

December 22, 2016

Karen Kharatyan
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

RE: 2AM-MEL1631 - Seeking approval from the Nunavut Water Board to temporarily use A8 as a water source for construction

Dear Mr. Kharatyan,

As per Part E Item 1¹, Agnico Eagle is seeking approval from the Nunavut Water Board (NWB) (the Board) to obtain freshwater from Lake A8 (A8) for construction purposes. Agnico Eagle would like to temporarily use water from A8 to produce cement for construction at the Cement Batch Plant (Batch Plant). Water would be obtained from A8 from 2017 to 2019.

The Batch Plant is located between the industrial pad and the portal. Figure 1 illustrates the location of the Batch Plant and the associated proposed piping.

Agnico Eagle has reviewed the possibility of alternative water sources, including water obtained from Meliadine Lake at station MEL-01, as approved under water Licence 2AM-MEL1631. A8 is preferred due to not having infrastructures (i.e access road, fill) located along the proposed piping route. Furthermore, there is less distance between the Batch Plant and A8 than between MEL-01 and A8. Additionally, existing equipment installed for the water intake at A8 approved under water License 2BB-MEL1424 could be used.

The water intake at A8 location is proposed to be at GPS coordinates 6987766N 540010E. As per water license 2AM-MEL1631 Part E Item 6, the water intake will be equipped with a screen of an appropriate mesh size to ensure that fish are not entrained and will withdraw water at a rate such that fish do not become impinged on the screen. The water intake will comply with DFO's *Freshwater Intake End-of-pipe Fish Screen Guideline*.

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The Licensee shall obtain all fresh water for domestic camp use, mining and milling and associated uses, from Meliadine Lake at Monitoring Program Station MEL-01 using the Fresh Water Intake, or as otherwise approved by the Board in writing. The total authorized volume of Waters for all purposes shall not exceed sixty two thousand (62,000) cubic meters per year during Construction and three hundred and eighteen thousand (318,000) cubic meters per year during Operations of the Project.

The volume of freshwater obtained from A8 will be measured, recorded and reported to the Board in Monthly Monitoring Reports as per Part I Items 9a and 10 of Water License 2AM-MEL1631. Agnico Eagle will use separate piping than for water taken under water license 2BB-MEL1424. As such, flows will be recorded separately. Approximately 3,000 m³ of freshwater will be required per year between 2017 and 2019 for Batch Plant production. As per Part E Item 1 (License 2AM-MEL1631), water pumped from all approved sources, for all purposes, will not exceed 62,000 m³, during Construction.

In addition to the proposed withdrawal of 3,000 m³ of freshwater per year from A8 under water License 2AM-MEL1631, Agnico Eagle will require an additional 3,000 m³ to be withdrawn from A8 to be used for underground and surface drilling (water License 2BB-MEL1424). Overall, A8 water consumption is estimated at a combined total annual consumption of 6,000 m³. This represents 0.4 % of the mean annual water balance, and water body volume (Table 1). Agnico Eagle anticipates that the proposed volume of water withdrawn from A8 will be minor and of short duration. Based on this, Agnico Eagle does not foresee observed drawdown at A8 due to the proposed withdrawal volume required for the Batch Plant or underground production requirements between 2017 and 2019.

Table 1: Hydrological overview of A8

Lake A8	
Area (m ²)	1.4
Mean Depth (m)	1.6
Max Depth (m)	4.2
Volume (m ³)	1,414,800
Mean Annual Water Balance (m ³)	1,433,951

Sources: Table 7.4-14, Volume 7.0 Fresh water Environnement. Final Environmental Impact Statement (FEIS) – Meliadine Gold Project
SD 7-1 Aquatic Baseline Synthesis Report, 1994 to 2009 - Meliadine Gold Project

As per Water License 2AM-Mel1631 Part B Item 15, an addendum to the Water Management Plan can be found in Appendix A to reflect these changes. These will also be incorporated to the next revision of the Water Management Plan to be submitted with the 2016 annual report.

Should you have any questions or require further information, please do not hesitate to contact me.

Best regards,

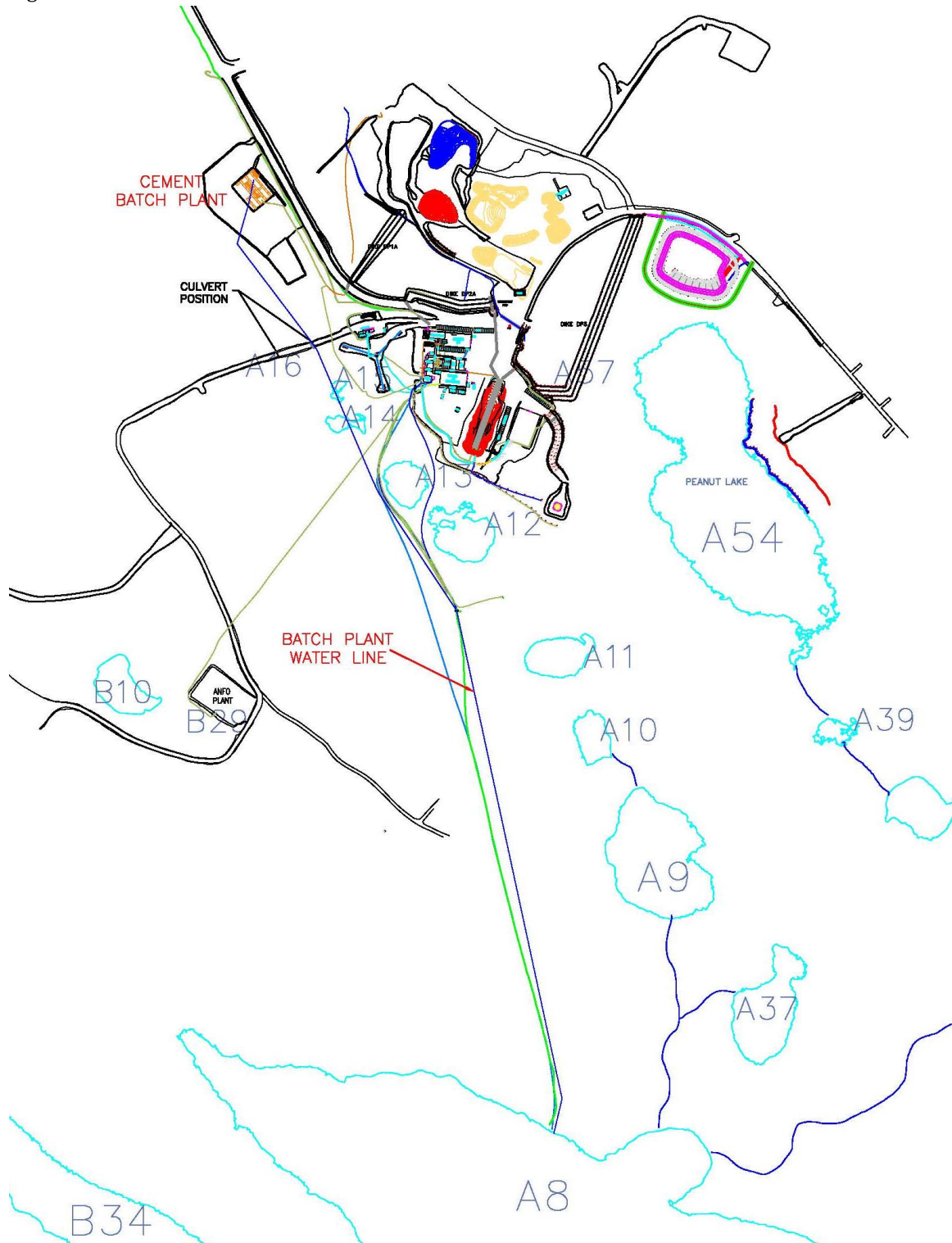
Agnico Eagle Mines - Meliadine Gold Project



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CC: Jamie Quesnel – Agnico Eagle Mines
 Luis Manzo – Kivalliq Inuit Association
 Ian Parsons – Indigenous and Northern Affairs Canada
 Christine Wilson – Indigenous and Northern Affairs Canada

Figure 1. Cement Batch Plant Location



APPENDIX A: Water Management Plan Addendum

ADDENDUM



AGNICO EAGLE

Project Name:	Meliadine Gold Project	
Plan / Version:	Water Management Plan	June 2016, Version 2
NIRB Requirement:	Not applicable	Condition: Not applicable
NWB Requirement:	2AM-MEL1631	Condition: Part B, Item 12
Addendum:	December 2016	
Section Change	Specify: Update or New	Details
Section 4.5.1	Update	Addition of A8 as a water source

Major fresh water usages on site include potable use, fire suppression, make-up water for the mill, and other operational needs, such as drilling water if contact water from CP1 is not available and water for the truck shop. Fresh water will be primarily sourced from Meliadine Lake through a freshwater intake and pump system. For dust suppression, water will be sourced from ponded water adjacent to the AWAR, small ponds proximal to the road and/or from the Meliadine River. Finally freshwater will be sourced from A8 for Cement Batch Plant production during construction activities.