January 19th, 2015

AANDC reference CIDM# 883368

NWB reference 2BE-MEA1318

Phyllis Beaulieu Manager or Licensing Nunavut Water Board Gjoa Haven, NU, X0E 1J0

Re: Agnico Eagle Mines Ltd. – 2BE-MEA1318 Water Licence Amendment – Kivalliq Region

Dear Phyllis Beaulieu:

Thank you for the email on December 19th, 2014 concerning the above mentioned water licence amendment 2 application.

Review findings are provided in the attached memorandum for the Nunavut Water Board's (Board or NWB) consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4555 or email at lisa.bachellier@aandc.aandc.ca if you have any comments or questions.

Sincerely,

Lisa Bachellier Water Resource Technician

c.c.: Andrea Morgan, A/Manager Water Resources, AANDC Erik Allain, Manager of Field Operations, AANDC





Memorandum

TO Phyllis Beaulieu AANDC reference
Manager of Licensing CIDM# 883368

Nunavut Water Board

NWB reference 2BE-MEA1318

FROM Lisa Bachellier

Water Resource Technician DATE

Aboriginal Affairs and Northern January16th, 2015

Development Canada

Re: Agnico Eagle Mines Ltd. – 2BE-MEA1318 Water Licence Amendment – Kivalliq Region

A. BACKGROUND INFORMATION

On April 4th 2014, the NWB provided notification to Aboriginal Affairs and Northern Development Canada (AANDC) that Agnico Eagle Mines Ltd had submitted an amendment Type 'B' water licence application 2BE-MEA1318 detailing for water use and waste disposal in the Kivalliq region.

On December 19th 2014, the NWB notified AANDC by email with an amendment application for a Type 'B' water licence from Angico Eagle Mines Ltd to install a water treatment system 'Bionest' for waste water treatment for the camp and an increase of water use to 30m³/day with total of 299 m3/d and expansion of new project area.

Interested parties were requested to review the information and provide comments by January 19th, 2015

B. RESULTS OF REVIEW

On behalf of AANDC, the following comments are submitted to the Nunavut Water Board for consideration:

1. Installation of Wastewater treatment system 'Bionest'

Recommendation

AANDC recommends that in the event the wastewater treatment system shuts down or is in need of maintenance for a period of time that an operation and maintenance plan with contingencies to be set in place.

AANDC also recommends that the waste water that is to be treated by the wastewater treatment system 'Bionest' should be tested to ensure the system is

operating the way it was intended and that all treated wastewater meets the limits of the water licence before being discharged to the environment.

2. Quarry development

In construction of pads and roads and expansion of new project area

Recommendation

AANDC recommends that the applicant develop a quarry management plan detailing locations and rock characterizations including Acid Rock Drainage and Metal Leaching potential. This plan should be submitted to the Nunavut Water Board for approval.

AANDC also recommends that any ponding of water in the quarry is to be tested for contaminates before being allowed to reach an environment outside of the quarry.

3. Spill contingency plan

Recommendation

AANDC recommends that the applicant submit an updated spill contingency plan that includes all new applicable aspects of the project.

Spills involving chemicals or hydrocarbons or other hazardous material must be reported immediately.

End of comments.