

File No.: **2BC-WTP1819**

March 15, 2018

Ryan Vanengen Amaruq Permitting Lead Agnico Eagle Mines Limited 145 King Street East, Suite 400 Toronto, Ontario, M5C 2Y7, Canada

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RE: NWB Licence No. 2BC-WTP1819

Dear Mr. Vanengen,

Please find attached Licence No. **2BC-WTP1819** issued to Agnico Eagle Mines Limited (Agnico Eagle or Licensee) by the Nunavut Water Board (NWB or Board) 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* (Nunavut Agreement). The terms and conditions of the attached Licence related to the use of waters and the deposit of waste are an integral part of this approval.

In accordance with s. 154(1) of *Nunavut Planning and Project Assessment Act* (NuPPAA) the NWB may issue licences for the use of waters or the deposit waste for short term, or interim' for an interim, short term period under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, in respect of exploration or developmental activities that relate directly to a project that is subject to a review under this Part. However, as per s. 154(3) of NuPPAA, licences referred to in subsection (1) are not to be renewed or amended and their period of validity is not to be extended <u>if</u> the responsible Minister has come to a decision under this Part that the project to which the activities relate either could be modified and an amended project proposal submitted to the Commission or is not to proceed.

If the Licensee contemplates or requires an amendment to this licence, the NWB may decide, in the public's interest, to hold a public hearing. The Licensee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process and timing may vary depending on the scope of the amendment; however, a minimum of sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are acknowledged by the Manager of Licensing.

Note that upon expiry of the Licence, the water use and waste disposal must cease, or the Licensee may be in contravention of the *Nunavut Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. However, the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration.¹

Sincerely,

Lootie Toomasie Nunavut Water Board Chair

LT/kk/rqd

Enclosure: Licence No. 2BC-WTP1819

Comments – DFO, ECCC and INAC

Cc: Meadowbank Distribution List

¹ Fisheries and Oceans Canada (DFO), January 15, 2018 and February 21, 2018; Environment and Climate Change Canada (ECCC), January 19, 2018 and February 15, 2018; Indigenous and Northern Affairs Canada (INAC), January 29, 2018 and February 21, 2018.

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DECISION

LICENCE NUMBER: 2BC-WTP1819

This is the decision of the Nunavut Water Board (NWB) with respect to an application for a new Water Licence dated December 11, 2017 made by:

AGNICO EAGLE MINES LIMITED

to allow for the disposal of waste during construction of infrastructure and/or following activities at the Whale Tail Pit and Haul Road Site Preparation Project:

- Pre-delivery of material, fuel, and equipment;
- Construction of concrete pads, including options for supplies laydown area (the future site of the camp), and water treatment plant foundation; and
- Upgrade/widen Whale Tail Pit haul road from 6.5 m wide to 9.5 m wide, plus bypasses to ensure the safe pre-delivery of material and equipment (such as Vault Pit 777 haul trucks).

The Whale Tail Pit and Haul Road Site Preparation Project is located within Kivalliq Region of Nunavut, with general geographic coordinates as follows:

Whale Tail Pit Project Area

NW:	Latitude: 65° 25′ 22.241″ N	Longitude: 96° 46′ 6.042″ W
NE:	Latitude: 65° 25′ 12.707″ N	Longitude: 96° 35' 44.100" W
SE:	Latitude: 65° 21′ 35.740″ N	Longitude: 96° 36′ 3.944″ W
NE:	Latitude: 65° 21' 45.248" N	Longitude: 96° 46′ 24.463″ W

Meadowbank Mine Site (approved WL 2AM-MEA1525)

Latitude: 65° 01' 33" N Longitude: 96° 04' 01" W

Meadowbank Exploration (approved WL 2BB-MEA1318) including IVR/Amaruq Exploration Access Road

NW:	Latitude: 65° 30′ 03″ N	Longitude: 97° 13′ 13″ W
NE:	Latitude: 65° 30′ 07″ N	Longitude: 95° 39' 00" W
SE:	Latitude: 64° 47′ 44″ N	Longitude: 95° 36' 43" W
NE:	Latitude: 64° 46′ 22″ N	Longitude: 97° 16′ 36″ W

IVR/Amaruq Exploration Access Road

SE Terminus of Road: Latitude: 65° 04' 53.3" N Longitude: 96° 01' 00.8" W NW Terminus of Road: Latitude: 65° 23' 49.7" N Longitude: 96° 40' 35.8" W

Camp Location(s)

Meadowbank Mine Site (approved WL 2AM-MEA1525)

Latitude: 65° 01' 33" N Longitude: 96° 04' 01" W

Exploration Camp Site (approved WL 2BB-MEA1318)

Latitude: 65° 24' 14" N Longitude: 96° 40' 50" W

DECISION

After having been satisfied that the project proposal was determined to be within the scope of project reviewed as part of Nunavut Planning Commission (NPC) File "Whale Tail Pit", which conforms with the Keewatin Regional Land Use Plan (KRLUP)¹, and subject to an Exception from the Nunavut Impact Review Board's² on-going Part 5 Review in accordance with S. 12.10.2(b) of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada* (Nunavut Agreement) and s. 154(1) of the *Nunavut Planning and Project Assessment Act* (NuPPAA), the NWB decided that the application could proceed through the regulatory process.

In accordance with S. 55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) and Article 13 of the *Nunavut Agreement*, public notice of the application was given and interested persons were invited to make representations to the NWB.

After reviewing the submission of the Applicant and considering the representations made by interested persons, the NWB, having given due regard to the facts and circumstances, the merits of the submissions made to it and to the purpose, scope and intent of the *Nunavut Agreement* and of the *NWNSRTA*, waived the requirement to hold a public hearing, and determined that:

Licence No. 2BC-WTP1819 be issued subject to the terms and conditions contained therein. (Motion #: 2017-B1-041)

SIGNED this 15 th day of March, 2018 at Gjoa Hav	en, NU.
Original Signed By:	
Lootie Toomasie	

LT/kk/rqd

Chair

Nunavut Water Board,

¹ NPC Conformity Determination, June 17, 2016.

² NIRB Exception from Review Determination, October 10, 2017.

I. BACKGROUND

On December 11, 2017, the Nunavut Water Board (NWB or Board) received from Agnico Eagle Mines Limited (Agnico Eagle or Applicant), a Type "B" Water Licence Application and associated information (Application) for the development/construction works related to the Whale Tail Pit Project. The Amaruq property is a 408 square kilometre (km²) site located on Inuit Owned Land (IOL) approximately 150 kilometres (km) north of the Hamlet of Baker Lake and approximately 50 km northwest of Meadowbank Mine in the Kivalliq Region of Nunavut. The right to explore and extract minerals from the property was acquired by Agnico Eagle in April 2013, subject to a mineral exploration agreement with Nunavut Tunngavik Incorporated (NTI).

This file was originally named 8BC-WTP because the proposed scope fits into Category 8 (Other Undertaking) as per Schedule 1 of the regulations. However, since the requested licence supports the Type "A" Mining project, it is more appropriate for this file to fit into Category 2 (Mining Undertaking). With this in mind, and considering that the Environmental Assessment required of the mining operations has been completed, the Board has renamed the file 2BC-WTP.

Apart from the above-mentioned Application, Agnico Eagle applied to NWB for a Type "A" Water Licence for water use and deposit of waste associated with the development of the Whale Tail Pit Project in coordination with the Nunavut Impact Review Board's (NIRB) Part 5 Review of the "Whale Tail Pit Project", and the NWB was informed that on February 15, 2018, the Minister of Crown-Indigenous Relations and Northern Affairs approved the NIRB Final Hearing report. Therefore, should the NWB decide to issue a Type "A" Water Licence for the Whale Tail Pit Project, the scope of activities under this Type "B" Water Licence will be captured and incorporated into the Type "A" Water Licence.

II. PROCEDURAL HISTORY

On December 11, 2017, the NWB received a water licence application for the construction of infrastructure and site preparation activities in support of future development of Whale Tail Pit Project. The Application consisted of the following documents:

- Type B Water Licence Application including:
 - Attachment B: NTS sheet 66H/7/Scale 1:50,000 Whale Tail Pit
 - Attachment C: Whale Tail Pit Pre-development Type B Water Licence Main Application Supporting Document, including Executive Summaries in English and Inuktitut, and the following documents:
 - o Appendix A Certificate of Incorporation / Corporate Registration
 - o Appendix B Audited Financial Statements
 - o Appendix C Project Licenses, Permits, Authorizations, and Agreements
 - o Appendix D NIRB October 10, 2017 Exemption Activities
 - o Appendix E Typical Drawing
 - o Appendix F DFO Letter of Advice
 - o Appendix G Environmental Protection and Monitoring Plans Addendum
 - Appendix H Closure and Reclamation Strategy and Security Estimate for the Predevelopment works

- Attachment D: Concordance Assessment Mining and Milling Supplemental Information Guidelines (SIG) for Mineral Exploration / Remote Camp (MM1) Modified for Pre-development Works and Nunavut Impact Review Board Draft Guide to Exceptions from the Review Process (Guide 9) Whale Tail Pit and Haul Road Project dated December 2017
- Meadowbank Gold Project Spill Contingency Plan: Meadowbank Mine Site, All Weather Access Road (AWAR), Baker Lake Facilities; Version 6, March 2016

After the NWB's initial technical review of submitted information, a notice of the application was posted on December 13, 2017 and the application information was made available for public review/comments, with a deadline for submission set at January 19, 2018. Submissions were received from Fisheries and Oceans Canada (DFO) on January 15, 2018, Environment and Climate Change Canada (ECCC) on January 19, 2018, and Indigenous and Northern Affairs Canada (INAC) on January 29, 2018.

On February 1, 2018, Environment and Climate Change Canada (ECCC) advised the NWB that they are satisfied with the additional information/responses provided.

Following the receipt of Interveners' submissions, Agnico Eagle responded to comments and recommendations on February 9, 2018.

On February 21, 2018, the Indigenous and Northern Affairs Canada (INAC) indicated that *INAC* finds AEM's responses to INAC's concerns satisfactory.

On February 21, 2018, Fisheries and Oceans Canada (DFO) indicated that while they are satisfied with responses to comments 1 and 2, it was also indicated that should the extensions/upgrades to existing culverts result in additional footprint below the HWM in fish-bearing or potentially fish-bearing watercourses, DFO-FPP will also require detailed design drawings for the upgraded culverts. DFO will also require that site specific (watercourse specific) fish passage assessments be provided for the new and upgraded watercourse crossings. DFO-FPP notes that this information can be provided as part of AEM's 'DFO Request for Review' submission to DFO-FPP.

On February 22, 2018, Agnico Eagle advised the NWB that Agnico Eagle has a letter of advice for the road, and will comply with the letter's conditions and follow DFO guidance for installation/extension of new culverts. We believe we can address these directly with the DFO.

It should also be noted that the Nunavut Impact Review Board (NIRB) provided the NWB with its October 10, 2017 Exception from Review Determination Report, that lists the activities approved as exceptions from the ongoing (at that time) Review of Agnico Eagle's "Whale Tail Pit Project" proposal (NIRB File 16MN056) in accordance with Section 12.10.2(b) of the *Nunavut Agreement* and s. 155(1) of the *NuPPAA*.

Based on a thorough and detailed assessment of the application and supporting information, the Board approved the application and has decided to issue the Water Licence 2BC-WTP1819.

III. GENERAL CONSIDERATIONS

The following section outlines the issues identified by the NWB and raised by interested parties and provides the background on the terms and conditions imposed within the body of the licence.

Term of Licence

In accordance with the s. 45 of *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) the NWB may issue a licence for a term not exceeding twenty-five (25) years. In accordance with s. 154(1) of the *Nunavut Planning and Project Assessment Act (NuPPAA)* the NWB may issue licences to use waters or deposit waste for an interim, short term period under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, in respect of exploration or developmental activities that relate directly to a project that is subject to a review under this Part. However, as per s. 154(3) of *NuPPAA*, licences referred to in subsection (1) are not to be renewed or amended and their period of validity is not to be extended if the responsible Minister has come to a decision under this Part that the project to which the activities relate either could be modified and an amended project proposal submitted to the Commission or is not to proceed.

In determining an appropriate term of a water licence, the Board considers a number of factors including, but not limited to, the results of INAC site inspections and the corresponding compliance record of the Applicant, as well as interveners' comments provided during the application review process.

Agnico Eagle requested an Expiry Date for the licence to coincide with the approval of the Type "A" licence, with an understanding that the scope of Type "B" licence for site preparation and development activities will be incorporated into the Type "A" water licence, should one be issued for the Whale Tail Pit Project in the near future.

In review of the comments received on the application, the NWB has noted that no concerns were expressed with respect to the licence term requested by the Applicant.

The NWB, having given due consideration to the overall magnitude and scope of activities proposed for the project, has set the term of the Licence to approximately one (1) year. The term takes into consideration the anticipated time required to complete the regulatory process for the above stated application for the Type "A" Water Licence. The Board believes that the licence duration will allow the Licensee to properly carry out the terms and conditions of the licence for site preparation/construction activities. Should the Board issue a Type "A" water licence for the Whale Tail Pit Project, the scope of activities of this Type "B" Water Licence will be incorporated into the Type "A" water licence.

Annual Reporting

The NWB has imposed on the Licensee, the requirement to produce an Annual Report. The annual reports are for the purpose of ensuring that the NWB has an accurate annual update of the Licensee's activities related to the use of water and the deposit of waste during a calendar year. This information is maintained on the Public Register and is available to interested parties upon

request. A "Standardized Form for Annual Reporting" is to be used by the Licensee and is available from the NWB public registry at the following link:

ftp://ftp.nwb-oen.ca/other%20documents/Standardized%20Forms/

This form provides the basis for annual reporting and format, however, individual licenses with project specific reporting requirements will need to provide information in addition to that of the standard form.

Security

In accordance with s. 76(1) of the NWNSRTA, the Board may require a licensee to furnish and maintain security with the Minister, in a form determined by the Regulations or satisfactory to the Minister. Further, in a matter related to the posting of security, the Board may not issue a licence unless the Board is satisfied that the financial responsibility of the applicant, taking into account the applicant's past performance, is adequate for the mitigation measures and any costs associated with the closing or abandonment of the undertaking.

Agnico Eagle acknowledged that the NWB may require the company to furnish and maintain security with the Minister, in a form determined by the Regulations or satisfactory to the Minister. As such, Agnico Eagle has provided a Closure and Reclamation Strategy and Security Estimate with the Application. The plan includes an estimate of financial liability for pre-development works and site preparation estimated to be \$603,555.

However, Agnico Eagle proposed that 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".

In its comments, INAC stated that while INAC believes that some financial security should be associated with the surface and groundwater management section (i.e., "During predevelopment 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.

It was also stated that 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.

In its response to comments, Agnico Eagle stated Agnico Eagle agrees with INAC. Upon issuance of the Type 8BC WTP ---, Agnico Eagle will provide security in the amount of \$603,555 to be split equally between KIA and INAC. On February 22, 2018, Agnico Eagle advised the NWB that the full amount be included in the licence.

The Board has reviewed the activities considered under the application in the context of the

financial liability estimate provided by the Applicant as well as gave due consideration to INAC comments provided with this respect. While the Board believes that the liability estimate provided might not necessarily be adequate, if considered by itself under a project specific abandonment and reclamation program, the Board accepts the amount proposed as being within reason for the activities indicated and in the context of other factors. The Board also advises that the security held for this Licence may need to be revisited and the ultimate amount of security for this Project will subsequently be incorporated within the financial liability of the Type "A" Water Licence, if one is issued in the near future.

The Board has included condition under Part B, Item 1 in the Licence, requiring the Licensee to furnish and maintain financial security in the amount of six hundred and three thousand six hundred dollars (\$603,600), in the form that is satisfactory to the Minister within thirty (30) days from the date of issuance of this Licence.

Water Use

Agnico Eagle requested no direct water use under this licence. Water for domestic purposes will be used from the water allotment authorized under water licence 2BB-MEA1318 (renewed recently as 2BB-MEA1828) granted for Agnico Eagle's Meadowbank Advanced Exploration Project. Water that may be required for dust suppression shall be used from the water amount authorized under water licence 8BC-AEA1525 issued for Agnico Eagle's Amaruq Exploration Access Road Project.

In its comments, INAC found this approach to be environmentally sound. INAC requested 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 8BC-AEA1525 and 2BB-MEA1828.

DFO stated that under water licence 2BB-MEA1318, the freshwater intake will remain in Whale Tail Lake for the pre-development activities and requested that Agnico Eagle provide the exact location of the intake on an updated figure. It was also stated that Agnico Eagle will be required to provide DFO with detailed design engineer drawings for any water management structures such as water retention dikes/berms and diversion channels that will be constructed below the high water mark (HWM) of any watercourse or waterbody as part of Agnico Eagle's Request for Review' form submission to DFO-FPP.

DFO also noted that any upgrades to existing culverts or watercourse crossings that result in additional footprint below the High Water Mark (HWM), or the construction of new culverts or watercourse crossings will require review by DFO-FPP, and requested detailed, site-specific engineer drawings for each of the proposed/upgraded culverts and watercourse crossings.

The Licensee is advised to acquire all relevant authorizations from the appropriate regulatory authorities prior to constructing water crossings.

The Licensee is required to employ accurate means of measuring water from all water sources and keep accurate records of water used to be reported under the respective licences.

Waste Disposal

Sewage

No sewage disposal is proposed under this Application. Agnico Eagle is presently using a Newterra membrane bioreactor (MBR) designed to handle both black and grey water and produce effluent in compliance with NWB water licence 2BB-MEA1318. During the predevelopment licence, the Newterra MBR will continue to be used to meet licence limits or will be upgraded to a membrane bioreactor system, to ensure current water licence discharge limits are met and to ensure a smooth transition from predevelopment, to construction and into operations.

Wastewater and Run-off

The Main Application Document indicated that 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.

INAC provided the following comment regarding the water containment structure A-P5: 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.

The NWB concurs with INAC that the Licensee should clearly report activities and associated run-off pumped to the containment structure A-P5 under this and 2BB-MEA1828 licenses as the operation of A-P5 containment structure is included within the scope of 2BB-MEA1828 renewal licence.

Solid Waste

Similar to sewage waste, no solid waste disposal is proposed under this Application. Any wastes generated will be back-hauled to an approved waste disposal facility (i.e., stored in sea-cans or shipped back to the Meadowbank landfill). All hazardous waste will be properly shipped to approved disposal facilities in the south. All organic material from the Whale Tail site will similarly be disposed of using the existing Meadowbank incinerator. Waste oil will be collected and used on-site in waste oil burners (Agnico Eagle 2016).

Construction and Operation

The Application Main Document includes a Section 3.0 Pre-Development Works, that discusses borrow pits and quarries management, roads management, culverts, explosive production and storage. Section 6.2 of the Main Application Document lists the environmental management plans that will be used *to support the pre-development activities*:

The Board also notes INAC's recommendation that the applicant be required to submit stand-

alone management plans for the work to be undertaken.

In its response to INAC comments, Agnico Eagle disagreed with INAC recommendation stating that Agnico Eagle has developed comprehensive management plans that were submitted to the NWB as part of the Type A 2AM WTP ---- and included management and mitigation plans for construction and predevelopment works. Given the reduced scope of activities exempt by NIRB, upon approval of the Type 8BC WTP ----, Agnico Eagle recommends to the board that applicable Meadowbank Mine (2AM MEA1525) Whale Tail Pit management plans will be adhered to under Type 8BC WTP----.

In its February 21, 2018 follow-up submission, INAC reiterated that it is appropriate for water licence 8BC-WTP--- to have its own standalone approved management plans in place prior to the commencement of any work as not having separate management plans for each individual licence makes it very difficult for water resources officers to carry out effective inspections having to look at approved management plans under several different licences... In having stated this, INAC deferred to the NWB and its decision making authority on how management plans are to be approved and followed for water licence 8BC-WTP----.

The NWB notes that while the Spill Contingency Plan and Quarry Management Plan were originally approved under the licences 2AM-MEA1525 and 2BB-MEA1318, respectively, the Whale Tail Pit Haul Road Management Plan (Version WT, June 2016) has been submitted as part of Type "A" water licence application for Whale Tail Pit Project. Although the Board acknowledges that the Whale Tail Pit Haul Road Management Plan could be applicable and should be followed during the term of this licence, however, the Board is unable to approve this plan under this licence.

The Board is of opinion that the document entitled "Road Management Plan Amaruq Exploration Access Road" dated March 2015 and approved by the Board under the water licence 8BC-AEA1525 could also be applicable at some point to support the construction of Whale Tail Pit Haul Road (or upgrading of Amaruq Exploration Access Road).

In having stated that, the Board concurs with INAC that a stand-alone management plan for each individual licence is important for Inspectors to conduct effective site inspections, and requires that a stand-alone Road and Quarry Management Plan (RQMP) be developed and submitted for Board's approval within sixty (60) days of issuance of this licence. This Plan shall discuss all water and waste management aspects during construction activities. The RQMP shall also present mitigation measures and protocols to be implemented during construction and operations to control surface run-off and sedimentation, to mitigate dust and prevent permafrost degradation.

The Board would also like to highlight that quarrying and borrowing shall be in accordance with all applicable legislation and industry standards including the *Northern Land Use Guidelines*, *Pits and Quarries* (INAC, 2010).

Further, as per Part E, Item 5 the Licensee shall ensure that all fill material used during construction is from an approved source and shall be free of contaminants, and no potentially acid generating or metal leaching characteristics.

Conditions have been included under Part I in the Licence requiring the Licensee to monitor the surface runoff from areas affected by the above-mentioned activities as well as any discharge from the relevant drainage management systems.

Design and As-built Drawings

The Licensee is required, under Part E of the Licence, to submit, for-construction drawings to the Board for review prior to construction of any of the facilities allowed for under the scope of this licence. Upon completion of construction of the facilities, the Licensee is required to provide to the Board for review as-built drawings along with a construction summary report.

Spill Contingency Plan

As part of the Application, the Licensee submitted the following document: "Spill Contingency Plan: Meadowbank Mine Site; All Weather Access Road (AWAR); Baker Lake Facilities" version March 2016.

The Board notes that the above mentioned Spill Contingency Plan has been approved by the Board, within the review of Annual Reporting submissions under 2AM-MEA1525 on October 5, 2016. While the Board acknowledges that this Spill Contingency Plan could be acceptable and applicable to the Whale Tail Pit site preparation / construction activities, the <u>Board also requires that the Licensee</u>, within sixty (60) days of <u>Licence approval</u>, develop and submit for Board's approval a project-specific updated Spill Contingency Plan.

Closure and Reclamation Plan

Agnico Eagle submitted a Plan entitled: "Closure and Reclamation Strategy and Security Estimate Pre-development Type "B Water Licence" (CRS Plan or Plan) dated December 2017 as part of the application.

The document included an Estimate of Reclamation Liability. The Board has approved the CRS Plan under Part H, Item 1 of the Licence.

Monitoring

To minimize the possibility of any potential undesirable effects to the receiving environment, the Board has included appropriate conditions under Part I to ensure that the Licensee monitors the effect of project activities on the receiving environment. Conditions have also been included for the monitoring of ammonia and nitrate concentration in runoff and effluent discharges.

The Licensee shall carry out regular inspections of the road and complete associated monitoring to ensure that the road is upgraded/constructed/maintained for safe travel of personnel, equipment and supplies without adverse impacts on surrounding water bodies.



NUNAVUT WATER BOARD WATER LICENCE

Licence No. 2BC-WTP1819

Pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

AGNICO EAGLE MINES LIMITED

(Licensee)

145 KING STREET EAST, SUITE 400, TORONTO, ONTARIO, M5C 2Y7, CANADA

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water or dispose of waste for a period subject to restrictions and conditions contained within this Licence renewal:

Licence Number/Type: 2BC-WTP1819 / TYPE "B"

Water Management Area: THELON, QUOICH & BACK WATERSHEDS (5, 9 & 31)

Location: WHALE TAIL PIT AND HAUL ROAD SITE PREPARATION

PROJECT, KIVALLIQ REGION, NUNAVUT

Classification: 2. MINING – PROJECT DEVELOPMENT/CONSTRUCTION

Purpose: DEPOSIT OF WASTE

Quantity of Water use not

to Exceed: NO DIRECT WATER USE AUTHORIZED

Effective Date of Licence

Issuance: MARCH 15, 2018

Expiry of Licence: MARCH 14, 2019

This Licence renewal issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.

Lootie Toomasie, Nunavut Water Board Chair

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the deposit of waste in support of an Undertaking classified as Other, as per Schedule 1 of the *Regulations*, with respect to the Whale Tail Pit and Haul Road Site Preparation Project, located approximately 50 kilometres (km) northwest of Meadowbank Mine Site, and 150 km north of Baker Lake, within the Kivalliq Region, Nunavut.

Activities under this Licence include the pre-delivery of material, fuel, and equipment; construction of concrete pads, including options for supplies laydown area (the future site of the camp), and water treatment plant foundation; and upgrade/widen Whale Tail Pit haul road from 6.5 m wide to 9.5 m plus bypasses to ensure the safe pre-delivery of material and equipment.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

"Act" means the Nunavut Waters and Nunavut Surface Rights Tribunal Act;

"Addendum" means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report.

"<u>Amendment</u>" means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

"Applicant" means the Licensee;

"Appurtenant Undertaking" means an undertaking in relation to which a use of water

or a deposit of waste is permitted by a licence issued by the Board;

- "Board" means the Nunavut Water Board established under 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;
- "<u>Effluent</u>" means treated or untreated liquid waste material that is discharged into the environment from a structure such as a settling pond, landfarm or a treatment plant;
- "Engineer" means a professional engineer registered to practice in Nunavut in accordance with the Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2 and the Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12;
- "High Water Mark" means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);
- "Inspector" means an Inspector designated by the Minister under Section 85 (1) of the *Act*;
- "Licensee" means the holder of this Licence;
- "<u>Modification</u>" means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;
- "Nunavut Agreement" means the "Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada", including its preamble and schedules, and any amendments to that agreement made pursuant to it;
- "Quarry or Quarries" means the area of surface excavation for extracting rock material for use as construction materials in the development of infrastructure and facilities for the project;
- "Regulations" means the Nunavut Waters Regulations SOR/2013-69 18th April, 2013;
- "Spill Contingency Plan" means a Plan developed to deal with unforeseen petroleum and hazardous materials events that may occur during the operations conducted under the Licence;
- "Sump" means a structure or depression that collects, controls, and filters liquid waste before it is released to the environment. This structure should be designed to prevent erosion while allowing percolation of liquid waste;

"Waste" means, as defined in S.4 of the *Act*, any substance that, by itself or in combination with other substances found in water, would have the effect of altering the quality of any water to which the substance is added to an extent that is detrimental to its use by people or by any animal, fish or plant, or any water that would have that effect because of the quantity or concentration of the substances contained in it or because it has been treated or changed, by heat or other means.

3. Enforcement

- a. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- c. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the Licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by other applicable law.

PART B: GENERAL CONDITIONS

- 1. The Licensee shall, within thirty (30) days of issuance of this Licence, furnish and maintain security with the Minister in the form that is satisfactory to the Minister, in the amount of six hundred and three thousand and five hundred fifty-five dollars (\$603,555).
- 2. The Licensee shall maintain the security deposit until such time as the Minister is satisfied that the Licensee has complied with all provisions of the approved Closure and Reclamation Plan. This clause shall survive the expiry of the Licence.
- 3. The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than thirty (30) days prior to expiry/cancellation of Licence, containing the following information:
 - a. The daily Water flow volumes of any watercourse temporarily diverted during construction activities;
 - b. A summary report of Waste disposal activities;
 - c. A summary report of construction activities including photographic records before, during and after construction;
 - d. A list of unauthorized discharges and a summary of follow-up actions taken;
 - e. A list of seeps originating from borrow pits, water quality monitoring results, and measures taken to prevent the flow of seep water into nearby water bodies;
 - f. A summary of all data and information generated under the Monitoring Program;
 - g. Any updates or revisions to plans as required by changes in operation and/or technology;

- a. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
- h. A public consultation/participation report describing consultation with local organizations and the residents of the nearby communities;
- i. An executive summary in English and Inuktitut of all plans, reports, or studies conducted under this Licence; and
- j. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
- 4. The Licensee shall notify the NWB of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.
- 5. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part I, Item 1.
- 6. The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation. Plans submitted, cannot be undertaken without subsequent written Board approval and direction. The Board may alter or modify a Plan if necessary to achieve the legislative objectives and will notify the Licensee in writing of acceptance, rejection or alteration of the Plan.
- 7. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
- 8. The Licensee shall review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plans are to incorporate design changes and adaptive engineering required and implemented during Construction and on the basis of actual site conditions and monitoring results over the life of the project. Revisions to the Plans are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 3, complete with a revisions list detailing where significant content changes are made.
- 9. Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and conditions imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.
- 10. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention of:
 - (a) Manager of Licensing:

Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 Telephone: (867) 360-6338 Fax: (867) 360-6369

Email: licensing@nwb-oen.ca

(b) Inspector Contact:

Manager of Field Operations, INAC Nunavut District, Nunavut Region P.O. Box 100 Iqaluit, NU X0A 0H0

Telephone: (867) 975-4295 Fax: (867) 979-6445

- 11. The Licensee shall submit one paper copy and one electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in English and Inuktitut.
- 12. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the Board is received and acknowledged by the Manager of Licensing.
- 13. This Licence is assignable as provided for in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE AND PROTECTION

- 1. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
- 2. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized by the Board in writing.
- 3. The Licensee shall undertake appropriate corrective measures to prevent and/or mitigate impacts to surface water resulting from the Licensee's operations.
- 4. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty-one (31) metres above the ordinary High Water Mark of any water body.
- 5. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
- 6. The Licensee shall implement sediment and erosion control measures prior to and maintain such measures during the undertaking to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

- 1. The Licensee shall locate areas designated for waste disposal at a minimum distance of thirty-one (31) metres from the ordinary High Water Mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.
- 2. The Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.
- 3. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.
- 4. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation in an approved waste disposal site.
- 5. The Licensee shall maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be made available to an Inspector upon request.

PART E: CONDITIONS APPLYING TO CONSTRUCTION AND OPERATIONS

- 1. The Licensee shall implement the Plan entitled "Road Management Plan Amaruq Exploration Access Road" dated March 2015 and approved by the Board under the Water Licence 8BC-AEA1525, and the Plan entitled "Amaruq Gold Project Quarrying Management Plan" dated November 2015 and approved under the Water Licence 2BB-MEA1828.
- 2. The Licensee shall, within sixty (60) days of issuance of the Licence, submit for Board's approval a project-specific Road and Quarry Management Plan.
- 3. The Licensee shall, at least sixty (60) days prior to construction, submit to the Board for review, for-construction plans and drawings that are stamped by an Engineer, for the engineered infrastructure allowed under the scope of this Licence.
- 4. The Licensee shall submit to the Board for review, within ninety (90) days of completion of any engineered infrastructure designed to contain, divert, and retain waters and/or wastes, allowed under the scope of this Licence, or at least thirty (30) days prior to the expiry of the Licence, whichever date comes first, a Construction Summary Report prepared by an Engineer that includes as-built plans and drawings, documentation of field decisions that deviated from original plans, and any data used to support these decisions.
- 5. The Licensee shall only use aggregate for construction of infrastructure or facilities under this Licence that is demonstrated to be potentially non-acid generating, non-metal

leaching and free of contaminants by carrying out appropriate analyses and retaining the results and reports for reference for submission on request by the NWB or an Inspector, or have the results submitted with the Annual Report under Part B, Item 4

6. All surface runoff and/or discharge from drainage management systems, during the construction of any facilities and infrastructure associated with this project, including laydown area, where flow may directly or indirectly enter a water body, shall not exceed the following Effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Total Suspended Solids	50.0	100.0
Oil and Grease	No Visible Sheen	No Visible Sheen
рН	Between 6.0 and 9.5	Between 6.0 and 9.5

- 7. The Licensee shall supervise and field check through an appropriately qualified Engineer, all construction of engineered structures in such a manner that the project specification can be enforced and, where required, the quality control measures are followed. The Licensee shall maintain and make available at the request of the Board and/or Inspector, all construction records of all engineered structures.
- 8. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.
- 9. The Licensee shall locate stream crossings to minimize approach grades. Approaches shall be stabilized during construction and upon completion of the project, to control runoff, erosion and subsequent siltation to any water body.
- 10. The Licensee shall limit any in-stream activity to low water periods. In-stream activity is prohibited during fish migration.
- 11. The Licensee shall not cut any stream bank or remove any material from below the ordinary High Water Mark of any water body.
- 12. Sediment and erosion control measures must be used to mitigate the deposition of debris and sediment into or onto any Water body during the construction and operation. These materials shall be disposed at a distance of at least thirty-one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter Water.
- 13. The Licensee shall maintain a minimum of thirty-one (31) metres undisturbed buffer zone

- between the periphery of quarry sites and the ordinary High Water Mark of any water body unless otherwise approved by the Board in writing.
- 14. The Licensee shall not excavate and/or remove material from the quarry beyond a depth of one (1) metre above the ordinary High Water Mark or above the groundwater table, to prevent the potential contamination of groundwater.
- 15. Machinery is not permitted to travel up the stream bed and fording of any water body is to be kept to a minimum and limited to one area and a single activity of bridge construction/installation. Machinery and equipment used should be well cleaned and free of oil and grease and maintained free of fluid leaks.
- 16. Equipment storage holding areas should be located on gravel, sand or other durable land, a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body in order to minimize impacts on surface drainage and water quality.
- 17. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty-one (31) metres above the ordinary High Water Mark of any water body.

PART F: CONDITIONS APPLYING TO MODIFICATIONS

- 1. The Licensee may, without written consent from the Board, carry out Modifications to the Waste Disposal Facilities provided that such Modifications are consistent with the terms of this License and the following requirements are met:
 - a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
 - c. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
 - d. the Board has not rejected the proposed Modifications.
- 2. Modifications for which all of the conditions referred to in Part F, Item 1 have not been met can be carried out only with written approval from the Board.
- 3. The Licensee shall provide to the Board for review, as-built plans and drawings of the Modifications referred to in this Licence, within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.
- 4. The Licensee shall provide to the Board for review, as-built plans and drawings of the bridge and water crossings within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

PART G: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

- 1. The Licensee shall implement the Plan entitled "Spill Contingency Plan: Meadowbank Mine Site; All Weather Access Road (AWAR); Baker Lake Facilities" version March 2016, originally approved by the Board within the review of Annual Reporting submissions under 2AM-MEA1015 on October 5, 2016.
- 2. The Licensee shall, within sixty (60) days of issuance of the Licence, submit for Board's approval, a project-specific updated Spill Contingency Plan referred to in Part G, Item 1, in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93.
- 3. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering Water. All sumps and fuel caches shall be located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body and inspected on a regular basis.
- 4. The Licensee shall ensure any equipment maintenance and servicing be conducted only in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other Waste to prevent and contain potential spills.
- 5. The Licensee shall, subject to Section 16 of the Regulations, report any unauthorized deposits or foreseeable unauthorized deposits of waste and/or discharges of Effluent, and:
 - a. Employ the Spill Contingency Plan;
 - b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
 - c. For each spill occurrence, submit to the Inspector and Board, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.
- 6. The Licensee shall, in addition to Part H, Item 5, regardless of the quantity of releases of harmful substances, report to the NWT/NU Spill Line if the release is near or into a Water body.

PART H: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION OR TEMPORARY CLOSURE

1. The Licensee shall implement the Plan entitled "Closure and Reclamation Strategy and Security Estimate Pre-development Type "B" Water Licence" dated December 2017, that has been approved by the Board within the issuance of the Licence.

- 2. The Licensee shall complete all restoration work prior to the expiry of this Licence.
- 3. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
- 4. The Licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.
- 5. In order to promote growth of vegetation and the needed microclimate for seed deposition, all disturbed surfaces shall be prepared by ripping, grading, or scarifying the surface to conform to the natural topography.
- 6. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion
- 7. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to meet objectives as outlined in the Government of Nunavut's *Environmental Guideline for Contaminated Site Remediation* (April 1999, Rev. 2 March 2009). The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.
- 8. The Licensee shall contour and stabilized all disturbed areas to reduce erosion and sedimentation into Water, upon completion of work, and restored to a pre-disturbed state, where practicable.

PART I: CONDITIONS APPLYING TO THE MONITORING PROGRAM

- 1. The Licensee shall monitor all activities for signs of erosion.
- 2. The Licensee shall obtain a digital photographic record of the water crossings before, during and after construction has been completed.
- 3. The Licensee shall, during periods of flow and following a major precipitation event, conduct water quality testing on a monthly basis, immediately upstream and downstream of the water crossings, of any significant water seeps in contact with the roads, earthworks and flows originating from borrow pits or rock quarries prior to construction, weekly during the construction and until completion, for criteria listed under Part E, Item 6.
- 4. Work on the bridges shall cease if the downstream monitoring under Part E, Item 6 exceeds the upstream Total Suspended Solids concentration by twenty percent (20%).
- 5. The Licensee shall monitor runoff and/or discharge from the borrow pits and quarry sites, before and after blasting activities, during periods of flow and following significant precipitation events, on at minimum a monthly basis, for the following parameters:

Groups	Parameters
Physical	pH (field and laboratory), temperature (field), alkalinity,
Parameters	bicarbonate, carbonate, electrical conductivity, hardness,
	hydroxide, ion balance, total dissolved solids, total suspended solids.
Nutrients	Ammonia-nitrogen, nitrate nitrogen, nitrite-nitrogen, orthophosphate.
Major Ions	Calcium, chloride, magnesium, potassium, sodium, sulphate.
Total Metals	Aluminum, antimony, arsenic, barium, beryllium, boron, cadmium, chromium, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, selenium, silver, strontium, tin, titanium, uranium, vanadium and zinc.

- 6. The Licensee shall implement a water crossings visual inspection and maintenance program prior to and during spring freshet, and after heavy rainfall events to identify issues relating to watercourse crossings structural integrity and hydraulic function.
- 7. All sampling, sample preservation and analyses shall be conducted in accordance with methods prescribed in the current edition of *Standard Methods for the Examination of Water and Wastewater*, or by such other methods approved by the Board in writing.
- 8. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
- 9. Additional monitoring requirements may be requested by the Inspector.
- 10. The Licensee shall include in the Annual Report required under Part B, Item 3 all data, monitoring results and information required by this Part.