File No.: 2BE-MEA1318/Amendment No. 1

July 31, 2014

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-MEA1318 Type "B" – Amendment No. 1:

Installation/operation of a new Exploration Camp IVR and Extension of

Exploration Project Extents

Dear Mr. Frenette:

Please find attached, Amendment No. 1 to Licence No. 2BE-MEA1318 Type "B" issued to Agnico-Eagle Mines Ltd. (AEM or Licensee) by the Nunavut Water Board (NWB) (**Motion 2014-B1-021**) 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 Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB notes that there is a Nunavut Impact Review Board (NIRB) Exempt from Screening Decision¹, (NIRB File No. 03MN107), pursuant to item 5 of Schedule 12-1 of the Nunavut Land Claims Agreement (NLCA). The NIRB indicated that the Screening Decision issued for IVR Exploration Program (NIRB File No. 11EN010) and the Project Certificate No. 004 issued for the Meadowbank Gold Project (NIRB File No. 03MN107) may contain recommendations intended to mitigate any potential impact to the environment. The Nunavut Planning Commission (NPC) provided documentation stating that the proposal does not change the scope of the originally reviewed project to an extent that would warrant a further review by the NPC at this time².

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration³.

¹ NIRB Exempt from Screening Decision dated July 24, 2014.

² NPC Conformity Determination dated June 27, 2014.

³ Aboriginal Affairs and Northern Development Canada (AANDC), July 25, 2014.

Sincerely,

Lootie Toomasie Nunavut Water Board

Vice Chair

TK/kk/ri

 $\begin{array}{c} \text{Licence No. } \underline{\textbf{2BE-MEA1318 - Amendment No. 1}} \\ \text{Comments} - \overline{\textbf{AANDC}} \end{array}$ Enclosure:

Distribution-KivalliqCc:

LICENCE AMENDMENT No. 1

Licensee: AGNICO-EAGLE MINES LTD.

Licence No: 2BE-MEA1318 Type "B"

Licence Issued: March 7, 2013
Effective Date: July 31, 2014
Licence Expiry: March 6, 2018

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 Nunavut Surface Rights Tribunal Act, with respect to an application for amendment dated June 6, 2014, made by Agnico-Eagle Mines Ltd. (AEM), the Board hereby grants the following Licence amendment.

The Licence issued March 7, 2013 with an expiry date of March 6, 2018 shall be amended to include the following terms and conditions, with respect to the use of water and deposit of waste during camp operations and activities related to exploration that include prospecting, geological mapping, geophysical survey, diamond drilling, to allow AEM to enclose additional exploration area and install and operate a new exploration camp (IVR Camp). The 19 m³ daily domestic freshwater allowance shall be applied to both existing Meadowabank (10 m³ per day) and the planned IVR (9 m³ per day) Exploration Camps.

Procedural History

On June 6, 2014, AEM submitted to the Board an amendment (No. 1) application to allow for the expansion of the Project extents and operation of a new exploration camp to be installed on the new IVR exploration area.

The No. 1 Amendment application included the following documents as supplementary information:

- *Amendment Application Form;*
- Exploration-Remote Camp Questionnaire
- 2011 NIRB Screening Decision;
- *NIRB Part 1 Form*;
- 2012 Water Use Inspection Form;
- Non-technical Summary, English and Inuktitut;
- Project Area Maps;
- Cover Letter for Admin. Fee submitted on June 19, 2014; and
- Change in Fuel Clarification by email on July 7, 2014

On June 25, 2014, the Board distributed this application for a thirty (30) day comment period. On July 7, 2014 the Licensee advised the Board that amount of fuel required for the IVR project

exploration has changed since the submission of amendment request. The new information was included within the application distributed for the public review.

Before the deadline for comments on July 25, 2014, submissions were received from Aboriginal Affairs and Northern Development Canada (AANDC). No concerns were expressed related to the proposed activities.

Spill Contingency Plan

The Licensee is required to update the Plan approved under Part H, Item 1 of the Licence and submit to the Board within the 2014 Annual Report as required by Part B, Item 7. The updated Plan shall include the proposed changes to on-site facilities.

Abandonment and Restoration Plan

The Licensee is required to update the Plan approved under Part I, Item 1 of the Licence and submit to the Board within the 2014 Annual Report as required by Part B, Item 7. The updated Plan shall include the proposed changes to on-site facilities.

LICENCE AMENDMENT No. 1

The Licence (Page ii) shall be amended to indicate the following:

DECISION

LICENCE NUMBER: 2BE-MEA1318

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated August 29, 2012 for a renewal of a Water Licence made by:

AGNICO-EAGLE MINES LIMITED

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geological mapping, geophysical surveys, diamond drilling and trenching at the Meadowbank Exploration Project located within the Kivalliq Region, Nunavut generally located at the geographical coordinates as follows:

Project Extents

NW:	Latitude: 65° 30' 03" N	Longitude: 97° 13' 13" W
NE:	Latitude: 65° 30' 07" N	Longitude: 95° 39' 00" W
SE:	Latitude: 64° 47' 44" N	Longitude: 95° 36' 43" W
SW:	Latitude: 64° 46' 22" N	Longitude: 97° 16' 36" W

Camp Location(s)

Meadowbank Camp: Latitude: 65° 01' 51" N Longitude: 96° 09' 21" W IVR Camp: Latitude: 65° 24' 36" N Longitude: 96° 41' 41" W

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

Amend

1. Scope

This Licence allows for the use of water and the disposal of waste for a Mining undertaking classified as per Schedule I of the Regulations at the Meadowbank Exploration Project, located approximately 70-125 km north of the Hamlet of Baker Lake within the Kivalliq Region, Nunavut (Camps located at latitude 65° 01' 51" N and longitude 96° 09' 21" W, and at latitude 65° 24' 36" N and longitude 96° 41' 41" W). Activities include camp operation, fuel storage, mineral exploration including: prospecting, geological mapping, geophysical surveys, diamond drilling, baseline data collection, trenching.

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all domestic freshwater for the Meadowbank Camp use (10 m³ per day) from Third Portage Lake and for the IVR Camp (9 m³ per day) from a local lake as outlined in the application. The volume of water for domestic purposes shall not exceed nineteen (19) cubic metres per day. Drill water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the application, up to a maximum of fifty (50) cubic metres per day per drill, to a maximum of two hundred and fifty (250) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed two hundred and sixty-nine (269) cubic metres per day.

All remaining terms and conditions of the Licence 2BE-MEA1318 Type 'B" dated March 7, 2013, still apply.

This Licence Amendment No. 1 is issued and recorded at Gjoa Haven, NU on July 31, 2014.

Approved by,

Lootie Toomasie Nunavut Water Board

Vice Chair