

File No.: 2BB-MEL1424 / Amendment No. 1

November 12, 2015

Stéphane Robert Manager Regulatory Affairs Nunavut Agnico-Eagle Mines Limited 10 200, route de Preissac, Rouyn-Noranda, Quebec JOY 1C0

Email: stephane.robert@agnicoeagle.com

RE: 2BB-MEL1424 Type "B" – Amendment No. 1:

Removal of the specific allocations of water quantities for camp and exploration purposes with an increase of total water use; installation and operation of additional "BIONEST Kodiak" Wastewater Treatment Systems.

Dear Mr. Robert,

Please find attached, Amendment No. 1 to Licence No. 2BB-MEL1424 Type "B" issued to Agnico-Eagle Mines Limited (AEM or Licensee) by the Nunavut Water Board (NWB) (**Motion 2015-B1-034**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB notes that the Nunavut Planning Commission (NPC) provided documentation stating that the work entailed was previously reviewed by both NPC and Nunavut Impact Review Board (NIRB), and that there have been no significant modifications to the project under the current application. NPC confirmed¹ that the application does not require a further review by the NPC, and that the application is exempt from screening by the NIRB.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration².

¹ NPC Correspondence dated September 21, 2015.

² Aboriginal Affairs and Northern Development Canada (AANDC), October 20, 2015.

Sincerely,

Lootie Toomasie Nunavut Water Board Vice Chair

LT/kk

Enclosure: Licence No. <u>2BB-MEL1424 - Amendment No. 1</u>

Comments – AANDC

Cc: Distribution – Kivalliq

LICENCE AMENDMENT No. 1

Licensee: AGNICO-EAGLE MINES LIMITED

Licence No: 2BB-MEL1424 Type "B"

Licence Issued:

Effective Date Amendment 1:

Licence Expiry:

July 22, 2014

November 3, 2015

July 21, 2024

Pursuant to its authority under Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act, with respect to an application for amendment received on August 20, 2015, made by Agnico-Eagle Mines Limited (AEM or Licensee), the Board hereby grants the following Licence amendment.

The Licence issued on July 22, 2014 with an expiry date of July 21, 2024 shall be amended to include the following terms and conditions, with respect to the use of water and deposit of waste during camp operations and activities related to the advanced explorations that include prospecting, geological mapping, geophysical survey, diamond drilling and trenching, to allow AEM for an increase of total water use, removal of the specific allocations of water quantities for the camp and for exploration purposes, and installation / operation of additional two "BIONEST Kodiak" Wastewater Treatment Systems at Meliadine advanced exploration camp.

Procedural History

On August 20, 2014, AEM submitted to the Board an amendment (Amendment No. 1) application for removal of the specific allocations of water quantities for the camp and for exploration purposes with an increase of total water use, and for installation and operation of additional two "BIONEST Kodiak" Wastewater Treatment Systems at Meliadine advanced exploration camp.

The Amendment No. 1 application (Application) included the following documents as supplementary information:

- Application for Water Licence Amendment;
- Cover Letter for Amendment Application;
- Figure 1 Land Tenure March 2012 without Wolf;
- Figure 2 Water Sampling Map;
- Figure 3 from MGP Waste Rock Management Plan Aug 2010;
- Figure 4 Waterbodies Oct 2010;
- Figure 5 Road Network with Quarries Drainages Nov 2012;
- Parts 1 to 3 "BIONEST Kodiak" Operators Manual Outland Camp, Pr.: NU-P14-1028;
- Water Licence Supplementary Questionnaire; and
- English and Inuktitut Summary.

On September 21, 2015, the Board distributed the Application for a thirty (30) day comment period.

On October 20, 2015, technical review comments were received from Aboriginal Affairs and Northern Development Canada (AANDC). No concerns were expressed related to the proposed activities.

Wastewater Treatment System "BIONEST Kodiak" (WWTS) Operation and Maintenance Plan

The operation of BIODISKS rotating biological contactors Wastewater Treatment System has been authorized under the previous Licence 2BB-MEL0914, and since 2010 there are two BIODISKS systems operating in the site. As stated by AEM two BIODISKS can only adequately treat wastewater for approximately 125 workers. With doubling this number of workers possible in camp in the near future, wastewater treatment capacity needs to double. To address this need for extra wastewater treatment capacity, AEM is proposing to upgrade its wastewater treatment facilities by installing two additional BIONEST Kodiak systems to handle the extra load.

Under Part D, Item 1 of the Licence 2BB-MEL1424, the Board approved "Meliadine Gold Project Used Water Management Plan" revised May 2013. In its technical review comments, AANDC recommended that updating of this Plan and changing the title of this Plan from "Used Water" to "Wastewater" would help clarify its purpose and follow the terminology used in the licence. NWB concurs with AANDC and requires that this change be made in the next revision of the Plan to be included within the 2015 Annual Report. The updated Plan shall also reflect the AANDC comments and addition of wastewater treatment capacity for the increased wastewater.

Part D, Item 16 of the Licence 2BB-MEL1424 reads:

The Licensee shall provide at least ten (10) days notification to an Inspector, prior to initiating the release of effluent from any facilities listed in this Part. The notice shall include water quality results, an estimate of volume and the proposed receiving location.

The Licensee is advised that this term is applicable to the Wastewater Treatment Systems prior to the beginning of continues discharge once the treatment system is set up.

Abandonment and Restoration Plan

The Board would like to also remind that the Licensee was required under Part I, Item 1 of the Licence 2BB-MEL1424 to

submit for Board's review within the 2014 Annual Report an updated Abandonment and Restoration Plan...

The NWB notes that the 2014 Annual Report includes the original "Meliadine Gold Project Interim Reclamation and Closure Plan Water Licenses 2BE-MEP1318 and 2BB-MEL0914" dated August 2013 that wasn't updated as required by Part D, Item 1. Therefore the Board reiterates and requires that this Plan be updated and included within the 2015 Annual Report.

LICENCE AMENDMENT No. 1

The Licence, (Page 1), shall be amended to indicate the following:

Quantity of Water Use Not to Exceed:

TWO HUNDRED AND NINETY NINE (299) CUBIC METRES PER DAY

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

2. Definitions

Amend

"Wastewater Treatment System (WWTS)" means the wastewater treatment system as described in the "Meliadine Gold Project Used Water Management Plan" dated May 2013, and in the Amendment Application and associated documents, dated August 20, 2015.

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all water for camp or domestic uses from the Meliadine Lake at Monitoring Program Station MEL-1. Water for drilling, underground workings, waste rock storage pad and associated infrastructure shall be obtained from Meliadine, Pump, A8 Lakes and small lakes and ponds proximal to the drilling targets as outlined in the Application and measured at Monitoring Program Station MEL-2. Total water use for all purposes shall not exceed two hundred and ninety nine (299) cubic metres per day.

All remaining terms and conditions of the Licence 2BB-MEL1424 Type 'B", dated July 22, 2014, still apply.

This Licence Amendment No. 1 is issued and recorded at Gjoa Haven, NU on November 3, 2015.

Appro	ved by,		
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Licence No. 2BB-MEL1424