



AGNICO EAGLE

October 7th 2015

Robin Ikkutisluk
Licence Administrator
Nunavut Water Board
Gjoa Haven, NU X0E 1J0

Re: Response to comments and recommendations submitted by AANDC in letter dated September 24th, 2015 related to the review of the licence 2BE-MEA1318 amendment application #3.

Dear M. Ikkutisluk,

The following responses are intended to address the recommendations and comments outlined in the AANDC letter dated September 24th, 2015 related to the review of the licence 2BE-MEA1318 amendment application #3.

I believe that most of the required information will be answered with this document but, should you have any questions or require further information, please contact me,

Regards,

Agnico Eagle Mines Limited – Exploration Division

David Frenette
Environmental Coordinator
819-874-5980 ext: 3622



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1. Drilling from a barge

Recommendation:

- AANDC recommends that the licence make explicit reference to the Waste Management Plan for drilling on a barge.
 - A waste management plan exists for the Amaruq site and is attached to this document. The addendum related to the barge waste management could be added as a section of this plan on NWB's request.
- Provide details on how they propose to safely transfer fuel to the barge
 - The fuel transfer will be done using double wall tanks filled on land and transported by helicopter up to the barge. Information regarding fuel management is included in the Spill Contingency Plan, section 2.4. Adapted spill kits will also be developed and available for this particular work.
- Provide details on how they propose to get the barge to the lakes without impacting the lakes' water quality.
 - The barge will be transported on the lake during the winter and will stay there until the summer season when it will be used. If the barge must be moved from a lake to another, the barge will be elevated with the legs and transported when the ice is present.

2. Installation of additional fuel tanks

Recommendation:

- AANDC recommends that the licensee be required to update their Spill Contingency Plan to state all fuel transfer areas will be bermed and describe how contact water from these areas will be handled. Criteria for discharging contact water from bermed areas would be appropriate and we recommend they include pH, total suspended solids, total oil and grease, total lead, benzene, toluene and ethylbenzene.
 - AEM will update the Spill Contingency Plan to adapt it to the new conditions of the water licence 2BE-MEA1318 amendment #3.



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3. Installation of a water crossing

Recommendation:

- AANDC recommends the licensee confirm that flows expected during freshet and major precipitation events have been considered in designing the water crossing. We recommend the licensee be required to provide information on the water course and evidence of appropriate authorization from the Department of Fisheries and Oceans.
 - The water crossing plans are related to the licence Amendment #2, for which information was provided and authorization from DFO was received. Information could be provided to AANDC if needed, but could be discussed outside the amendment application #3.

4. Redistribution of water attribution between domestic and drilling

- AANDC has no issue with the Licensee's request to redistribute the existing daily water consumption allowance. Compliance with existing terms and conditions (Part C, Items 2 and 3 of the licence) should prevent any drawdown of source water bodies.

5. Installation of additional 40' Kodiak Bionest

Recommendation:

- AANDC recommends that the licensee be required to construct a containment system for treated wastewater effluent that does not meet discharge criteria or provide alternative contingency measures that will ensure such effluent is not discharged onto the land. The licensee should also provide the Wastewater Treatment System Operations and Maintenance Plan requested by the licence.

We do not have issue with the licensee installing another 40' Bionest.

- An update to the situation report has been submitted to various organizations regarding the used water treatment. Additional treatments were installed to the system to improve the quality of the effluent. Since August 24th, the water treated by the Kodiak Bionest is compliant with the water licence. Other improvements are planned for 2016 to continue enhancing water quality even if compliance to the licence is now achieved.



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6. Modification of licence condition for effluent release

Recommendation:

- AANDC recommends that the licensee be allowed to continually discharge treated wastewater effluent only if discharge criteria are satisfied. Weekly testing should be required until sampling results demonstrate discharge criteria have been met for nine consecutive weeks. Thereafter, effluent quality should be tested at least monthly. The licensee should be required to start holding the effluent immediately if it does not meet discharge criteria.
 - Since August 24th, the water treated by the Kodiak Bionest is compliant with the water licence. Other improvements are planned for 2016 to continue enhancing water quality even compliance to the licence is now achieved.

7. Modification of monitoring station names

Comment:

AANDC supports the requested monitoring station name change.

8. Modification of licence condition for restoration of drill holes

The licensee requests two changes: (1) authorization for the drill casings to be cut at ground level if they are stuck and cannot be removed from the hole; and (2) removal of the term "immediately" from the obligation to restore all drill holes, trenches and disturbed areas to allow the licensee to return to site and drill in the same casing. Marking would be added to casings left on site.

Recommendation:

- AANDC supports the first change, authorization to cut the drill casings at ground level if they are stuck and cannot be removed from the hole, and recommends that term include capping the casing in these cases.

Though we do not support removing the term "immediately" as requested for the second change, we do recommend adding to the amended licence that if a drill site is to be temporarily vacated, the licensee be required to temporarily cap the casing, add markers to secure the area, and clean up the site of any debris. AANDC also recommends modifying the reporting requirements to clarify which drill holes will be revisited.
- Presently, Part J Item 4 of the licence requires the licensee to "*provide GPS coordinates of all locations where wastes associated with camp operations and exploration activities are deposited.*" This should include a list of sump locations associated with each drill hole and AANDC suggests that a note be added to those locations that were not restored



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because they will be revisited. The locations of casings left as stuck and cut off should also be included in this list as they constitute waste left behind.

- AANDC notes that drilling location coordinates were not provided in either the 2013 or 2014 annual report submissions. Part J Item 3 of both reports states "*all the wastes were brought and managed at the Meadowbank mine site*", contradicting Part B2b of the reports, which state "*the drill cuttings were disposed of near the drill*".
 - Update of the annual reports 2013-2014 could be produced upon NWB's request to include the missing information. The waste transported to the Meadowbank mine site in 2013-2014 did not include the drill cuttings that were managed near the drilling sites.

9. Security

Recommendation

- AANDC recommends that the licensee be requested to submit an updated reclamation cost estimate and that the amended licence include a security requirement.
 - AEM could submit an updated reclamation cost estimate upon NWB's request.