCC made also recommendations related to the interim management and treatment aspects of saline water pending the completion of the groundwater investigation discussed in the original Water Management Plan.

INAC's comment was with respect to the Addendum to the Borrow Pits and Quarries Management Plan. INAC was concerned about the possible contamination of nearby waterbodies due to seepage from quarries and borrow pits, and recommended that the Licensee *conduct Acid Rock Drainage (ARD) and Metal Leaching (ML); take necessary steps to ensure at least 31 m of undisturbed land is between quarries/borrow pits and the normal high water mark of any water bodies; teste for materials from quarries and borrow pits and provide results to the Board for review; sample, test and analyze seepage from quarries and borrow pits (water quality) to ensure that water is of a quality that will not impact the environment and is within license requirements (if applicable); and hold and treat (if necessary) the contaminated water originating from quarries and borrow pits to prevent water contamination in the nearby water bodies.*

The NWB invited Agnico Eagle to provide responses/clarifications to comments by December 1, 2016, extended to December 5, 2016 as per Licensee's request.

In its responses to comments Agnico Eagle informed that *Agnico Eagle has implemented an ARD/ML testing program for material extracted in quarries and borrow pits. For every 100,000 tonnes of material extracted, 8 samples will be collected for static testing. All results will be submitted to INAC with the 2016 Annual Report.*

It was also stated that *Agnico Eagle will ensure all quarries are located 31m away from any waterbody in the future to mitigate any issues that could potentially occur; will sample, test and analyse seepage from quarries and borrow pits to ensure that water is of a quality that will not impact the environment and is within license requirements; and will ensure any pit/quarry contact water is controlled to prevent water contamination in the nearby water bodies.*

The ECCC and INAC informed the Board that they are satisfied with Licensee's responses to comments on December 6 and December 7, 2016, respectively.

Summary

By copy of this letter the Board acknowledges that the submission addresses the requirements of Part D Item 20 of Licence 2AM-MEL1631, and has accepted the Addendums to the Water Management Plan and Borrow Pits and Quarries Management Plan.

The Licensee is advised to include fully updated management plans within the 2016 Annual Report to incorporate all design changes and adaptive engineering required, and also all comments/clarifications received during the review of Addendums to the management plans.

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.

Yours truly,

Karén Kharatyan
A/Manager of Licensing / Sr. Technical Advisor

cc: Distribution List - Meliadine