

Application for Water Licence Amendment

Document Date: May 2011

Application Submission Date: May/30/2012

Month/Day/Year

P.O. BOX 119
GJOA HAVEN, NUNAVUT
XOB 1J0

Tel: (867) 360-6338 FAX: (867) 360-6369 אבת אברת שלי באלי שלי באלי אוניים איני אברת איניים איניים אוניים איניים איניים

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



P.O. Box 119 GJOA HAVEN, NU X0B 1J0 TEL: (867) 360-6338 FAX: (867) 360-6369 NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: <u>Licensee Requirements Following the Issuance of a Water Licensee</u> for more information about this application form.

EXISTING LICENCE NO: 2BB-MEL0914
1. LICENSEE CONTACT INFORMATION
Is the licensee the same as that referred to on the existing licence?
X Yes □ No
If No, a licence assignment must be completed and approved by the NWB. An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.
If the licensee is the same, but the <u>name</u> of the licensee has changed, attach a certificate of name change.
Name: Agnico-Eagle Mines Limited
Address: C.P. 87 765, Chemin de la mine Goldex Val-d'Or, QC J9P 4N9
Phone: 819 874 5980 ext 3622 Fax: 819 874 3318 e-mail: denis.vaillancourt@agnico-eagle.com
2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.
Name: John Witteman
Address: 601 – 2 Street Canmore, AB T1W2K2
Phone: 819 277 5444 Fax: N/A e-mail: jwitteman@agnico-eagle.com (Attach authorization letter.)

3.	NAME OF PROJECT
Has the	e name of the project changed?
	☐ Yes X No
If Yes,	indicate the name of the project including the name of the location:
4.	LOCATION OF UNDERTAKING
Does	the proposed amendment change the location of the amended undertaking?
	☐ Yes X No
Provid	de the project extents and camp locations. Identify proposed changes.
Projec	t Extents
NW: NE: SE: SW:	Latitude: (63 ° 04 ′ 40" N) Latitude: (63 ° 04 ′ 40" N) Longitude: (92 ° 22 ′ 03" W) Longitude: (92 ° 01′ 18 " W) Longitude: (92 ° 01′ 18 " W) Longitude: (92 ° 01′ 18 " W) Longitude: (92 ° 22 ′ 03" W)
Camp	Location(s)
Latitud	de: (63 ° 01 ' 30" N) Longitude: (92° 10' 20" W)
5.	MAP
Does th	ne proposed amendment change the locations of any of the main components of the undertaking?
	☐ Yes X No
Attach	a topographical map, indicating the main components of the undertaking. Identify proposed changes.
NTS M	ap Sheet No.: 55 N/1 Map Name: Meliadine Lake Map Scale: 1:50,000
The att	ached figure shows the location of the Meliadine site in relation to Rankin Inlet.

	the proposed amendment change the nature of the interest in the land?
	☐ Yes X No
f Yes	, indicate changes
	cany of the following that are applicable to the proposed undertaking (at least one box under the ce' header must be checked).
	Sub-surface
	X Mineral Lease from Nunavut Tunngavik Incorporated (NTI) Date (expected date) of issuance: Date of expiry: varies, renewed as required
	Agnico-Eagle has 3,430 ha of sub-surface Nunavut Tunngavik Inc. (NTI) concessions where the subsurface mineral rights are administered directly by NTI.
	X Mineral Lease from Indian and Northern Affairs Canada (INAC) Date (expected date) of issuance: before NLCA signed Date of expiry: varies – earliest 2017 for some claims, others later.
	Mineral leases (51,286 ha) and claims (887 ha) are grandfathered under the Canada Mining Regulations and are administered by Aboriginal Affairs and Northern Development.
	Surface
	Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC) Date (expected date) of issuance: Date of expiry:
	☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA) Date (expected date) of issuance: Date of expiry:
	X IOL Authorization from Kivalliq Inuit Association (KivIA) <i>The exploration camp is on the commercial lease administered by the KIA.</i>
	Date (expected date) of issuance: 2002 Date of expiry: renewed every 2 years
	☐ IOL Authorization from Qikiqtani Inuit Association (QIA) Date (expected date) of issuance: Date of expiry:
	Commissioner's Land Use Authorization Date (expected date) of issuance: Date of expiry:
	☐ Other
c tha	name of the entity(s) holding authorizations the same as that considered in the existing water
	e? X Yes
cence	X Tes INO
cence	a licence assignment must be completed and approved by the NWB.

7. NUNAVUT PLANNING COMMISSION	(NPC) DETERMINATION
Indicate the land use planning area in which the	e existing project is located.
☐ North Baffin☐ South Baffin☐ Akunniq	X Keewatin Sanikiluaq West Kitikmeot
Does the proposed amendment change the lan	d use planning area?
	☐ Yes X No
If yes, indicate the land use planning area in wh	nich the amended undertaking is located.
☐ North Baffin☐ South Baffin☐ Akunniq	☐ Keewatin ☐ Sanikiluaq ☐ West Kitikmeot
Was a land use plan conformity determination licence?	required from NPC prior to the issuance of the existing water
	☐ Yes X No
The existing water licence predates the formati	on of Nunavut.
If Yes, indicate date issued and attach copy	
Does the proposed amendment change the ori	ginal NPC conformity determination or the need to obtain one?
	☐ Yes X No
If Yes, indicate date issued (or expected) and a If No, provide written confirmation from NPC co	attach a copyonfirming that a land use plan conformity review is not required.
8. NUNAVUT IMPACT REVIEW BOARD	(NIRB) DETERMINATION
Was a screening determination required from N	NIRB prior to the issuance of the existing water licence?
	X Yes □ No
If Yes, indicate date issued and attach copy. A attached.	NIRB File # 07EN044, Issued 3 June 2007. A copy is
Does the proposed amendment change the ori one?	ginal NIRB screening determination or the need to obtain
	☐ Yes X No
If Yes, indicate date issued (or expected) and a If No, provide written confirmation from NIRB c	attach a copyonfirming that a screening determination is not required.

9.	DESCRIPTION OF UNDERTAKING
Does th	ne proposed amendment change the description of the undertaking?
	☐ Yes X No
List and	d attach plans and drawings or project proposal. Identify proposed changes.
10.	OPTIONS
	ne proposed amendment change any of the alternative methods and locations that were considered out the project?
	☐ Yes X No
	a brief explanation of the alternative methods or locations that were considered to carry out the Identify proposed changes.
11.	CLASSIFICATION OF PRIMARY UNDERTAKING
Indica boxes	te the primary classification of undertaking for the existing licence by checking one of the following:
	☐ Industrial ☐ Agricultural X Mining and Milling (includes exploration/drilling/exploration camps) ☐ Conservation ☐ Recreational ☐ Municipal (includes camps/lodges) ☐ Miscellaneous (describe below):
Does t	he proposed amendment change the classification of primary undertaking?
	☐ Yes X No
If Yes,	indicate the primary undertaking of the amendment:
	nation in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and tted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.
	Hydrostatic Testing Tannery Tourist / Remote Camp Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil Onshore Oil and Gas Exploration Drilling Mineral Exploration / Remote Camp X Advanced Exploration Mine Development Municipal General Water Works Power

12. WATER USE
Indicate, using the boxes below, the types of water use(s) approved in the existing licence.
X To obtain water for camp/ municipal purposes X To obtain water for industrial purposes To cross a watercourse To alter the flow of, or store water Other:
Does the proposed amendment change the type(s) of water use(s)?
□Yes X No
The total quantity of water for all purposes is to remain 290 m³/day. AEM is not requesting any change to the total quantity of water for all purposes, only a reallocation between the two uses listed in the water licence. AEM would like to increase the quantity of water for camp use from 25 to 45 m³/day. At the same time, the quantity of water for all other purposes would be decreased from 265 m³/day to 245 m³/day.
If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.
☐ To obtain water for camp/ municipal purposes ☐ To obtain water for industrial purposes ☐ To divert a watercourse ☐ To cross a watercourse ☐ To modify the bed or bank of a watercourse ☐ To alter the flow of, or store water ☐ Flood control ☐ Other: ☐ Flood control
13. QUANTITY OF WATER INVOLVED
Does the proposed amendment change the source of water?
Indicate the water source(s). Identify proposed changes:
(show location(s) on map)
Does the proposed amendment change the quality of the water source and/or its available capacity?
☐ Yes X No
Describe the quality of the water source(s) and the available capacity(s). Identify any changes.
There are no changes expected to the quality of water from all sources.
Does the proposed amendment change the overall quantity of water to be used?
☐ Yes X No
_ res xive
Provide the overall estimated quantity to be used. Identify proposed changes. : m³/day
_

Does the proposed amendment change the quantity of water to be used from each source?
X Yes No
Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes. :
Water for camp use comes from Meliadine Lake, a very large oligotrophic body of water. Water for all other purposes comes from Lake A8 and small ponds near drill sites.
The quantity of water for camp use, obtained from Meliadine Lake, will increase from 25 to 45 m^3 /day while that for all other purposes will decrease from 265 to 245 m^3 /day. There will not be any change to the total quantity of water allocated for all purposes.
Does the proposed amendment change the quantity of water to be used for each purpose?
X Yes
Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes:
The quantity of water for camp use, obtained from Meliadine Lake, will increase from 25 to 45 m³/day while that for all other purposes will decrease from 265 to 245 m³/day. There will not be any change to the total quantity of water allocated for all purposes.
Does the proposed amendment change the method(s) of extraction?
Describe the method(s) of extraction. Identify proposed changes. :
Does the proposed amendment change the quantity(s) of water returned to source(s)?
X Yes
Estimated quantity(s) of water returned to source(s). Identify proposed changes. : m³/day
The quantity of water returned to Meliadine Lake via wetlands will increase from 25 to 45 m³/day while the quantity returned to Lake A8 and other small ponds will decrease by 20 m³/day from 265 to 245 m³/day.
Does the proposed amendment change the quality(s) of water returned to source(s)?
☐ Yes X No
Describe the quality(s) of water(s) returned to source(s). Identify any changes. :

14.	WASTE		
Check	heck the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.		
	X Sewage (BIOdisk treatment) X Solid Waste (presently stored) X Hazardous (sent south for disposal) X Bulky Items/Scrap Metal Animal Waste Other (describe):	X Waste oil (collected and sent south for recycle) X Greywater (BlOdisk treatment) X Sludges (Sewage sludge) Contaminated soil and/or water	
Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?			
		☐ Yes X No	
		posed change(s) to the type(s) of waste(s) to be generated or continued generation and/or disposal of waste(s).	
	Sewage Solid Waste Hazardous Bulky Items/Scrap Metal Animal Waste Other (describe):	☐ Waste oil ☐ Greywater ☐ Sludges ☐ Contaminated soil and/or water	

method of treatment and method of disposal.

5. QUANTITY AND QUALITY OF N	VASTE INVOLVED
Does the proposed amendment change	the quantity(s) of the types of wastes involved?
	☐ Yes X No
Does the proposed amendment change	the composition(s) of the types of wastes involved?
	☐ Yes X No
Does the proposed amendment change	the method(s) of treatment for the types of waste involved?
	☐ Yes X No
Does the proposed amendment change	the method(s) of disposal for the types of waste involved?
	☐ Yes X No
If Yes to any of the above, describe the	proposed changes:

Scrape wood, scrape shingles, sardboard boxes, slastic materials, slass, hoses, etc. Orill steel, broken nachinery, 205 tre barrels, old skidoos, etc.	15 to 30 50 to 100	All waste is cleaned of hydrocarbons and	Landfill Landfill or sent to a certified waste management
nachinery, 205 tre barrels, old	50 to 100	cleaned of hydrocarbons and	certified waste
		electronic components removed before disposal.	company for treatment, recycling and/or disposal in another provincial or territorial jurisdiction.
Ash, tin cans, glass	22 to 45	Waste from offices, rooms and kitchen are all incinerated + anything in contact with food	Landfill
Sludge remaining Ifter wastewater reatment.	Estimated at 3 to 20 m³/year (varies with the annual quantity removed from the BIOdisk treatment plant)	Removed from BIOdisk using a vacuum truck	Land treatment of disturbed land or incineration
ıft	er wastewater	er wastewater atment. 20 m³/year (varies with the annual quantity removed from the BIOdisk	incinerated + anything in contact with food Idge remaining er wastewater atment. Estimated at 3 to 20 m³/year (varies with the annual quantity removed from the BIOdisk

16. OTHER AUTHORIZATIONS
Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?
☐ Yes X No
If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.
For each provide the following:
Authorization:
Administering Agency:
Project Activity:
Date (expected date) of issuance: Date of expiry:
17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES
Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures?
☐ Yes X No
Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.
18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS
Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?
☐ Yes X No
If Yes, provide the names, addresses and the nature of water use by those persons or properties.
Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?
☐ Yes X No
If Yes, provide the names, addresses and the nature of water use of those persons or properties.
Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

19. INUIT WATER RIGHTS		
Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inu Organization (DIO) during consideration of the existing licence?	t	
☐ Yes X No		
If Yes, which DIO(s)		
Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?		
☐ Yes X No		
If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.		
20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings held, where and with whom. Include a list of concerns expressed and measures to address concerns		
Please see the attached record of public and regulatory consultation in 2011.		
21. SECURITY INFORMATION		
Does the proposed amendment change the financial security assessment?		
☐ Yes X No		
Does the proposed amendment change the estimate of the total financial security for final reclamation?		
☐ Yes X No		
Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclaming liability for land and water combined sufficient to cover the highest liability over the life of the undertage to the life of reclamation costs must be based on the cost of having the necessary reclamation work done third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment restrom the proposed amendment.	king. by a oriate	
Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the <i>Mine Site Reclamation Policy for Nunavut</i> , Indian and Northern Affairs Canada, 2002.		
Reclamation security presently furnished under water licence 2BB-MEL0914 with the Minister of AANDC totals \$639,000.00. AANDC's current estimated cost for reclaiming the site, including the Phase 1 all-weather access road, is \$824,483.00. There is no change expected to the security.		
22. FINANCIAL INFORMATION		
Is the statement of financial security the same as that considered in the existing water licence?		
X Yes		
Provide an updated statement of financial security.		
AEM is a publically traded company listed on both the TSX and NYSE under the symbol AEM. Its head		

office is in Toronto, and the company has mines in Quebec, Nunavut, Finland and Mexico. It latest annual financial report can be found at the following web address: http://www.agnico-eagle.com/English/Investor-Centre/Financial-Reporting/default.aspx If the applicant is a business entity please answer the questions below: Is the list of the officers of the company the same as those considered in the existing water licence? X No ☐ Yes Provide a list of the officers of the company. Officers for the company can be found at the following web address: http://www.agnico-eagle.com/English/Our-Company/Officers-AEM/SrVPOfficers/default.aspx Is the Certificate of Incorporation or evidence of registration of the company name the same? X Yes □No Attach a copy of the Certificate of Incorporation or evidence of registration of the company name. AEM is a publically traded company listed on both the TSX and NYSE under the symbol AEM. Its head office is in Toronto, and has mines in Quebec, Nunavut, Finland and Mexico. 23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

The Project has entered the environmental assessment process. From 1998 to present many baselines reports were prepared. These baseline reports were synthesized into two single reports:

- 1. Aquatic Synthesis Report, 2009 (983 pages) and
- 2. Terrestrial Baseline Synthesis Report 2009 (298 pages) and
- 3. All Management plans for Water Licence 2BB-MEL0914 were updated in 2010.

These baseline reports and plans can be found on the NWB ftp site.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

On July 7th, 2011 INAC's inspector carried out an inspection of the Meliadine Site. Some findings were judged unacceptable by the inspector. These issues are noted below with the correctives actions following:

- Minor hydrocarbon spills should be cleaned up as soon as possible and a general clean-up is required
 at various locations around the site. The drillers shack and storage area in particular need to be cleaned
 up and fuels, oils, and batteries must be properly contained.
 - Efforts for the remainder of 2011 were directed to making all employees and contractors aware of the environment importance of the local area, and the need to maintain a clean work site with all hazardous materials properly stored.
- All fuel, oils and chemicals should be properly stored in secondary containment.
 - The above problem was corrected. Also in 2011on two occasions, Qikiqtaaluk Environmental Inc. came to the Meliadine site to prepare all hazardous waste for TDGA shipment to a certified waste management company for treatment, recycling and/or disposal in another provincial or

territorial jurisdiction.

- The grey water should be redirected to the biodisk unit and the grey water discharge area (sump) must be reclaimed by treating and backfilling.
 - In early 2012, Agnico-Eagle installed a second biodisk and at that point all grey water was directed to the Sewage Disposal Facility. The sump will subsequently be back filled this summer.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.				
24.	PROPOSED TIME SCHE	DULE		
	Does the proposed amendment change the time schedule considered in the existing licence for any phase of development?			
		□Y	es X No	
	e the start and completion e, and post closure). Identi		icable phase of development (construction, operation,
	Construction Proposed Start Date:	Feb/ 2012 (month/year)	Proposed Completion Date:	June/ 2012 (month/year)
	Operation Proposed Start Date:	June/2012 (month/year)	Proposed Completion Date:	July /2014 (month/year)
	Closure Proposed Start Date:	July/ 2014 (month/year)	Proposed Completion Date: 0	October/2015 (month/year)
	Proposed Start Date:	June/ 2028 (month/year)	Proposed Completion Date:	June/2029 (month/year)
The exploration camp is being enlarged to accommodate additional personnel for advanced exploration activities. Dates for closure and post closure are approximate only as final plans for closure remain to be finalized. The ompletion date given for closure is the expiry date of the current water licence.				
For each applicable phase of development indicate which season(s) activities occur.				
	Construction X Winter X Spring]Summer	I ☐ All season	
	Operation Spring Spring	_ Summer Fa	ıll X All season	
	Closure ☐ Winter ☐ Spring [☐ Summer X Fal	I ☐ All season	
	Post - Closure ☐ Winter ☐ Spring	Summer F	all X All season	

25.	PROPOSED TERM OF LICENCE		
On w	hat date does the existing licence expire? 31 July 2014		
Is the	Licensee applying for a combined renewal and amendment of the existing licence?		
	☐ Yes X No		
If Yes	s, indicate the proposed term of the renewal (maximum of 25 years):		
Requ	ested date of renewal issuance: Requested Expiry Date: (month/year) (month/year)		
licence licence use pla accorda	quested date of renewal issuance must be <u>at least</u> three (3) months from the date of application for a type B water and <u>at least</u> one (1) year from the date of application for a type A water licence, to allow for processing of the water application. These timeframes are approximate and do not account for the time to complete any pre-licensing land nning or development impact requirements, time for the applicant to prepare and submit a water licence application in ance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for nal information. See the NWB's <i>Guide 5:</i> <u>Processing Water Licence Applications</u> for more information)		
26.	ANNUAL REPORTING		
Will the	e proposed amendment change the content of annual reports or the annual report template?		
	☐ Yes X No		
If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.			

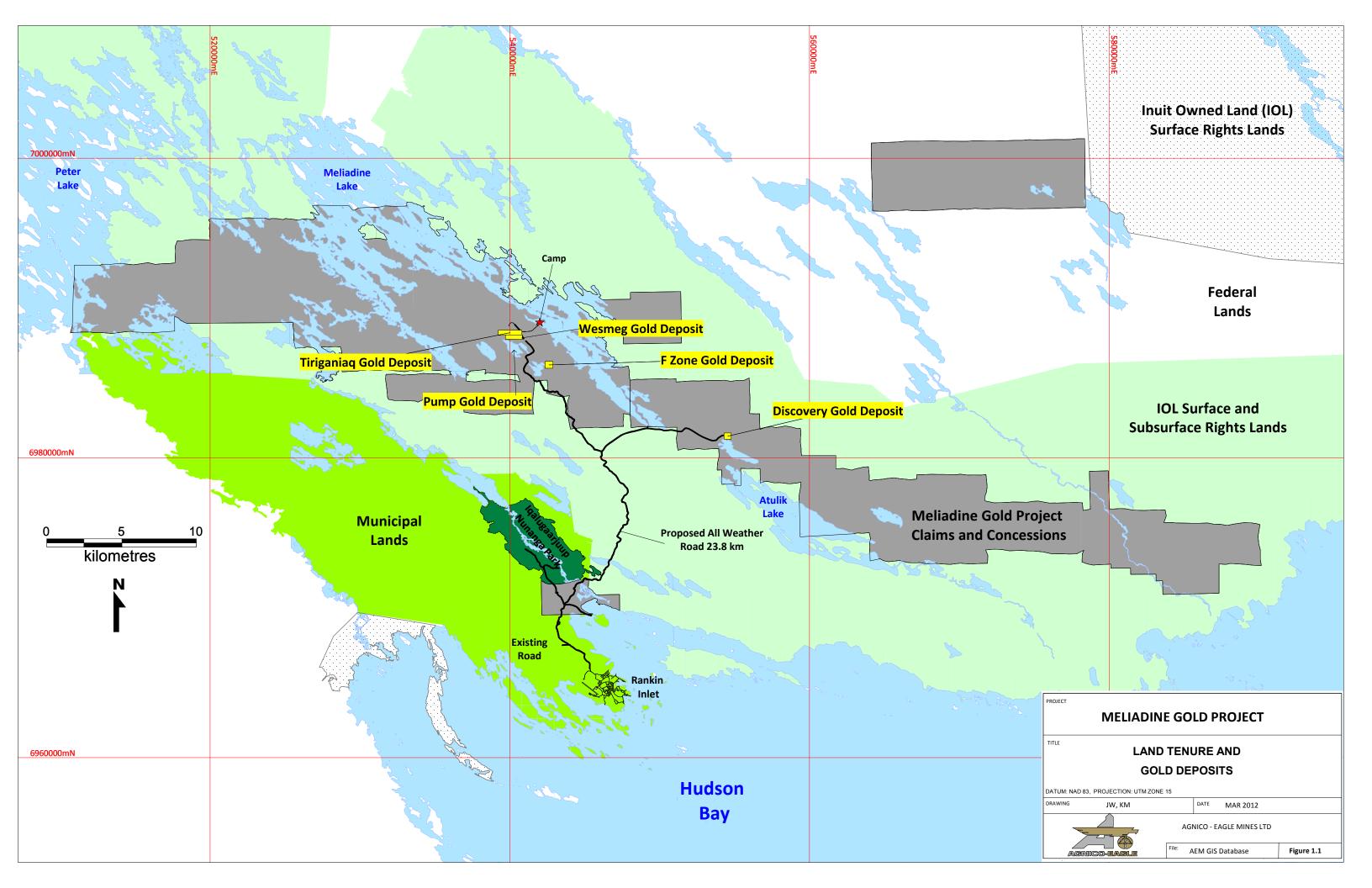
27.	CHECKLIST				
The f	The following must be included with the application for Amendment for the water licensing process to begin.				
	Completed Application for Water Licence Amendment form.				
	X Yes	□No	If no, date	expected	
	Information addressing	Supplement Inform	mation Guide	eline (SIG), where applicable (see Block 11)
	X Yes	□No	If no, date	expected	
	Compliance Assessme	ent / Status Report	(see Block 2	3).	
	X Yes	□No	If no, date	expected	
	Indication of Renewal I	Requirement (see I	Block 26)		
	X Yes	□No	If no, date	expected	
	English Summary of A	mendment Applica	tion.		
	X Yes	□No	If no, date	expected	
	Inuktitut and/or Inuinna	aqtun Summary of	Amendment	Application.	
	X Yes	□No	If no, date	expected	
	Application fee of \$30.0	00 CDN (Payee Re	eceiver Gene	ral for Canada).	
	Yes	X No	If no, date	expected: To follow via Canad	da Post.
		by the NWB based	upon the ar	iver General for Canada). Th nount of water authorized for nce.	
	☐ Yes change.	X No	If no, date ex	spected. The total quantity of s	water used will not
28.	SIGNATURE				
	John Witteman	Environm Consultant	to AEM	John Welleman Signature	30 May 2012
	Name (Print)	Title (Pr	iiit)	Signature	Date

English Summary

The number of people working at the Meliadine exploration camp is expected to increase to more than 150 people in the near future. This could result in more water being used in the camp than allowed under AEM's water licence.

AEM is requesting the total quantity of water allowed for the Meliadine exploration camp increase from 25 to 45 cubic metres per day. At the same time, water use for drilling will be decreased from 265 to 245 cubic metres per day. The total quantity of water allowed under the water licence would not change from 290 cubic metres per day.

Inuktitut Summary





Ms. Phyllis Beaulieu, Licensing Coordinator Nunavut Water Board PO Box 119 Gjoa Haven, NU X0B 1J0

October 8, 2010

Re: Meliadine Type B Water License - 2BB-MEL0914

Dear Ms. Beaulieu,

I am writing in follow up to our letter of July 08, 2010 to reaffirm that Mr. John Witteman is acting in the role of consultant to Agnico-Eagle Mines Limited for all permitting and environmental matters relating to the Meliadine Project and has our consent to speak and act for us in this subject area. Can you please let your staff know that Mr. Witteman can be reached at the following email address: jwitteman@agnico-eagle.com or by phone at (819) 277-5444.

Regards

Larry Connell,

Agnico-Eagle Mines Limited

any Connel

Corporate Director of Sustainable Development



SCREENING DECISION REPORT NIRB FILE NO.: 07EN044

NIRB File No.: 07EN044 KIA File No.: KVCL102J168

July 3, 2007

Tongola Sandy President – Kivalliq Inuit Association Rankin Inlet, Nunavut

Via email: tsandy@kivalliqinuit.ca

Re: Screening Decision for Comaplex Minerals Corporation – Meliadine West Gold

Underground Exploration and Bulk Sample

Dear President Sandy:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

NIRB Assessment and Decision

After a thorough assessment of all material provided to the Board (please see Procedural History and Project Activities in Appendix B), in accordance with the principles identified within section 12.4.2 of the NLCA, the decision of the Board as per section 12.4.4 of the NLCA is:

12.4.4 (a): the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5

Recommended Project-Specific Terms and Conditions, pursuant to 12.4.4(a) of the NLCA

The Board is recommending the following or similar project-specific terms and conditions be imposed upon the Proponent through all relevant legislation:

- 1. Comaplex Minerals Corporation (the Proponent) shall otherwise operate in accordance with all commitments stated in all documentation provided to NIRB, namely:
 - a. Correspondence dated June 15, 2007 from Mark Balog to Carolanne Inglis-McQuay regarding the Response to Reviewer Comments Meliadine West Underground Exploration and Bulk Sampling Program NIRB # 07EN044
 - i. Attachment A: J.S. Redpath letter to NIRB re: Mine Rescue Plan
 - ii. Attachment B: Comaplex Waste Management Plan
 - iii. Attachment D: Nuna / M&T Environmental Procedures Manual
 - b. Application to Conduct Underground Mineral Exploration and Assemble a Bulk Sample, dated May 2007
 - c. Field Operations Advanced Exploration: Drilling Environmental Management System Meliadine West Gold Project, dated May 2007
 - d. Fuel Management and Spill Contingency Plan Comaplex Minerals Corp. Meliadine West Project, dated January 2007
 - e. Application to Access Inuit Owned Lands and Water Use
- 2. The Proponent shall maintain a copy of this Screening Decision at the site of operation at all times.
- 3. The Proponent shall forward copies to NIRB of all authorizations obtained and required for this project prior to the commencement of the project.
- 4. The Proponent shall operate the project in accordance with all applicable Acts, Regulations and Guidelines.
- 5. The Proponent shall submit an annual report with copies provided to the NIRB, INAC, the KIA, and the Government of Nunavut Department of Environment (GN-DOE), by January 31 each year that the project is in operation, commencing January 31, 2008. The report must contain, but not be limited to, the following information:
 - a. A summary of activities undertaken for the year, including any progressive reclamation work undertaken, and a work plan for the following year –site photos should be provided where relevant:
 - b. A summary of how the Proponent has complied with NIRB conditions contained within this Screening Decision.
 - c. Results from the Mitigation and Monitoring Program:

- i. An analysis of the impact of the project upon the bio-physical and socioeconomic environments, including the cumulative impacts from other activities within the project area;
- ii. An analysis of the effectiveness of mitigation measures;
- iii. The identification of any unanticipated environmental impacts (if any) and any follow-up required (if relevant);
- iv. Compliance with applicable regulations and all authorizations associated with the project activities, including any exceedences of CCME-FWAL criteria (as reported to Environment Canada, the Nunavut Water Board, and the Department of Fisheries and Oceans Canada)
- v. Any necessary adaptive mitigation strategies employed (if relevant);
- vi. Any modifications made to the Mitigation and Monitoring Program;
- vii. Description of the progress made on the development of component-specific thresholds used to determine the necessity for adaptive mitigation and management strategies.
- d. A summary of community consultations undertaken and the results; and
- e. A summary of site-visits by inspectors with results and follow-up actions.
- 6. Mitigation and Monitoring Program
 - a. Prior to commencement of the Underground Exploration and Bulk Sample project proposal activities, the Proponent shall develop a comprehensive Mitigation and Monitoring Program for the project proposal. As indicated in the Application to Conduct Underground Mineral Exploration and Assemble a Bulk Sample, dated May 2007, this is anticipated to be on July 16, 2007. This Mitigation and Monitoring Program must be developed for all stages of the project activities, including construction, operation, closure, and post-closure. The Mitigation and Monitoring Program should be developed in accordance with the following objectives:
 - i. To detect unanticipated environmental impacts (if any)
 - ii. To assess the effectiveness of proposed mitigation and the need to modify the measures or implement contingency plans
 - b. The Mitigation and Monitoring Program must monitor in accordance with the Monitoring Plan described on pgs 44 and 45 of the Application to Conduct Underground Mineral Exploration and Assemble a Bulk Sample, dated May 2007 but must be updated to include monitoring for those components identified as being potentially impacted (pg 38):
 - i. Air quality
 - ii. Noise
 - iii. Vegetation
 - iv. Wildlife and critical wildlife habitat
 - v. Water quality including acid rock drainage, metal leaching and ammonia run-off
 - c. The Mitigation and Monitoring Program may contain elements of the Environmental Management System, but must be operated as a stand-alone program.
 - d. The Mitigation and Monitoring Program must identify component-specific thresholds that will be used to determine the necessity for adaptive mitigation and management strategies.
- 7. The Proponent shall ensure that all hazardous material is managed, removed from site and disposed in accordance with the *Environmental Protection Act (EPA)*, the Nunavut Territorial Regulations and Guidelines, and the Nunavut Hazardous Waste Disposal Manual.

- 8. The Proponent shall ensure that the disposal of combustible camp wastes comply with the *Canadian Wide Standards for Dioxins and Furans*, and the *Canadian Wide Standards for Mercury*. Efforts made to achieve compliance shall be reported to the NIRB as part of the annual report.
- 9. Between May 15 and July 15 of each year, the Proponent shall suspend operations (such as blasting, flights by aircraft at any altitude below 610m, and the use of mechanized vehicles) if wildlife monitoring indicates that caribou cows and/or calves are within 1km of project operations.
- 10. During the migration of caribou, the Proponent shall not conduct any operation so as to block or cause substantial diversion to migration.
- 11. During the migration of caribou, the Proponent must cease all activities within 1km of migrating caribou.
- 12. The Proponent is prohibited to conduct aircraft flights below 610m except for takeoffs and landings and is prohibited to allow aircraft take-offs if wildlife monitoring indicates presence of caribou within 1km of the ice airstrip or helipad.

The Proponent shall adhere to conditions stated in attached Appendix A Archaeological and Palaeontological Resources – Terms and Conditions for Land Use Permit Holders.

Other NIRB Concerns and Recommendations

In addition to the project-specific terms and conditions, the Board is recommending the following:

- 1. The Kivalliq Inuit Association (KIA) impose mitigation measures and/or conditions upon the Proponent pursuant to the Commercial Lease (KVCL102J168) which reduce the likelihood of adverse impacts to:
 - a. Water quality from drilling activities, explosives use, waste rock and portal rock storage and usage, construction activities, waste disposal, fuel storage and fuel transfer
 - b. Vegetation from water deposition activities and abandonment and restoration activities
 - c. Air quality from incineration activities
 - d. Wildlife and wildlife habitat from overland hauling activities, general use of the project area, aircraft activities
 - e. Navigable waters
 - f. Human health and safety from underground bulk sampling activities
- 2. The KIA should consider the importance of conducting regular Land Use Inspections, pursuant to the authority of the Commercial Lease (KVCL102J168), while the project is in operation. The Land Use Inspections should be focused on ensuring the Proponent is in compliance with the conditions imposed through the Commercial Lease.
- 3. The Nunavut Water Board (NWB) must review all geochemical analysis data pertaining to the waste rock and ore body samples prior to the issuance of the amendment to the water license (2BE-MEL0709). The review must consider appropriate conditions, mitigation measures and monitoring protocols to reduce the potential for adverse effects to water quality from Acid Rock Drainage (ARD) and/or Metal Leaching (ML).

4. During the amendment to the water license (2BE-MEL0709), the NWB must ensure an appropriate quality assurance / quality control (QA/QC) program is developed by the Proponent to test for water quality in the run off from waste rock, ore piles, disposal sites and the camp-site. NIRB is recommending the use of berms to collect runoff in the immediate locations around the ore stockpile and waste rock areas. If the collected runoff is deposited onto the tundra through spray irrigation techniques, the Proponent should conduct water quality monitoring downstream of the irrigation locations using the Canadian Council of Ministers for the Environment Guidelines for the Protection of Freshwater Aquatic Life (CCME-FWAL).

Regulatory Requirements

The Proponent is also advised that the following legislation may apply to the project:

- 1. The *Migratory Birds Convention Act* and *Migratory Birds Regulations* which state that no person disturb or destroy the nests or eggs of migratory birds, and that no person shall deposit or permit to be deposited oil, oil wastes or any other substance harmful to migratory birds in any waters or any area frequented by migratory birds (http://laws.justice.gc.ca/en/showtdm/cs/M-7.01)
- 2. Section 36(3) of the *Fisheries Act* (http://laws.justice.gc.ca/en/showtdm/cs/F-14///en) which states that no person shall deposit or permit the deposit of a deleterious substance in any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
- 3. The Canadian Environmental Protection Act (http://laws.justice.gc.ca/en/C-15.31/index.html)
- 4. The Species at Risk Act (http://laws.justice.gc.ca/en/showtdm/cs/S-15.3).
- 5. The *Nunavut Act* (http://laws.justice.gc.ca/en/showtdm/cs/N-28.6) which requires that no person alter or disturb any archaeological or palaeontological sites in Nunavut unless permission is first granted through the permitting process.
- 6. The *Transportation of Dangerous Goods Regulations*, *Transportation of Dangerous Goods Act* (http://www.tc.gc.ca/tdg/menu.htm), and the *Environmental Protection Act* (http://laws.justice.gc.ca/en/C-15.31/text.html) which present the requirements for the handling, storing, managing and transportation of dangerous goods, including hazardous wastes, fuel and contaminated material.

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated July 3, 2007 at Sanikiluag, NU.

Lucassie Arragutainaq, A/Chair

Appendix A Archaeological and Palaeontological Resources Terms and Conditions for Land Use Permit Holders



BACKGROUND: Archaeology

As stated in Article 33 of the Nunavut Land Claims Agreement:

The archaeological record of the Inuit of Nunavut is a record of Inuit use and occupancy of lands and resources through time. The evidence associated with their use and occupancy represents a cultural, historical and ethnographic heritage of Inuit society and, as such, Government recognizes that Inuit have a special relationship with such evidence, which shall be expressed in terms of special rights and responsibilities. [33.2.1]

The archaeological record of Nunavut is of spiritual, cultural, religious and educational importance to Inuit. Accordingly, the identification, protection and conservation of archaeological sites and specimens and the interpretation of the archaeological record is of primary importance to Inuit and their involvement is both desirable and necessary. [33.2.2]

In recognition of the cultural, spiritual and religious importance of certain areas in Nunavut to Inuit, Inuit have special rights and interests in these areas as defined by Article 33 of the Nunavut Land Claims Agreement. [33.2.5]

BACKGROUND: Palaeontology

Under the Nunavut Act1, the federal Government can make regulations for the protection, care and preservation of palaeontological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*2, it is illegal to alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process.

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

1 s. 51(1)

2 P.C. 2001-1111 14 June, 2001

"archaeological site" means a place where an archaeological artifact is found.

"archaeological artifact" means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement.

"palaeontological site" means a site where a fossil is found.

"fossil" includes:

- (a) natural casts
- (b) preserved tracks, coprolites and plant remains; and
- (c) the preserved shells and exoskeletons of invertebrates and the eggs, teeth and bones of vertebrates.

Terms and Conditions

- 1) The permittee shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 2) The permittee shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 3) The permittee shall immediately contact the Department of Culture, Language, Elders and Youth (867) 934-2046 or (867) 975-5500 or 1 (866) 934-2035 should an archaeological site or specimen, or a palaeontological site or fossil be encountered or disturbed by any land use activity.
- 4) The permittee shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation, until permitted to proceed with the authorization of the Department of Culture, Language, Elders and Youth, Government of Nunavut.
- 5) The permittee shall follow the direction of the Department of Culture, Language, Elders and Youth and DIAND in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- 6) The permittee shall provide all information requested by the Department of Culture, Language, Elders and Youth concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 7) The permittee shall make best efforts to ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological sites and artifacts, and palaeontological sites and fossils.
- 8) The permittee shall avoid the known archaeological and/or palaeontological sites listed in Attachment 1.
- 9) The permittee shall have an archaeologist or palaeontologist perform the following functions, as required by the Department of Culture, Language, Elders and Youth:

- a. survey
- b. inventory and documentation of the archaeological or palaeontological resources of the land use area
- c. assessment of potential for damage to archaeological or palaeontological sites
- d. mitigation
- e. marking boundaries of archaeological or palaeontological sites
- f. site restoration

The Department of Culture, Language, Elders and Youth shall authorize by way of a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit, all procedures subsumed under the above operations.

Appendix B Procedural History and Project Activities

Procedural History

On May 3, 2007 the Nunavut Impact Review Board (NIRB or Board) received the Meliadine West Gold Underground Exploration and Bulk Sample (Bulk Sample) project proposal from Comaplex Minerals Corporation (Comaplex). On May 10, 2007 an application for this project proposal was forwarded to NIRB by the Kivalliq Inuit Association, and on May 14, 2007 NIRB was notified by the Nunavut Planning Commission that the project proposal had received a positive conformity determination (Keewatin Regional Land Use Plan). NIRB has assigned this project proposal file number, 07EN044.

NIRB requested that interested Parties review the application and provide NIRB with comments by **June 6, 2007** regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socioeconomic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

On or before June 6, 2007 NIRB received comments from the following interested Parties (see Comments and Concerns):

- 1. Health Canada
- 2. Environment Canada
- 3. Transport Canada
- 4. Natural Resources Canada
- 5. The Government of Nunavut Department of Environment
- 6. The Government of Nunavut Airports
- 7. The Kivalliq Inuit Association

All comments provided to NIRB regarding this project proposal can be viewed on NIRB's ftp-site, at the following location: ftp://ftp.nunavut.ca/nirb/NIRB_SCREENINGS/COMPLETED_SCREENINGS/

On June 7, 2007 NIRB provided an opportunity for the Proponent to respond to the Parties' concerns. The Proponent provided a response to each Party's concerns on June 15, 2007. The Proponent responded to the Parties' comments and concerns by providing the following documentation:

- 1. Correspondence dated June 15, 2007 from Mark Balog to Carolanne Inglis-McQuay regarding the Response to Reviewer Comments Meliadine West Underground Exploration and Bulk Sampling Program NIRB # 07EN044
- 2. Attachment A: J.S. Redpath letter to NIRB re: Mine Rescue Plan
- 3. Attachment B: Comaplex Waste Management Plan
- 4. Attachment C: Meliadine West camp incinerator specs
- 5. Attachment D: Nuna / M&T Environmental Procedures Manual
- 6. Attachment E: site air photo with hydrology

Project Activities

The following is a summary of the *main* project activities³:

- Overburden removal
- Use of existing 2.7km all-weather road
- Increase in personnel use (18-25 people) of existing camp, and construction of minor upgrades to camp (covered under existing permits)
- Transportation to project site of 150-250 tonnes of equipment for underground operations
- Fuel transportation from Rankin Inlet via overland haul route
- Fuel storage of approximately 1 million litres of fuel (diesel, fuel oil, aviation, gasoline, propane)
- Explosives transportation
- Total explosives use of approximately 115,000 kg; on-site storage facilities (magazines) for approximately 36,000kg
- Chemical transportation and storage of approximately 68,000kg of calcium chloride
- Portal and underground ramp construction
- On-site sample processing of approximately 12,860kg of mineralized rock
- Off-site sample processing of a 10 tonne sample of mineralized rock
- Use of some waste rock as construction material for pads and road beds and excess waste rock to be stored on waste rock pad
- Ore storage on ore pad adjacent to ramp portal
- Stockpiles of topsoil, and frozen and unfrozen till
- Abandonment and site restoration

The project is located in the Kivalliq Region, and the nearest communities are Chesterfield Inlet and Rankin Inlet.

³ As described in May 2007 Project Proposal – Application to Conduct Underground Mineral Exploration and Assemble a Bulk Sample and NIRB Part 1 Summary Application Form in English

Consultation Record

...a public consultation/participation report describing consultation with local organizations and residents of the nearby communities, if any were conducted;

Agnico-Eagle Mines Limited (AEM) had an active public consultation program in 2011. The consultation had several purposes:

- 1. To inform the public of the present advanced exploration program at the Meliadine site;
- 2. To describe the proposed Meliadine Gold Mine and the opportunities it present to the Kivalliq region;
- 3. To listen to the members of the Kivalliq communities on their environmental concerns resulting from the development and their expectations in regards to the opening of the Meliadine Gold Mine; and
- 4. Regulatory consultation in regards to the Phase 1 All Weather Access Road (AWAR) and the forthcoming Environmental Impact Statement.

Public and regulatory consultations are outlined in the following table.

Date	Organization Consulted and Place	Major Discussion Points
7 Feb 2011	Kivalliq Inuit Association, Rankin Inlet	All Weather Access Road (AWAR) – road route, work plan for the road, quarries on Inuit Owned Land, Water Compensation Agreement,
8 Feb 2011	Community & Government Services, Rankin Inlet	Location of the tank farm for the mine, right-of-way lease for the AWAR on municipal land, HTO Traditional Knowledge of overflow in the spring at Meliadine Bridge location.
3 Mar 2011	HTO, Rankin Inlet	Snow dams in the Char River near the bridge and the impact on the infrastructure, Meliadine spring overflow and back-up of water at breakup, effect of traffic on the bridge on fish movement in the Meliadine River, people are looking for employment with the road
21 Mar 2011	HTO, Rankin Inlet	Meeting cancelled due to blizzard
23 Mar 2011	Rankin Inlet Hamlet Council	Update of activities at the Meliadine site, ramp development, employment, training, opportunities for the Inuit and liaison committee. Time line for AWAR, width of road corridor (80 m), open access, clear span bridges, mitigation of dust, boat launch to Meliadine Lake and employment opportunities in building the AWAR
6 Apr 2011	Aboriginal Affairs and Northern Development Canada, Iqaluit	Technical discussion on the RECLAIM model discussion and unit costs
7 Apr 2011	Regulatory Agencies, Iqaluit	Update on the Meliadine Gold Project.
6 May 2011	Geovector, consultant to KIA (Conference call)	AWAR – quarry locations and need to check for ground ice, geochemistry of the waste rock and potential quarries, snow drifting along road, design of culverts, lessons learned from Meadowbank.
8 Jun 2011	Aboriginal Affairs and Northern Development Canada	Possible predevelopment, need for class A licence, need to submit a land use permit for crown land to be crossed by the AWAR.
13 Jun 2011	Fisheries and Oceans Canada, Edmonton	No Net Loss Plan for the Meliadine Gold Project, risk management framework used by DFO and its application to lakes / ponds impacted by the Project
14 Jun 2011	KIA, Mayor of Rankin Inlet	Possible predevelopment, Hamlet motion to approve AWAR, build only 1 lane at this time
31 Aug 2011	Regulatory agencies, Iqaluit	Information session on mini-EIS for the Phase 1 AWAR
14 Sep 2011	NIRB, Conference Call	Mini-EIS for the Phase 1 AWAR, Class B water licence for the Phase 1 AWAR, consultation with Lutsel K'e on caribou
17-20 Oct	Community consultation –	Pre-EIS consultation with the Hamlet council and general public in each

2011	Rankin Inlet, Chesterfield Inlet, Arviat, Baker Lake	community on the Meliadine Gold Project, the impacts and opportunities arising from the development
28 Oct 2011	NIRB, Conference Call	Information requested on the scoping sessions being planned by the NIRB
31 Oct 2011	HTO, Rankin Inlet	Skidoo trail to sea ice at Itivia, Phase 1 AWAR, establishment of a community liaison committee in Rankin Inlet.
1-2 Nov 2011	Community consultation – Repulse Bay, Coral Harbour	Pre-EIS consultation with the Hamlet council and general public in each community on the Meliadine Gold Project, the impacts and opportunities arising from the development
4 Nov 2011	NIRB & NWB, Conference Call	Phase 1 AWAR – next steps, information requests, amendment application to date with the NWB
17-18 Nov 2011	Fisheries and Oceans Canada, Toronto	No Net Loss Plan for Meliadine Gold Project, methods used in calculating the loss of habitat
15 Dec 2011	Transport Canada, Edmonton	Navigable Waters Protection permit for the Meliadine bridge, information session on the Meliadine Gold Project.