

March 3, 2017

File No: 2AM-MEL1631

By Email

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Jamie Quesnel Environmental Superintendent - Nunavut Agnico Eagle Mines Ltd. 145, King Street East Suite 400, Toronto, ON M5C 2Y7

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Re: Type "A" Water Licence No. 2AM-MEL1631, Meliadine Gold Project - Nunavut Water Board Response to December 21, 2016 Request for Modification by Agnico Eagle Mines Ltd.

Dear Ms. Turmel and Mr. Quesnel:

This letter is a response to the correspondence provided by Agnico Eagle Mines Ltd. (Agnico Eagle or Licensee) to the Nunavut Water Board (NWB or Board) on December 21, 2016 proposing that the Board modify the identifications of Monitoring Stations in Table 2 of the Water Licence 2AM-MEL1631 (Licence).

As noted in that request, the "...station identification found in Table 2 is repetitive to station identifications currently existing in the NWB License No. 2BB-MEL1424. To keep organized and separate sample identifications for all past, current, and future sample locations Agnico Eagle proposed that the Board change the Monitoring Stations' identifications or nomenclature in Table 2 of the Licensee also advised the Board that a typographical oversight happened in the description of Monitoring Station MEL-14 and provided the right description. Agnico Eagle did not propose within this request any changes to the Phase, Monitoring Parameters, or Frequency of the stations in Table 2.

The NWB information relevant to the proposed modifications is available from the Board's ftp site using the following link:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-MEL1631%20Agnico/3%20TECH/6%20MODIFICATIONS%20(G)/

On December 21, 2016, parties were advised through correspondence to review the request and identify any concerns with the requested modification. The deadline for comments to the Board was set at January 21, 2017. Comments were received from Indigenous and Northern Affairs Canada (INAC) and Environment and Climate Change Canada (ECCC) on January 19, 2017 and January 20, 2017, respectively.

In its comments, INAC expressed no concern with the proposed changes to the nomenclature of monitoring station (sample locations) in Table 2 of the current Water Licence No. 2AM-MEL1631. However, INAC recommended updating ALL the relevant management plans, relevant project drawings and allied documents to incorporate the proposed nomenclature for monitoring stations, and erecting updated signs at the Meliadine mine site to display the revised monitoring station nomenclature following the Board's approval.

ECCC stated that nomenclature changes to any existing stations that have already been recorded in monitoring databases using the current nomenclature must be managed to ensure the continuity of data for reporting and analysis. ECCC requested that the Licensee clarify how it will ensure the continuity of data for reporting and analysis from existing monitoring stations (i.e. sites that have baseline, reference and other existing datasets, including local lakes/drainage collection/containment ponds).

On February 6, 2017, Agnico Eagle provided its responses to comments, stating that all relevant management plans, project drawings and allied documents will be updated to incorporate the proposed nomenclature for monitoring stations, and that updates will be provided within the 2016 Annual Report. Agnico Eagle also stated that *due to project development status*, no samples have been collected yet at those stations. There are thus no references to those stations in monitoring databases.

To prepare the Board's response as to whether the proposed changes do meet the requirements for a Modification as set out in Part G of the Licence, the NWB has reviewed the information provided with Agnico Eagle's December 21, 2016 request for Modification and the Licence for consistency with the proposed changes. The Board notes that the Table 2 – Monitoring Program is included within the Schedule I of the Licence. The Board's Decision April 15, 2016 Reasons for Decision Including Record of Proceedings for the Licence 2AM-MEL1631 states that:

"...if the Board subsequently determines that an item in any of the Schedules requires

revision in order to better reflect the intent and objectives of the Licence, the Board may at its discretion, and upon consulting and providing written notice to the Licensee and intervening parties, revise the Schedule. Unless the Board directs otherwise, such revision may not necessarily be considered as an "Amendment" to the Licence."

The Board's opinion is that proposed modification generally meets the requirements of Part G of the Licence, including having provided at least sixty (60) days' advance notice of the proposed Modifications. On the basis of the Board's review, the Board accepts that the changes as proposed in Agnico Eagle's December 21, 2016 letter do constitute modifications that are consistent with the existing terms and conditions of the Licence and has approved the Modification through the Board Motion No. 2016-A1-015, dated February 27, 2017, as required by Part G, Item 2 of Licence.

NWB does note that due to this modification of nomenclature for Monitoring Stations, relevant documents and plans should be updated. The Board requires that all relevant management plans be updated to reflect updated nomenclature for Monitoring Stations. All updated documents shall be included within the 2016 Annual Report. The Board also concurs with INAC's recommendation that updated signs of Monitoring Stations shall be erected at the Meliadine Mine Site.

The NWB would also like to highlight that any Licence terms and conditions referring to the Monitoring Stations' should be read with taking into account the enclosed modified Table 2.

If you have any questions regarding this matter, please contact the undersigned, Karén Kharatyan, Acting Manager of Licensing, at (867) 360-6338 or by e-mail to <a href="licensing@nwb-oen.ca">licensing@nwb-oen.ca</a>. For inquiries related to technical matters, please contact David Hohnstein, the Board's Director of Technical Services, by email to <a href="David.Hohnstein@nwb-oen.ca">David.Hohnstein@nwb-oen.ca</a>.

Sincerely,

Karén Kharatyan Acting Manager of Licensing

cc: Meliadine Distribution



## **MODIFIED TABLE 2 – MONITORING PROGRAM**

Station Names	Description	Phase	Monitoring Parameters	Frequency
MEL-D-1 to TBD / MEL-D-1 to TBD	Dewatering: Water transferred from lakes to Meliadine Lake during dewatering of lakes	Construction	As defined in the Water Management Plan referred to in Part D, Item 12	Prior to discharge and Weekly during discharge
			Volume (m <sup>3</sup> )	Daily during periods of discharge
MEL-SR-1 to TBD / MEL-SR-1 to TBD	Surface Runoff – runoff downstream of Construction areas at Meliadine Site and Itivia Site, Seeps in contact with the roads, earthworks and any Runoff and/or discharge from borrow pits and quarries	Construction, and Operations	As defined in the Water Management Plan referred to in Part D, Item 18 and Part I, Item 11	Prior to Construction, Weekly during Construction
			Group 1	Monthly during open water or when water is present upon completion
MEL-11 / MEL-01 <sup>(a)</sup>	Water intake from Meliadine Lake	Construction, Operation, and Closure	Full Suite	Monthly during periods of intake
(MEL-04 suggested by AEM in Application)			Volume (m <sup>3</sup> )	Daily during periods of intake
MEL-12 / MEL-02	Water treatment plant (pre-treatment) coming from CP1, off the pipe and not in the pond	Construction (prior to release), Operations, and Closure	Group 1	Monthly during periods of discharge
MEL-13 / MEL-03	Mixing zone in Meliadine Lake, Station 1; and MMER	Construction (prior to release),	Full Suite, Group 3 (MMER)	Monthly during periods of discharge

Station Names	Description	Phase	Monitoring Parameters	Frequency
(and AEMP Stations)	exposure stations for final discharge point within mixing zone	Operations, and Closure		
MEL-14 / MEL-04 <sup>(b)</sup>	EL-04 <sup>(b)</sup> from CP-1 (post- IEL-01 treatment), end of pipe (before offsite release) M in the in the plant before	Construction (upon effluent release), Operations, and Closure	Full Suite, Group 3	Prior to discharge and Weekly during discharge
(MEL-01 suggested by			Volume (m <sup>3</sup> )	Daily during periods of discharge
Application)			Acute Lethality	Once prior to discharge and Monthly thereafter
MEL-15 / MEL-05	Local Lake E-3	Operations, and Closure	Group 2	Bi-annually during open water
MEL-16 / MEL-06	Local Lake G2	Construction, Operations, and Closure	Group 2	Bi-annually during open water
MEL-17 / MEL-07	Local Pond H1	Construction, Operations, and Closure	Group 2	Bi-annually during open water
MEL-18 / MEL-08	Local Lake B5	Construction, Operations, and Closure	Group 2	Bi-annually during open water
MEL-19 / MEL-09	CP-2 Collection of natural catchment drainage from the outer berm slopes of the Landfarm and industrial pad	Construction, Operations, and Closure	Group 1	Monthly during open water or when Water is present
MEL-20 / MEL-10	CP-3 Collection of drainage from dry stacked tailings	Operations, and Closure	Group 1	Monthly during open water or when water is present

Station Names	Description	Phase	Monitoring Parameters	Frequency
MEL-21 / MEL-11	CP-4 Collection of drainage from WRSF1	Operations, and Closure	Group 1	Monthly during open water or when water is present
MEL-22 / MEL-12	CP-5 Collection of drainage from WRSF1 and WRSF2	Construction, Operations, and Closure	Group 1	Monthly during open water or when water is present
MEL-23 / MEL-13	CP-6 Collection of drainage from WRSF3	Construction, Operations, and Closure	Group 1	Monthly during open water or when water is present
MEL-24 / MEL-14	Seepage from the Landfill between the landfill and Pond H13	Construction, Operations, and Closure	Group 1	Monthly during open water or when water is present
MEL-25 / MEL-15	Secondary containment area at the Itivia Site Fuel Storage and Containment Facility	Construction, Operation, Closure	Group 4, Volume (m <sup>3</sup> )	Prior to discharge or transfer of Effluent

Monitoring Legend: Green - Regulated; Blue - General Aquatic; Red - Verification

<u>Regulated Monitoring</u> occurs at Monitoring Program Stations in licences or regulations. It includes discharge limits that must be achieved to maintain compliance with water licence or regulation (i.e., Metal Mining Effluent Regulations). Enforcement action may be taken if discharge limits are exceeded.

<u>General Aquatic Monitoring</u> is subject to compliance assessment to confirm sampling is carried out using established protocols, including quality assurance/quality control provisions, and addresses identified issues. General monitoring is subject to change as directed by an Inspector, or by the Licensee, subject to approval by the NWB.

<u>Verification Monitoring</u> Program to be carried out for operational and management purposes by Licensee. Monitoring parameters may vary between locations. Monitoring parameters and locations are internal for Licensee.

Notes: as per Metal Mining Effluent Regulations (MMER), samples for Effluent characterization and Receiving Environment must be collected quarterly or at least one month apart while Effluent is being deposited.

(a) MEL-\*\* / MEL-\*\* - Station New Names / Station Previous Names

(b) Sampling may not occur during break-up (June)

CP - Collection Pond; WRSF - Waste Rock Storage Facility.