Kivalliq Inuit Association
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Water Licence 2AM-MEL1631

TO: Karén Kharatyan, Director, Technical Services, NWB

DATE: October 9, 2025

SUBJECT: KIA response to Agnico Eagle submission dated September 24, 2025 on Water Licence 2AM-MEL1631 Modification – Shallow Pump Underground Development within Permafrost and Water Storage in Pits

Dear Mr. Kharatyan,

The KIA has reviewed Agnico Eagle's response to its technical comments dated September 24, 2025, regarding Agnico Eagle's Modification request for Shallow Pump Underground Development within Permafrost and Water Storage in Pits and is not satisfied with Agnico Eagle's responses.

The KIA requested that Agnico Eagle complete additional thermal and hydrogeological modelling studies in the immediate area of the open pits planned for saline water storage, and recommended that additional security be required for the Modification activities. Agnico Eagle did not provide the required information or commit to conducting additional studies. In addition, Agnico Eagle rejected the KIA and CIRNAC's request for additional security. The KIA is available for a conference call on October 27 to discuss outstanding issues relating to the Modification request. The KIA's outstanding technical concerns are outlined below:

Pump Underground Workings

In AEM's response to the KIA dated September 24, 2025 it is stated *that "Heat will only be generated from daily mining activities."* The deepest portion of the proposed Pump underground development will be very close to the deepest extent of known permafrost. The heat generated by the daily mining activities still has a reasonable possibility to cause permafrost degradation, with the formation of "cryopeg (talik) zones" that could intersect the permafrost boundary below the planned underground workings. In addition, the intersection of "cryopeg (talik) zones" with the several bedrock faults (ie. Regional Pyke Fault and inferred faults PU-NW-1, PU-ENE-1, PU-ENE-2, PU-EW-2 AND PU-APO) could enhance permafrost degradation. Please confirm whether the updated permafrost and hydrogeology modeling takes the KIA's concerns into account.

Additional Thermal and Hydrogeological Modelling

i) The use of the "West Alignment" only accounts for the impact Pump 2 open pit (926,338 m^3) has on the permafrost. Has the impact on permafrost degradation of the volumes of open pits Pump 1, 3 and 4 (3,915,320 m^3) been considered for the storage of saline water during underground operations?

ii) The current thermal and hydrogeological studies are based on wide-spaced borehole data. Has the installation of a West Bay Well in the Pump area been considered to ensure a more robust understanding of the permafrost? This would also provide additional information on the monitoring of the groundwater quality and the vertical hydraulic gradients during the underground operations.

Saline Water at Closure

The KIA is satisfied that no saline water will remain at site after closure.

Security at the Meliadine Project

The KIA does not agree with Agnico Eagle's assessment that saline storage on site is covered by the current security. It is the KIA's view that security for saline storage should be consistent with security for contact water on site, where both the estimated cost of treatment of the stored water to meet environmental standards and the nominal storage capacity are taken in account. Doing otherwise would result in a liability for the landowner that is not currently contemplated in the existing security management agreement. Additional security will be required.

The KIA thanks the NWB for the opportunity to comment on this review. Please reach out if any further information/clarification is required.

Sincerely,

Luis Manzo P, Ag.
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