NIRB File No. 11RN017
NWB File No.: 2BB-MWL0914
KIA File No.: KVRW11F02 and KVCA11Q01

June 10, 2011

John Witteman
Environment and Regulatory Consultant
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Val d'Or, QC J0P 0E9

Via email: john.witteman@agnico-eagle.com

Re: <u>Clarification Requested for NIRB Screening of AEM's "All-Weather Road" project proposal</u>

Dear John Witteman:

Following receipt of a response to comments from Agnico-Eagle Mines Ltd. (AEM), on May 25, 2011 the Nunavut Impact Review Board (NIRB or Board) provided a final opportunity for public comments to be submitted regarding AEM's "All-Weather Road" project proposal (Meliadine AWR proposal, NIRB File No. 11RN017).

On or before June 6, 2011 the NIRB received comments from the following interested parties:

- Government of Nunavut
- Indian and Northern Affairs Canada
- Environment Canada

All comment submissions received pertaining to this project proposal can be obtained from NIRB's ftp site at: http://ftp.nirb.ca/01-SCREENINGS/ACTIVE%20SCREENINGS/11RN017-AEM%20Meliadine%20All%20Weather%20Road/02-DISTRIBUTION/COMMENTS/ .

In addition to the original Meliadine AWR proposal, AEM has also responded to information requests and concerns submitted to the NIRB by interested parties. In several instances AEM's response has included substantively countering information as presented in the original proposal, for example:

> *"The road as designed will eventually be part of the Manitoba-Nunavut road to Chesterfield Inlet. As such, the larger part of the road – approximately 17 kilometres – would not be reclaimed, and responsibility for it would be assumed by the Government of Nunavut upon the closing of the Meliadine site."* (Meliadine AWR proposal, page 54)

"If the Project does not proceed beyond this advanced exploration phase then the road will be decommissioned and reclaimed by AEM at its expense. It is speculative to consider the road as part of a future public highway system in Nunavut. Any future public highway construction in this area would be the subject of its own environmental assessment. The GN has made no commitment at this time to construct a public highway that would incorporate the proposed Meliadine Project private road. Consequently while AEM has met with the GN to discuss its planned road construction, no coordination of road planning has occurred." (May 24, 2011 AEM Response to Comments, Page 19)

Please be advised that the NIRB requires project proposals to be sufficiently developed to permit proper screening within the timelines established by the Nunavut Land Claims Agreement. Following its review of all documentation submitted by AEM in support of the Meliadine AWR proposal and all comments submitted by parties, the NIRB requires clarification on a number of topics related to this project proposal to facilitate its assessment.

Analysis of need for, and alternatives to, the project

Related to AEM's analysis of need for the road, it is apparent that the scope and magnitude of project activities proposed for the underground exploration and bulk sampling program may have changed since screening by the NIRB (NIRB File Nos. 07EN044, 08EN043, and 10EA018; see attached Appendix A for scope of project activities). In materials submitted to the NIRB at time of screening, the previous site owner, Comaplex Minerals Corp., had estimated it would require a total of 7.6 million litres of fuel over the life of the project (2011 - 2013) with an on-site fuel capacity of up to approximately 4 million litres in 2012 to be required. In its current application, AEM contends that up to 9 million litres per year would be required to carry out these activities, and it is unclear whether the activities are expected to be completed in 2013 or 2014.

In support of the current Meliadine AWR proposal, AEM has indicated:

- Total fuel storage capacity on site is currently 1.8 million litres, which is insufficient to meet the requirements of current project activities. (May 24, 2011 AEM Response to Comments, Page 1)
- A total of 2.5 million litres of diesel and 250,000 litres of Jet A fuel were delivered to site during the 2011 winter road season. (May 24, 2011 AEM Response to Comments, Page 1)
- A total of 2 million litres of fuel will be used in 2011. (Meliadine AWR proposal, page 3)
- The underground program will require approximately 3.2 million litres each year for 2012 and 2013. (Meliadine AWR proposal, page 3)
- For 2012-2013 fuel requirements for the underground program, continued surface exploration drilling and camp operations are expected to grow to approximately 9 million litres each year. (May 24, 2011 AEM Response to Comments, Page 2)
- AEM's advanced underground exploration and bulk sampling program would nominally run from 2012-2014. (May 24, 2011 AEM Response to Comments, Page 57)

Clarification is requested regarding whether the previous owner grossly underestimated the amount of fuel required to carry out the proposed activities, or if AEM is significantly expanding

upon the scope or scale of activities being proposed for the underground exploration and bulk sampling program as previously screened. Also, of the approximately 16.3 million litres of fuel tank capacity in existing Rankin Inlet tanks, clarification is requested regarding how much storage is being used by the municipality, and subsequently, how much would be available for use by AEM.

Road Design and Safety Features

AEM has indicated that its experience operating the Meadowbank All-Weather Road (AWR) has informed the development of the Meliadine AWR proposal, while noting a key difference in the current proposal would be the allowance of open public access while controlled public access is implemented for the Meadowbank AWR. It appears that AEM's decision to allow unrestricted public access for the Meliadine AWR was the result of consultation with the public:

> *"The almost-universal opinion expressed at consultation meetings was that there should be no restrictions on who can use the road. AEM has responded by proposing an open-access road that anyone can use at his/her own risk. Additionally, AEM agreed to build a spur road that would lead from the main road to Meliadine Lake, an idea that was supported at various consultation meetings."* (Meliadine AWR proposal, page 45)

Although AEM clearly recognizes that some control over the use of the road would be required to ensure the safety of personnel and the public, it appears as though control measures may still be under development:

> *"There could be a gate on the south end of the road near Rankin Inlet that would be unmanned and open in most instances…. A decision on a southern gate will follow consultation with interested parties."* (Meliadine AWR proposal, page 43)

> *"An unmanned control gate will be installed at the southern end of the proposed road that will allow AEM to physically close off access to the road when road conditions warrant such closure to protect both company and public users."* (May 24, 2011 AEM Response to Comments, Page 20)

In order to assess the adequacy of the control measures for ensuring the safety of project personnel and the public, clarification is required regarding the positioning of gates on the northern and southern ends of the proposed Meliadine AWR. Specific locations (i.e. kilometre number) are required.

It also remains unclear why AEM has elected not to incorporate various features of the current operational plans and safety features for the Meadowbank All-Weather Road into the Meliadine AWR proposal, such as constructing turnouts at regular intervals, installing flagging on both sides of road every 100 m, constructing emergency shelters or refuge stations every 10 km, permitting only one-way traffic over bridges, etc. As AEM is aware, following approval of the Meadowbank Gold Mine proposal, considerable time and effort was spent re-considering the issue of public access to the Meadowbank AWR, including a revised assessment and implementation of additional safety measures. The NIRB requests that AEM provide a full

comparison of the operating plans for the Meadowbank AWR and the Meliadine AWR proposal, with corresponding explanations for noted differences between the two.

Road Use and Mine Development

Several commenting parties have appeared to experience difficulty with understanding the Meliadine AWR proposal in the context of the Meliadine Gold Mine development proposal, which AEM has attempted to address as follows:

"The issue of how road use will change or how the road will contribute to greater eco-systemic effects if and when the road is used to support the construction, operation and decommissioning of a mine should be left as a subject of the environmental and socio-economic impact assessment of the mine project. The current assessment should only deal with what is proposed and known today and should not speculate on what may happen or what may be built. We do not know today whether development of the Meliadine Mine will end up with a new power plant being constructed in Rankin Inlet or at the Meliadine Site and thus we do not know whether there will be a power line built or where fuel tanks will be built. We only know that there is such a possibility and it needs to be assessed once we know the full mine project will proceed." (May 24, 2011 AEM Response to Comments, Page 53-54)

The assessment of cumulative effects related to a proposed development must take into consideration all "reasonably foreseeable future developments", those future projects or activities which are currently under regulatory review or will be submitted for regulatory review in the near future, as determined by the existence of a proposed project description, letter of intent, or any regulatory application filed with an authorizing agency. The NIRB is currently screening AEM's Meliadine Gold Mine development proposal (NIRB File No. 11EN035), in which use of the Meliadine AWR is proposed. The Meliadine Gold Mine development proposal is therefore a reasonably foreseeable future development for the purposes of this assessment and, as such, AEM should be prepared to explain how it has been taken into consideration when designing the Meliadine AWR proposal. Further clarification on the following points is currently required.

Justification for the currently proposed placement of a spur road to Meliadine Lake is unclear:

> *"In addition, a short section of road will be built from the main all-weather road to the edge of Meliadine Lake. While the all-weather road will service the underground and Meliadine camp, the road to the lake will provide ease of access for the residents of Rankin Inlet to Meliadine Lake and other traditional areas."* (Meliadine AWR proposal, Page 7)
>
> *"Access to the Discovery deposit will require a 9.4-kilometre-long spur road from the main access road, as show in Figure 2-2. Approximately 3.4 kilometres of this spur road will already have been built to the edge of Meliadine Lake if the construction of the all-weather road is approved. The final routing of the spur road to the Discovery deposit will emerge from the feasibility study."* (Meliadine Gold Mine proposal, Page 16)

Clarification is requested regarding whether the location for the spur road was determined based on accessibility to a suitable boat-launching area for recreational users (e.g. resulting from public

consultation, lake bathymetry or other information) or solely owing to proximity to the Discovery deposit.

Factors considered in the current design of the roadway and watercrossings are unclear:

> *"Both bridges would be designed to accommodate the maximum single loads that would need to be moved to the Project site."* (Meliadine AWR proposal, Page 7)
>
> Proposed minimum road width is 8 m, suitable for two-way traffic. Widest vehicle on road would be B-Trains at 2.4 m wide. (Meliadine AWR proposal, Page 13, Table 2.2)
>
> Vehicle usage on the roadway would be limited to *"pick-up trucks, ATVs, skidoos, cube vans, buses, fuel trucks, tractor trailers, snow plows and graders"* (May 24, 2011 AEM Response to Comments, Page 3).
>
> *"Should the proposed mine go ahead, the all-weather road will facilitate the movement of construction materials for the mine buildings; construction machinery; mill and mining equipment; and other supplies to the mine site."* (Meliadine Gold Mine proposal, Page 16)
>
> *"Should the underground exploration and bulk sample be successful and a mine be subsequently be developed, the width of the road will not change. Continued use of the road for that purpose will be the subject of environmental assessment review of the full mine project."* (May 24, 2011 AEM Response to Comments, Page 4)

Clarification is requested regarding whether the vehicles which would be used for the proposed mine development have been considered in the current Meliadine AWR design. Clarification is also required regarding the maximum single loads considered in the current designs for watercrossings, specifically whether all equipment that might be potentially be transported to or used for the proposed mine development have been considered.

Prior to rendering its decision on this file, the NIRB respectfully requests clarification from AEM be provided regarding the above-noted points on or before **June 20, 2011**. Failure to address the noted information deficiencies in sufficient detail may result in AEM's project proposal being returned for clarification in accordance with Section 12.4.4(c) of the Nunavut Land Claims Agreement. If AEM requires additional time to prepare its response, please do not hesitate to contact the NIRB with a proposed alternate timing.

Please forward all forthcoming submissions to the NIRB at info@nirb.ca or via fax at (867) 983-2594 by **June 20, 2011**.

If you have any questions or require clarification, feel free to contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,

Ryan Barry
Director, Technical Services
Nunavut Impact Review Board

cc: Distribution List
Eric Lamontange, Agnico-Eagle Mines Ltd.
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Phyllis Beaulieu, Nunavut Water Board
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Jeff Mercer, Indian and Northern Affairs Canada
Christopher Aguirre, Transport Canada
Derrik Moggy, Fisheries and Oceans Canada
Rob Johnstone, Natural Resources Canada

APPENDIX A – SCOPE OF RELATED NIRB SCREENINGS

NIRB File No. 07EN044 – Meliadine West Gold Underground Exploration and Bulk Sample Project Proposal

This project proposal included the following activities/components:

- Overburden removal
- Use of existing 2.7 km all-weather road (screened in 05EN006)
- 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 36,000 kg
- Chemical transportation and storage of approximately 68,000 kg of calcium chloride
- Portal and underground ramp construction
- On-site sample processing of approximately 12,860 kg 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

In October of 2008 Comaplex was authorized to construct a semi-permanent fuel berm of sufficient size to hold all fuel bladders and drums current on site and allow a very small landfarm on the waste rock pile. Fuel storage stayed at 600,000 litres but the berm could contain 1.8 million litres.

In 2010 Comaplex applied to increase the water usage from 90 m3/day to 290 m3/day as this is the amount of water required to supply the camp and run 5 drills simultaneously for NWB licence: 2BB-MEL0914. Comaplex also applied to increase the usage of its water on licence from 30 m3/day to 299 m3/day so as to be able to run more than 5 drills at one time.

NIRB File No. 08EN043 – Meliadine East project proposal

This project proposal included the following activities/components:

- Campsite renovation (operation was authorized by KVL204J31);
- Helicopter operation for drop-offs and pick-ups of site personnel and site supplies;
- Geological mapping and prospecting;
- Diamond drilling program of approximately 4000 m with one drill rig;
- Fuel storage of approximately 71,000 litres;
- Waste disposal; and

- Drill site restoration upon the close of the field season.

NIRB File No. 10EA018 – Meliadine Gold Underground Exploration

This project proposal included the following activities/components:

- Expansion of the existing waste and ore rock pads;
- Widening of the existing road from the portal to the pad sites;
- Construction of a multi-plate cover over the portal;
- Activation of the portal and ramp;
- Increase the amount of equipment (mining and transportation) on site by 850 tonnes brought in by winter road;
- Increase the number of structures and generators at portal site for equipment storage;
- The repair and upgrade of existing infrastructure at portal site;
- Expansions to depth and to branch off the existing underground ramp;
- Construction of a ventilation rise from the ramp expansion;
- Conduct underground diamond drilling;
- Extraction of bulk samples;
- Increased explosives storage (Type 4 magazines) on site;
- Increase the amount of explosives on site;
- Transportation of explosives to site via helicopter;
- Expansion of on-site fuel storage capacity;
- On-site storage of calcium chloride for the purposes of drilling;
- Potential to construct an ice air strip to increase plane access during winter months; and
- Increase the existing camp capacity for year round accommodation.

Comaplex indicated that it was investigating the idea of additional fuel bladders with the capacity of approximately 2 million litres as a fuel storage option that could be used in future mine development was preferred. Failing this, it was identified that an all-weather road may be required from Rankin to allow year-round fuel and supply delivery.