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NUNAVUT IMALIRIYIN KATIMAYINGI  
NUNAVUT WATER BOARD  
OFFICE DES EAUX DU NUNAVUT

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File No.: 2BE-MEA0813

March 3, 2008

Rachel Lee Gould  
Project Manager  
Environmental Permitting &  
Compliance Monitoring  
Agnico-Eagle Mines Ltd.  
Meadowbank Division  
555 Burrard, Suite 375  
Box 209, Two Bentall Centre  
Vancouver, British Columbia  
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**Dear Ms. Gould,**

**Re: 2BE-MEA0813 - Meadowbank Project Application for Amendment of the Meadowbank Exploration Project Type “B” Water License**

Further to your letter dated January 30, 2008 and the accompanying application to amend license 2BE-MEA0813 (Exploration Licence), in preparation to distribute the amendment application to the parties, the Board has identified several issues that require resolution prior to proceeding to a review of the application.

From previous discussions, the NWB expected the primary purpose of the amendment application for the Exploration License to relocate the exploration camp adjacent to Third Portage Lake at KM 100 on the all-weather private access road between Baker Lake and the Meadowbank project (New Exploration Camp). Subject to the comments of the parties, the Board is of the view that this development is appropriately considered as an amendment to the Exploration License.

However, the Board is concerned that other activities set out in the amendment application, including: the new camp proposed for the mine site; pre-development of north and south starter pits on the Portage deposit that is to involve stripping of overburden and blasting of exposed waste rock; and the set up and initial operation of a batch concrete plant, are components of the Type “A” water license application currently before the Board [and are outside the typical scope of an exploration license]. For example, the Board notes the proposal “to install and put into operation in March of 2008, the permanent sewage treatment plant that is described in the Type “A” Water License”. It also appears to the Board that some aspects of the amendment application rely on the approval of the Type “A” license. For example the amendment application proposes that bulky

items and scrap metal will be backhauled to Baker Lake for disposal in the municipal dump or at Meadowbank site for disposal in the landfill (included in the estimated 5 tonnes per year listed for solid waste); however, the landfill is a component of the Type “A” water license application and thus not yet approved and available for disposal.

While the Board understands that Agnico-Eagle Mines Ltd. (AEM) may be prepared to accept the risks of predevelopment prior to approval of the Type “A” water license, the Board’s concerns are twofold. Firstly, proceeding with this predevelopment essentially removes these components of the Type “A” application and further consideration at the Public Hearing. Secondly, as you know at the recent Technical Meeting/Prehearing Conference for the Type “A” water license application, all of the parties including AEM recommended that to facilitate ongoing compliance and administration of the project, all existing Type “B” licenses associated with the Meadowbank Gold project except the Exploration License are to be incorporated into the Type “A” license once approved. If predevelopment components, such as the permanent sewage treatment plant and the permanent camp, are incorporated into the Exploration License, these components will have to be monitored for compliance and administered separately from the rest of the mine development.

The Board has also identified several deficiencies in the application documents for the proposed predevelopment activities, some of which had been verbally communicated to the Applicant, including:

- Lack of information regarding the proposed sewage treatment facility to be put into operation, including description of treatment plant and technical specifications (the NWB should not be required to, nor relied upon to extract previously submitted information;
- The Sewage Treatment Facility planned location, proposed effluent quality, location of proposed discharge as well as monitoring was not provided;
- Information on Abandonment and Restoration where the plan submitted was only dealing with the relocated (new) exploration camp and neglected to include all the proposed activities; and
- The SCP submitted was not a “revised plan for the exploration project” and did not encompass the full scope of the amendment application, only the new camp.

An additional item to note is the increase in water use, requested to encompass the additional camp, increased drilling activity as well as water use for the concrete batch plant. This request brings the total water use to 372 m<sup>3</sup>/day, exceeding the 300m<sup>3</sup>/day maximum water use under Schedule IV of the regulations, moving the proposed activities to a Type “A” water licence, and subsequently requiring a public hearing.

Typically the Board would raise these issues with the parties during the Exploration License amendment application review process. However, the Board is aware of AEM’s goal to expedite the Type A application and that the submissions for the Public Hearing of the Type A application are due from all parties by March 31, 2008. Accordingly, the Board is concerned that the amendment application review process will not allow time for the parties to consider these issues

as part of the amendment review process and subsequently as part of the Type A application process, should it be determined that predevelopment plans other than the Exploration Camp are best incorporated into the Type A application review and Public Hearing process.

With AEM's goal of expediting the Type A water license application process in mind, the Board is writing to request AEM's direction on these issues and to determine whether, in light of these issues, AEM prefers to proceed with an amendment application that is restricted to the Exploration Camp or provide an alternative.

Please submit your response to the undersigned or David Hohnstein at [dts@nunavutwaterboard.org](mailto:dts@nunavutwaterboard.org) at your earliest convenience.

Sincerely,

Dionne Filiatrault  
Executive Director

cc: Meadowbank Distribution List