

NIRB File No.: 10EA018 NWB File No.: 2BB-MEL0914 KIA File No.: KVCL102J168

June 6, 2012

Thomas Kabloona Chairperson, Nunavut Water Board c/o Phyllis Beaulieu Manager, Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Via email: licensing@nunavutwaterboard.org

Re: <u>Application Exempt from the Requirement for Screening pursuant to Section 12.4.3</u> of the NLCA: Agnico-Eagle Mines Limited's "Meliadine Bulk Sample" project

Dear Phyllis Beaulieu:

On May 31, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for an amendment to the Type B Water Licence (No. 2BB-MEL0914) for Agnico-Eagle Mines Limited's (AEM) "Meliadine Bulk Sample" project proposal.

Please be advised that the original Meliadine Bulk Sample project proposal (NIRB File No. 10EA018) including applications for a Land Use Licence from the Kivalliq Inuit Association and a Type B Water Licence from the NWB was received by the NIRB from Comaplex Minerals Corp. (Comaplex; now AEM) on February 25, 2010. The original project proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on May 5, 2010 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of Indian and Northern Affairs Canada (INAC; now Minister of Aboriginal Affairs and Northern Development) which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On May 4, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for an amendment to Agnico-Eagle Mines Ltd.'s (AEM or the Proponent) Type B water licence for the "Meliadine Bulk Sample" project (NWB File No. 2BB-MEL0914). This amendment involved the establishment and operation of a landfill, which had not been previously screened by the NIRB. The NIRB therefore determined that the landfill

amendment application might constitute a significant change from the scope of the project as originally proposed. As such, the Board is currently screening the amendment application for potential ecosystemic and socio-economic impacts.

AEM's **current** NWB amendment application involves a reallocation of water allocated by the NWB Type B Water Licence (No. 2BB-MEL0914). This application, the original NIRB Screening Decision Report (No. 10EA018) and related file information are available from the NIRB's ftp site at the following link:

http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2010/10EA018-Comaplex%20Bulk%20Sample/.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

The originally proposed project was located in the Kivalliq region approximately 30 kilometres northwest of Rankin Inlet and within the Meliadine Gold Project area (formerly known as the Meliadine West Gold Property). During 2007 and 2008, Comaplex conducted a bulk sampling program (NIRB File No. 07EN044) which included the construction of a portal site, waste and ore rock pads, a road, a bulk sampling tower and ancillary infrastructure. In 2010, AEM proposed to expand the existing portal, ramp and existing infrastructure in order to conduct bulk sampling at deeper depths while completing the feasibility study for the Meliadine Gold Mine. The bulk sampling program was anticipated to begin in 2010 and was expected to be completed in 2013.

Previously proposed project activities included:

- 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;
- 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.

Some portions of the proposed bulk sample project have been previously screened by the NIRB (03EN077, 05EN006, 05EN101, 07AN063, 08EN005, or 08EN043) and included the following activities: winter road, wash car, waste water treatment plant, new wetlands area, bulk sampling

tower, existing agreements with the Hamlet of Rankin Inlet and fuel transfer stations. The additional NIRB screening files can be obtained from the NIRB's online registry at: http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2010/10EA018-Comaplex%20Bulk%20Sample/

The NIRB is also currently screening the Proponent's proposed construction, operation and decommissioning of a landfill for the Meliadine Bulk Sample project. The application to amend the Water Licence for this project to include the establishment and operation of a landfill was provided to the NIRB separately, and is currently being considered as a separate and distinct amendment application. The establishment of a landfill may constitute a change to the general scope of activities as originally proposed and may therefore require that the Board recommend additional terms and conditions.

CURRENT APPLICATION:

AEM is currently proposing to amend its NWB Type B Water Licence (No. 2BB-MEL0914) to allow for an increase in the quantity of water obtained from Meliadine Lake for camp use, from 25 to 45 cubic metres (m³) per day. The total quantity of water for all other purposes will be decreased from 265 to 245 m³ per day, allowing for the total quantity of water under the licence to remain within the previously authorized 290 m³ per day.

Please note that Section 12.4.3 of the NLCA states that:

"Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original project proposal; or
- (b) its inclusion would significantly modify the project."

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed amendment does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 5, 2010 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,

Ryan Barry

Executive Director

Nunavut Impact Review Board

cc: Eric Lamontange, Agnico-Eagles Mines Ltd.

John Witteman, Agnico-Eagle Mines Ltd. Luis Manzo, Kivalliq Inuit Association

Jeff Mercer, Aboriginal Affairs and Northern Development Canada Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosed: NIRB Screening Decision Report, File No.: 10EA018 (May 5, 2010)

P.O. Box 1360 Cambridge Bay, NU X0B 0C0 Phone: (867) 983-4600 Fax: (867) 983-2594