



NIRB File No.: 11EN010

NWB File No.: 2BE-MEA0813 (Amendment 2)

AAND File No.: N2011C0010

KIA File No.: KVRW11F01; KVCL303H305

August 15, 2011

David Hohnstein
Director of Technical Services
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Via email: dts@nunavutwaterboard.org

Re: Application exempt from Screening pursuant to NLCA Schedule 12-1: Amendment Request for Agnico-Eagle Mines Ltd.'s Water Licence with the Nunavut Water Board for their "Pipe Dream Winter Road and Mining Exploration" project

Dear David Hohnstein:

On August 10, 2011 the Nunavut Impact Review Board (NIRB or Board) received correspondence from the Nunavut Water Board (NWB) requesting confirmation that Agnico-Eagle Mines Ltd.'s application for an amendment to its Type B Water Licence (2BE-MEA0813) for the "Pipe Dream Winter Road and Mining Exploration" project would not require further screening by the NIRB, pursuant to Section 13.5.1 of the Nunavut Land Claims Agreement (NLCA).

The NIRB received a positive conformity determination (Keewatin Regional Land Use Plan) for the original project proposal (NIRB File No.: 11EN010) from the Nunavut Planning Commission on March 10, 2011 and a request for screening from Indian and Northern Affairs Canada (INAC, now Aboriginal Affairs and Northern Development Canada) on March 15, 2011. The proposal was screened by the Board in accordance with Part 4, Article 12 of the NLCA and on April 21, 2011 the NIRB issued the enclosed NLCA 12.4.4 (a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

The current NWB request, the original NIRB Screening Decision Report (11EN010) and related file information are available from the NIRB's ftp site at the following link:

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 11EN010), the 'Pipe Dream Winter Road and Mining Exploration' project was located within the Kivalliq region, approximately 90 kilometers (km) north of the Hamlet of Baker Lake (Meadowbank Exploration Project area) and approximately 43 km northeast of the Hamlet of Baker Lake (Greyhills Exploration Project area). The Proponent indicated that it intended to conduct exploration activities, and construct and operate a winter road network near the Meadowbank project area. These proposed activities were located near the Meadowbank Exploration Camp which was previously assessed by the NIRB as part of the Meadowbank Gold project (File No. 03MN107) and which had been permitted to proceed pursuant to the NIRB's Project Certificate No. 004 (issued December 30, 2006). Following an internal evaluation of the project scope, the NIRB determined that the proposed 'Pipe Dream Winter Road and Mining Exploration' project activities were not included in the Board's previous review of the Meadowbank Gold Project and as such, these activities were treated as a new project subject to screening in accordance with Article 12 of the NLCA. The project proposal was to take place from April through August 2011.

The activities/components associated with this proposal included:

- Construction and operation of winter road network, approximately 26.5 km in length;
 - Originating at the Meadowbank Exploration Camp at km 100 of the Meadowbank All Weather Private Access Road
 - Maximize passage over frozen lakes
 - Preparation include removal of snow from lake ice without flooding
- Approximately 13,000 metres (total) on land and on ice diamond (exploration) drilling on Inuit Owned Land and Crown land at the Meadowbank and Greyhills Exploration Projects;
 - Approximately 78 drilling sites located within 19 different areas (areas to be connected via proposed winter road)
- Geological mapping, prospecting, some trenching, geophysical surveying;
- Access via winter road, supported by helicopter;
- Project personnel based out of the Meadowbank Exploration Camp (NIRB File No. 03MN107); and
- Transportation of fuel and chemical materials on an as-needed basis to support drilling activities.

CURRENT APPLICATION:

Agnico-Eagle Mines Ltd. is currently applying to amend its existing Type 'B' water licence (2BE-MEA0813) to permit drilling activities to occur within the 30 meter high water mark. The application also stated that all drill waste will be disposed of at a distance of at least 30 meters from the ordinary water mark.

Please be advised that this NWB Type B water licence application is exempt from the requirement for screening pursuant to Schedule 12-1(5) of the NLCA.

The NIRB brings to your attention however, that in its original Screening Decision Report (April 21, 2011) for this project, the Board recommended that “[t]he Proponent shall not conduct any land based drilling or mechanized clearing within thirty-one (31) metres of the normal high water mark of a water body” (recommended term and condition 35). Allowing the Proponent to conduct drilling activities within 30 meters of the ordinary high water mark of any water body would therefore be inconsistent with the recommendations issued by the Board in its original screening decision.

Given that the Board’s recommendations have previously been incorporated into the respective authorizations associated with the “Pipe Dream Winter Road and Mining Exploration” project,¹ the NIRB encourages the NWB to invite comment from parties on this specific issue to ensure that the proposed amendment is not in contravention of previously-issued authorizations.

If you have any questions or require clarification, please contact Sophia Granchinho, Technical Advisor, at 867-793-4633 or sgranchinho@nirb.ca.

Sincerely,



Amanda Hanson
Director, Technical Services

cc: David Frenette, Agnico-Eagle Mines Ltd.
Denis Vaillancourt, Agnico-Eagle Mines Ltd.
Brian Aglukark, Nunavut Planning Commission
Phyllis Beaulieu, Nunavut Water Board
Veronica Tattuinee, Kivalliq Inuit Association
Jeff Mercer, Aboriginal Affairs and Northern Development Canada

Enclosed: NIRB Screening Decision Report, File No.: 11EN011 (April 21, 2011)

¹ Aboriginal Affairs and Northern Development Canada Land Use Permit N2011C0010, issued June 10, 2011.
<ftp://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2011/11EN010-AEM%20-%20Pipedream/04-AUTHORIZATION/110611-11EN010-INAC%20LUP-IA2E.pdf>