



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

AANDC reference
CIDM# 1210566

January 29, 2018

NWB reference
#8BC-WTP----

Via email to: licensing@nwb-oen.ca

Karen Kharatyan
A/Manager of Licencing
Nunavut Water Board
Gjoa Haven, NU, X0E 1J0

Dear Mr. Kharatyan:

Re: Agnico Eagle Mine Ltd.'s Application for a New Type B Water Licence for Pre-Development Work for the Proposed Whale Tail Pit Project

Dear Mr. Kharatyan,

Thank you for your email on December 13, 2017, concerning the above mentioned water licence application process.

A memorandum is provided for the Nunavut Water Board's (NWB) consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 819-953-8988 or email at ian.parsons@canada.ca for further comments or any questions.

Sincerely,

Ian Parsons, B.Sc.
A/Manager Water Resources,



Memorandum

To: Karen Kharatyan, Nunavut Water Board

From: Ian Parsons, A/Manager of Water Resources, Water Resources Division (INAC)

CC: Spencer Dewar, Director Resource Management (INAC), Erik Allain, Director of Lands (INAC), Christine Wilson, Water Resource Officer (INAC)

Date: January 29, 2018

Re: Agnico Eagle Mine Ltd.'s Application for a New Type B Water Licence for Pre-Development Work for the Proposed Whale Tail Pit Project

Applicant:	Agnico Eagle Mine Ltd.
Project:	Whale Tail Pit
Region:	Kivalliq

A. BACKGROUND

On December 13, 2017 the Nunavut Water Board (NWB) provided notification to interested parties that Agnico Eagle Mines Limited (Agnico Eagle or the applicant) had completed submission of an application for a Type "B" water licence # 8BC-WTP---- for development work related to the mining of the Whale Tail Pit.

The licence is for water use associated with pre-development construction and is intended to allow construction to begin while the entire project undergoes a Type "A" water licence review. It does not request the permission for use of water or deposit of waste to water. The specific activities for which the Type "B" licence is being requested are:

- pre-delivery of material (i.e., equipment, material, and fuel, etc.);
- start construction of the permanent camp and infrastructure, which will specifically involve:
 - construction of the permanent camp pad, which during pre-development will be used as a laydown area for pre-delivery of material;
 - construction and preparation of water treatment infrastructure (i.e., pads and piping); and
 - start of work on concrete foundations;



- construction of service roads necessary to undertake the pre-development activities nearest to the existing exploration camp site; and
- upgrade and widen the Project access road (referred to in this document as the Haul Road) from 6.5 m wide to 9.5 m plus the construction of associated bypasses.

These activities were identified as pre-development in Section 1.5 of the Main Application Document of the Water Licence Application.

The project application does not include direct water use, as Agnico Eagle proposes to use water permitted under its water licences 2BB-MEA1525 for camp and industrial purposes. The applicant also proposes to dispose of its sewage under 2BB-MEA1318 and upgrade the haul road as a modification to 8BC-AEA1525.

The licence application requests a term of one year.

Interested parties were asked to review the information and provide comments by January 19, 2018, however extensions have been granted.

B. RESULTS OF REVIEW

The following comments and recommendations are provided for the consideration of the Water Board:

1. Water Use

Reference:

- Main Application Document

Comment:

The applicant is not seeking the use of water. They have proposed that water used for pre-development work is covered under the water use limits established under 2BB-MEA1525.

Recommendation:

INAC finds this approach to be environmentally sound. INAC requests that the applicant be diligent and keep records of water use, to ensure that to the applicant does not go over licence limits established under licences 2BB-MEA1525.



2. Management Plans

Reference:

- Main Application Document, Section 6.2

Comment:

Section 6.2 of the application states that the management plans listed will be used/followed to support pre-development activities. INAC notes that the plans submitted with the type A water licence application have yet to be approved.

Recommendation:

As management plans are an integral part of any water licence, INAC recommends that the applicant be required to submit standalone management plans for the work to be undertaken. INAC would not be opposed to the NWB having a term and condition providing the applicant time to submit the plans after issuance of this water licence. INAC thinks 60 days would be reasonable to develop standalone plans for the pre-development work considered under this application.

3. Water Containment Structures – A-P5

Reference:

- Main Application Document Section 6.2.1

Comment:

In Section 6.2.1 the applicant has stated *“During pre-development activities, runoff and especially water originating from thawed ice-rich soils will be intercepted by berms, ditches, local sumps and pumped to A-P5, as deemed necessary. A-P5 will be constructed in early 2018 for the purposes of pre-development water management and future underground saline water management under approved Type B Water Licence 2BB MEA1318 (Golder 2016)”*.

INAC would request clarification.

Recommendation:

This statement reads that this water containment structure (A-P5) is already approved under water licence 2BB-MEA1318.

If this is the case, then INAC has a couple of follow-up comments/questions:

- Regarding water use the applicant is being both environmentally and cost efficient by using or constructing structures already approved under other licences. INAC appreciates these efforts undertaken by the applicant. INAC would like to see shared components addressed in multiple Water Licenses to be handled consistently and clear under each respective license.
- Also this application is assuming that the 2BB-MEA1318 being referenced will be renewed. The renewal process for this licence has started but has yet to be issued.



4. Security

Reference:

- Main Application Document – Section 7.3

Comment:

The applicant is asking to defer the security requirement under this licence application. The applicant states *“For the purpose of the determination of security for this Application, Agnico Eagle would propose the NWB defer full consideration of security of project liability to the review of the Type A Water Application submitted to the NWB in June 2016 to avoid potential “double bonding”.*

Recommendation:

INAC has reviewed the request to defer security to the review of the Type A Water Licence application. First INAC would like to state that it has reviewed security and while INAC believes that some financial security should be associated with the surface and groundwater management section (i.e., *“During pre-development activities, runoff and especially water originating from thawed ice-rich soils will be intercepted by berms, ditches, local sumps and pumped to A-P5, as deemed necessary”*) it deems the amount \$603,555 presented as adequate.

While INAC appreciates Agnico Eagle’s request, INAC is of the opinion that the activities are unique to the pre-development of the site and are not covered in any other existing and valid water licence. Therefore INAC recommends that Agnico Eagle furnish the amount of liability for security as suggested \$603,555, unless Agnico Eagle is willing to hold off commencing of these activities until the type A licence is issued.