

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

July 4, 2014

Mr. Thomas Kabloona Chairperson, Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Sent via email: tomkabloona@netkaster.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Agnico Eagle Mine's "Meliadine Bulk Sample" project, Kivalliq Region

Dear Thomas Kabloona:

On March 5, 2014 the Nunavut Impact Review Board (NIRB or Board) received an application directly from Agnico Eagle Mines Ltd. (AEM) for an amendment to the Nunavut Water Board (NWB) Type B Water Licence (No. 2BB-MEL0914) for AEM's "Meliadine Bulk Sample" project proposal. On April 29, 2014 the NIRB received a referral for screening from the NWB and on June 24, 2014 the Nunavut Planning Commission confirmed that the conformity determination (Keewatin Regional Land Use Plan) previously issued for this file on March 9, 2010 continues to apply to the current application.

Please note that the current application pertains to the ongoing exploration program at the Meliadine site, and while related in name and location, is considered to be a separate and distinct project proposal from the Meliadine Gold mining development that has been proposed by AEM and is currently undergoing Review by the NIRB (NIRB File No. 11MN034).

The original Meliadine Bulk Sample project proposal (NIRB File No. 10EA018) included applications for a Land Use Licence from the Kivalliq Inuit Association and a Type B Water Licence from the NWB and was received by the NIRB from Comaplex Minerals Corp. (Comaplex; now AEM) on February 25, 2010. On March 9, 2010 the NIRB received a positive conformity determination from the Nunavut Planning Commission (Keewatin Regional Land Use Plan) for this file and commenced screening the proposal in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). 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 Aboriginal Affairs and Northern Development Canada or AANDC) indicating the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On May 31, 2012 the NIRB received a second amendment application from the NWB for a reallocation of approved water usage for the NWB Type B Water Licence (No. 2BB-MEL0914). On June 6, 2012 the NIRB issued correspondence to the NWB which confirmed that the amendment application was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA.

On May 4, 2012 the NIRB received an amendment application from the NWB for the construction, operation and reclamation of a landfill for use during the Bulk Sample project. On June 7, 2012 the NIRB received a positive conformity determination (Keewatin Land Use Plan) from NPC. After a thorough assessment of the amendment request, the NIRB determined that the activities therein remained subject to the terms and conditions recommended in the original May 5, 2010 Screening Decision Report along with *additional* terms and conditions as issued on August 10, 2012 (enclosed).

The current NWB application, the original NIRB Screening Decision Report (File No. 10EA018) and related file information are available from the NIRB's online public registry at the following location:

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 Minerals Corp. 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 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 were 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.

On June 6, 2012 AEM applied to amend the NWB Type B Water Licence (No. 2BB-MEL0914) in order to have a reallocation of water drawn from Meliadine Lake to maintain the overall total quantity previously authorized 290 cubic metres (m³) per day by:

- Increasing quantity of water for camp use, from 25 to 45 m³ per day; and
- Decreasing quantity of water for all other purposes from 265 to 245 m³ per day.

On August 10, 2012 the NWB Water Licence (No. 2BB-MEL0914) amendment included the construction, operation and decommissioning of a landfill for a period of four years for use only in support of the Meliadine Bulk Sample project. The amendment application included details of AEM's plans to place the landfill within the *proposed* waste rock dump and tailings impoundment area associated with the Meliadine Gold project (NIRB File No. 11MN034) which is undergoing Review by the Board. Note that the scope of the assessment *did not* include the waste rock dump or tailings impoundment area as proposed for the Meliadine Gold project, and only considers the proposed landfill for use during the Meliadine bulk sample project.

CURRENT APPLICATION:

AEM is currently proposing to amend its Type B Water Licence No. 2BB-MEL0914 with the NWB to operate and reclaim a landfarm within the former fuel bladder containment area, for use only during the ongoing Meliadine Bulk Sample program.

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 issued on August 10, 2012 Screening Decision Report (enclosed).

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

Sincerely,

Ryan Barry

Executive Director

Ryan Barry

Nunavut Impact Review Board

cc: Stephane Robert, Agnico Eagle Mines Ltd.

Phyllis Beaulieu, Nunavut Water Board Luis Manzo, Kivalliq Inuit Association

Bernard Valcourt, Minister of Aboriginal Affairs and Northern Development Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosure (1): NIRB Screening Decision Report, File No.: 10EA018 (August 10, 2012)