

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 ຼຼວ© ΔLሮሊትና ቴ∩Lትዣ NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

File: 2BB-MEL0914/Amend

September 20, 2010

John Witteman Consultant for Agnico-Eagle Mines Ltd 601 – 2<sup>nd</sup> Street Canmore, AB T1W 2K2

Email: jwitteman@agnico-eagle.com

Subject: Amendment Request No. 3 Extension to Underground Exploration and Bulk

Sampling

Dear Mr. Witteman.

The Nunavut Water Board (NWB) acknowledges receipt from Agnico-Eagle Mines Ltd (AEM or Licensee and formerly Comaplex Minerals), on March 1, 2010, of an amendment application to the Type "B" water licence 2BB-MEL0914. The amendment request is for water use and waste disposal associated with advanced exploration activities in the Kivalliq region of Nunavut. The application consists of the following documents:

- ➤ Cover letter dated February 25, 2010;
- > Water Licence application form;
- Non-Technical Summary (English and Inuktitut);
- Updated Advanced Exploration Questionnaire;
- ➤ Interim Static Test Report for Waste Rock from the Tiriganiaq Deposit, Meliadine West Gold Project, Nunavut. Golder Associates April 2009;
- ➤ 10 Maps and Figures; and
- ➤ Administration fee.

Following a preliminary technical review of the amendment application, the NWB wrote to AEM on July 8, 2010 and requested that the management plans be updated, prior to distributing the file for review and comment, to reflect the advanced stage of exploration. The following updated plans were received September 2, 2010:

- Fuel Management and Spill Contingency Plan, August 2010;
- ➤ Interim Abandonment and Restoration Plan, August 2010;
- ➤ Waste Management Plan, August 2010;
- Water Management Plan, August 2010; and
- Waste Rock and Ore Management Plan, August 2010.

In addition to the above, the NWB is also in receipt of two documents prepared by Golder Associates, which synthesize information collected on the aquatic and terrestrial environments respectively. The amendment application and supporting information can be obtained from our ftp site at the following link with Username: public, Password: registry.

 $\frac{ftp://nunavutwaterboard.org/1\%20PRUC/2\%20MINING\%20MILLING/2B/2BB\%20-\%20Bulk\%20Sampling/2BB-MEL0914/1\%20APPLICATION/2010\%20Amendment\%203/$ 

The NWB undertook a preliminary review of the application and concluded that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). However, the NWB retains the right to request additional information and studies pursuant to sections 48(2) of the Act or to issue guidelines for the provision of information pursuant to section 48(3) of the Act. A NWB Technical Advisor may be in contact with you to clarify any technical details related to your application.

The NWB notes that a Nunavut Planning Commission Land Use Plan conformity determination has been received along with a Nunavut Impact Review Board 12.4.4(a) Screening decision dated July 6 and May 5, 2010 respectively.

To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(ies) most affected by the project, inviting interested parties to make representation directly to the NWB on or before **October 20, 2010**.

Finally, the NWB is also in receipt of correspondence from both the Licensee and Indian and Northern Affairs Canada (INAC) concerning the re-evaluation of reclamation security required for the project. The correspondence from INAC and AEM on this issue is attached for ease of reference. The NWB notes that, at this time, there is some disagreement with respect to the overall amount of security estimated to be required. The Licensee has also proposed a staggered approach with security increasing annually to the end of 2013, should the expanded program move ahead.

Given that the amendment application to expand underground bulk sampling and exploration could potentially affect reclamation security, any additional comments on reclamation security for the project can be provided along with those concerning the amendment application, which are due October 20, 2010. The Board will then make a decision based on input from parties.

The NWB may provide additional procedural instructions once the application has been reviewed by interested parties. Should parties have any questions please do not hesitate to contact the NWB office.

Sincerely,

*Original signed by:* 

Phyllis Beaulieu Manager of Licensing

DH/tla/pb

Attached: INAC correspondence of August 13, 2010.

AEM response to INAC dated September 7, 2010.

Cc: Distribution List – Kivalliq