



March 26th, 2018

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

Re: 2AM- WTP ---- License – Final Comments

Dear Mr. Kharatyan,

As per the March 21st, 2018 correspondence with the NWB, attached you will find responses which are intended to address the final comments and recommendations provided by Environment and Climate Change Canada (ECCC) and Indigenous and Northern Affairs Canada (INAC) regarding the NWB 2AM-WTP ---- Draft Terms and Conditions for the Whale Tail Pit Project.

Should you have any questions or require further information, please contact the undersigned Jamie Quesnel at Jamie.quesnel@agnicoeagle.com M: 819.856.0821, or, Ryan Vanengen at ryan.vanengen@agnicoeagle.com M:819.651.2974.

Regards,

Agnico Eagle Mines Limited – Meadowbank Division

Regards,

Jamie Quesnel
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Indigenous and Northern Affairs Canada

- 1.1 INAC Final response #1 related to Waste Rock Seepage Management, Conducting Hydrodynamic Modelling of Seepage Discharges and Incremental Security on page 4 states:

INAC is satisfied with Agnico Eagle's response and commitment to undertake additional modelling to further identify the risk. INAC would like to reiterate that all associated management plans will need to be updated/revised and approved.

Agnico Eagle has also indicated that they are committed to submitting these management plans 60 days prior to operations. However, Table 1 indicates that the applicable management plans will be provided 4 months prior to operations. INAC recommends that all applicable management plans be submitted 4 months prior to operations.

Agnico Eagle's Response to 1.1:

Agnico Eagle appreciates INAC's comment and agrees with the recommendations. Table 1 outlines the timeline for updated management plans. The required management plans will be submitted on May 15th, 2018 which is estimated to be two months prior to the start of dike construction.

- 1.2 INAC Final Comment #2 regarding Revised Thermal Monitoring, Final WRSF Cover Designs, Incremental Security on page 6 states:

INAC is satisfied with Agnico Eagle's response and commitment to undertake additional modelling to further identify the risk. INAC would like to reiterate that all associated management plans will need to be updated/revised and approved.

Agnico Eagle's response to 1.2:

Agnico Eagle appreciates INAC's comment and agrees with the recommendations as stated in Agnico Eagle's response to 1.1.

- 1.3 INAC Final Comment #3 regarding Performing Hydrogeological Characterization Studies, Evaluate Meromixis, and Monitoring Plans on page 8 states:

INAC is satisfied with Agnico Eagle's response and commitment to undertake additional modelling to further identify the risk. INAC would like to reiterate that all associated management plans will need to be updated/revised and approved.

INAC would also like to highlight Agnico Eagle's commitment to conduct field work to further define the hydrogeological characterization. The results of this field work and characterization are to be submitted to the board 4 months prior to operations which correspond to pit development (Sept 14 meeting minutes – Exhibit 50 NIRB hearing and Exhibit 10 NWB hearing).

Agnico Eagle's response to 1.3:

Agnico Eagle appreciates INAC's comment and agrees with the recommendations.



- 1.4 INAC Final Comment #4 related to management plan timelines and hearing commitments. More specifically, on page 9 INAC states:

INAC is satisfied with this result as long as these timelines and earlier commitments (NIRB final hearing exhibit 50 and NWB exhibit 10 outline these timelines) are adhered to and INAC and other intervenors are given an adequate amount of time to review the additional studies and modelling and any applicable updated and revised management plans. INAC would like to re-iterate that updated management plans are expected to be substantiated by field data from the requested additional studies.

Agnico Eagle's response to 1.4:

Agnico Eagle appreciates INAC's comment and agrees with the recommendations.

- 1.5 INAC Final Comment #5 on page 9 states:

This does not satisfy INAC's earlier comment and recommendation where INAC recommends that Part C Item 3 of an approved water licence for Whale Tail should provide wording that allows for amendments to security be applied for or requested by both INAC or the Regional Inuit Association (Land Owner) and that these requests be taken into consideration by the NWB.

Agnico Eagle's response to 1.5:

Agnico Eagle maintains our original position on Part C Item 3. As per our February 23, 2018 response, Agnico Eagle believes the Part C Item 3 should state:

The Licensee may, at any time, submit to the Board for consideration and approval, a request to change and/or amend the amount of security outlined in Part C, Item 1. The submission shall include supporting evidence to justify the request, and the Minister and the Kivalliq Inuit Association will be consulted by the Board during the Board's consideration of this request.

- 1.6 INAC Final Comment #6 related to WRSF storage, hydrogeology, water quality monitoring and the associated management plans on page 12, INAC states: INAC is satisfied with this response and looks forward to receiving the information for review within the committed timelines.

Agnico Eagle's response to 1.6:

Agnico Eagle appreciates INAC's comment.



1.7 INAC Final Comment #7 related to ARD/ML monitoring schedule states:

INAC is satisfied with this response and looks forward to reviewing the updated management plans.

Agnico Eagle's response to 1.7:

Agnico Eagle appreciates INACs comment.

1.8 INAC's Final Comment #8 on page 13 related to clarification on inconsistencies with commitment dates in Table 1. INAC would like to avoid any confusion on deliverables and see committed timelines for all documentation be clearly identified.

Agnico Eagle's response to 1.8:

Agnico Eagle appreciates INACs comment. As per response 1.1, Agnico Eagle has committed to submit the requested updated management plans by May 15th, 2018.

However Agnico Eagle would like to propose the following clarification for Table 1:

1. Tasks 1 to 4, Agnico Eagle would like to change the completion date for May 15, 2018 in order to present the content of the modeling work and studies during the workshop planned in May.
2. Task 6, operation of Quarry 2 (if required) is postponed to July 1st, 2018,
3. Completion date for the update of the Whale Tail Pit - Water Quality Monitoring and Flow Monitoring Plan, ARD and Metal Leaching Plan and Whale Tail Pit - Waste Rock Storage Facility Management Plan should be postponed to May 2nd, 2018.
4. Task 9, as mentioned above, start date of the operation of Quarry 2 (if required) should be postponed to July 1st, 2018.
5. Task 10, as the operation of the Quarry 2 (if required) is triggering the storage of waste rock in the Waste Rock Storage Facility, the Waste Rock Storage Facility Berm Construction starting date should be postponed to July 1st, 2018.

Environment and Climate Change Canada (ECCC)

2.1 ECCC recommends modifying Part E, Item 6 to include the following additions (bolded text), in order to align with term/condition with comparable text (i.e. Part E, Item 9) in the Meadowbank water licence. Further, ECCC stated that: The Licensee shall, on an annual basis during Operations and Closure, compare the predicted water quantity and quality within the pits, to the measured water quantity and quality. Should the difference between the predicted base case values and measured values be 20% or greater, then the cause(s) of the difference(s) shall be identified and the implications of the difference shall be assessed and reported to the Board.

Agnico Eagle's Response to 2.1:

Agnico Eagle appreciates ECCC's comment and agrees with the recommendations.



- 2.2 ECCC notes that the last bullet point under the Water section does not indicate how frequently the reporting results for the Water Balance and Water Quality model are required. It should be revised (see below) in order to align this term/condition with comparable text (i.e. Schedule B) in the Meadowbank water licence. ECCC recommends adding “in Part E, Items XX” after as required, where XX refers to the items in the Whale Tail Pit water licence that are comparable to the Meadowbank water licence Part E, Items 7-9.

Agnico Eagle’s Response to 2.2:

Agnico Eagle appreciates ECCC’s comment and will leave this to the discretion of the NWB. Agnico Eagle agrees with the recommendation to include the following in Schedule B:

Water

- Monthly and annual volume of fresh Water obtained from Nemo Lake.
- Results of lake level monitoring conducted under the protocol developed as per Part D Item XX for Whale Tail Lake (South Basin).
- Summary of reporting results for the Water Balance and Water Quality model and any calibrations as required in Part E, Items XX.