



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᑲᑎᓕᓪ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-MEA0813 Amendment No. 2**

November 9, 2011

Mr. David Frenette
Agnico-Eagle Mines Limited
C.P. 87
765 ch. de la Mine Goldex
Val d'Or, Quebec J9P 4N9
Email: david.frenette@agnico-eagle.com

RE: 2BE-MEA0813 Type "B" Amendment No. 2

Dear Mr. Frenette,

Please find attached Amendment No. 2 to Licence No. 2BE-MEA0813 Type "B" issued to Agnico-Eagle Mines Ltd. (AEM) by the Nunavut Water Board (NWB) (Motion 2011-17-L02) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Land Claims Agreement or NLCA)*. The terms and conditions of the original Licence and Licence Amendment No. 1 related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Of particular importance, Aboriginal Affairs and Northern Development Canada (AANDC) confirmed that AEM's request for an amendment to the Licence to allow drilling within thirty (30) meters of the ordinary high water mark of any waterbody conflicts with conditions specified in the June 10, 2011 AANDC Land Use Permit, #2011C0010. As such, AANDC requested AEM to submit a written request to AANDC's Land Administration Specialist for permission to drill within the thirty (30) meter zone and provide notification of any additional mitigation measures that will be implemented prior to, during, and following drilling operations to protect nearby water bodies. This information is attached for your consideration.¹

The Licensee is reminded that as per Part A, Item 1 (ii) of the Licence, compliance with the terms and conditions of this Licence do not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation. Thus, the Licensee must respect that drilling within thirty (30) meters of the

¹ Indian and Northern Affairs Canada (INAC), July 7, 2011; Environment Canada (EC), July 7, 2011; AANDC, October 5, 2011; EC, October 13, 2011

ordinary high water mark of any waterbody cannot occur until the appropriate amendments to its Land Use Permits have been granted.

Sincerely,



Thomas Kabloona
Nunavut Water Board Chair

TK/kt/ip

Enclosure: Licence No. **2BE-MEA0813 – Amendment No. 2**
AANDC and EC Comments

Cc: Kivalliq Distribution List

LICENCE AMENDMENT No. 2

Licensee:	Agnico-Eagle Mines Ltd.
Licence No.	2BE-MEA0813 Type "B"
Amendment No.1 Issued:	June 24, 2008
Licence Issued:	February 13, 2008
Effective Date:	November 8, 2011

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and the Nunavut Surface Rights Tribunal Act*, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued February 13, 2008 with an expiry date of February 28, 2013 shall be amended to allow for drilling within thirty (30) metres of the ordinary high water mark of water bodies subject to the following terms and conditions, with respect to the use of water and deposit of waste during exploration operations at the Meadowbank Exploration Project, located within the Kivalliq Region, Nunavut.

The Licence shall be amended to indicate the following:

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS AND TRENCHING

Insert

Item 9 The Licensee is authorized to conduct land based drilling within thirty (30) metres of the ordinary high water mark of any water body during winter conditions within the project area as identified in the application received April 8, 2011.

Insert

Item 10 The Licensee shall, when conducting drilling within thirty (30) metres of the ordinary high water mark, carry out activities on stable ground such as frozen tundra or bedrock, to prevent disturbance to the natural ground and limit erosion and sedimentation.

Insert

Item 11 The Licensee shall establish water quality conditions of adjacent waters or waters immediately downstream of any drilling program within thirty (30) metres of the ordinary high water mark of any waterbody:

- (a) prior to any such drilling program as per Part J, Item 12;
- (b) upon completion of any such drilling program; and

(c) the summer season following any such drilling program.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

Amend
Item 5

The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter water. All sumps and fuel caches shall be located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body and inspected on a regular basis. An exception to this condition is provided for in Part H, Item 8.

Insert
Item 8

While drilling is occurring within thirty (30) metres of the ordinary high water mark as per Part F, Items 1 and 9, the Licensee is permitted to allow a limited supply of fuel within thirty (30) metres of the ordinary high water mark to support the drilling operations, provided that secondary containment is made available for the storage of fuel and all external pumps and motorized equipment used in the drilling operations.

Insert
Item 9

The Licensee shall submit to the Board for review within thirty (30) days of issuance of Amendment No. 2, a revision to the Plan entitled “*Spill Contingency Plan Proposed New Exploration Camp at KM 100, Agnico Eagle Mines Ltd. – Meadowbank Division, Revision 2, March 25, 2008*”. The revision shall take into consideration:

- a) The recommendations provided by the Government of Nunavut Department of Environment in their review of the Plan; and
- b) Changes in operation and spill contingency planning as a result of drilling within thirty (30) meters of the ordinary high water mark of any waterbody.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

Insert
Item 12

The Licensee shall establish baseline water quality conditions prior to drilling within thirty (30) metres of the ordinary high water mark as per Part F, Items 1, 9 and 11. Monitoring shall include the following:

Total Suspended Solids

Turbidity

pH

Electrical Conductivity, and

Total Trace Metals as determined by a standard ICP Scan (to include at a minimum the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and Trace Arsenic and Mercury

Insert

Item 13 If turbidity is observed in adjacent waters or waters immediately downstream of any drilling program conducted within thirty (30) metres of the ordinary high water mark of any water body the during summer following any such drilling program as per Part F, Item 11 (c), the Licensee shall conduct additional monitoring of the parameters listed in Part J, Item 12 to determine whether any further mitigation is required.

Insert

Item 14 The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all drill holes located within thirty (30) metres of the ordinary high water mark, as per Part F, Items 1 and 9, and provide these locations on a map of suitable scale for review as part of the annual report.

All remaining terms and conditions of Licence 2BE-MEA0813 Type “B” dated February 13, 2008 and Licence Amendment No. 1 dated June 24, 2008 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, Nunavut on November 8, 2011

Approved by,



Thomas Kabloona
Nunavut Water Board Chair