



Water Resources Division
Resource Management Directorate
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Your file - Votre référence
2BB-MEL1424
Our file - Notre référence
GCDOCS#123577134

March 13, 2024

Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0
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Re: Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC's) Second Round Reply to Agnico Eagle's Second Round Response to the Review of Renewal Amendment Application of the Water Licence No: 2BB-MEL1424 for the Meliadine Gold Project by Agnico Eagle Mines Limited.

Dear Richard Dwyer,

Thank you for your March 5, 2024, invitation to review Agnico Eagle's second round responses to the technical review comments regarding the renewal amendment application of the Water Licence No: 2BB-MEL1424 for the Meliadine Gold Project by Agnico Eagle Mines Limited.

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) examined Agnico Eagle's second round responses and the attachments pursuant to its mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Crown-Indigenous Relations and Northern Affairs Act*. Please find CIRNAC's reply in the attached Technical Memorandum for the Nunavut Water Board's consideration.

If there are any questions or concerns, please contact me at Aminul.Haque@rcaanc-cirnac.gc.ca or (867) 975-4282 or Andrew Keim at (867) 975-4550 or Andrew.Keim@rcaanc-cirnac.gc.ca.

Sincerely,

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Aminul Haque
Regional Water Management Coordinator



Technical Review Memorandum

Date: March 13, 2024

To: Richard Dwyer, Manager of Licensing, Nunavut Water Board

From: Aminul Haque, Regional Water Management Coordinator, CIRNAC

Subject: **Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC's) Second Round Reply to Agnico Eagle's Second Round Response to the Review of Renewal Amendment Application of the Water Licence No: 2BB-MEL1424 for the Meliadine Gold Project by Agnico Eagle Mines Limited.**

Region: Kitikmeot Kivalliq Qikiqtani

RESULTS OF REVIEW

1. Camp Incinerator

Comment:

In the Scope Description documents, Agnico Eagle requested that the components related to the camp incinerator be removed from the 2BB-MEL licence. The document stated, "The exploration camp incinerator is no longer in operation, and all putrescible waste is now being incinerated at the main camp incinerator under 2AM-MEL Licence".

There is no information regarding whether the exploration camp incinerator is being reused for the main camp or being salvaged. There is no information that the incineration site has been cleaned up and reclaimed. Did Agnico Eagle clean up the site and provide any report to NWB?

Recommendation:

(R-01) CIRNAC recommends that Agnico Eagle updates NWB regarding what procedure was followed to decommission the discovery camp incineration site and confirm if any cleanup was done after decommissioning.

Agnico Eagle's Response:

As per Agnico Eagle's March 23, 2023 Meliadine Water Licence Inspection Follow-up memo issued to CIRNAC on August 8, 2023, the two functioning incinerators are being stored for use; therefore, the incineration site is still being retained. There are also two non-functional incinerators currently in the planning stages of being backhauled.



CIRNAC's Reply:

As per the applicant's response, "the two functioning incinerators are being stored for use; therefore, the incineration site is still being retained." Therefore, CIRNAC recommends that the components related to the camp incinerator should not be removed from the 2BB-MEL licence as requested in the renewal application.

Agnico Eagle's Second Round Response:

Agnico Eagle would like to clarify that the licence components pertaining to the camp incinerator's functionality are requested for removal, as the exploration camp incinerator is no longer in operation and all putrescible waste is now being incinerated at the main camp incinerator under the 2AM-MEL Licence. Reclamation security discussions have been organized for March 7, 2024 in Toronto, ON.

CIRNAC's Second Round Reply:

The licence components relating to the incinerators in the license and in the "Waste Management Plan" outline the general waste management policy. These policies and frameworks are valid and applicable for the activities of this license, irrespective of whether the proponent is using the exploration camp incinerator or the main camp incinerator. Moreover, the two functioning incinerators are being stored for use, and no reclamation work has been done. Therefore, CIRNAC respectfully disagrees with the proponent's proposal and recommends that the components related to the camp incinerator should not be removed from the 2BB-MEL licence. Please note that there was no discussion about the 2BB-MEL1424 security review during the March 07, 2024, meeting in Toronto.

Further discussions on the security related to the TYPE BB license will require confirmation that any outstanding reclamation activities associated with the activities undertaken under the Type BB license have been completed and that no further liabilities exist in relation to those activities prior to any return of security or closure/cancellation of the current BB license.

2. Water Monitoring Locations

Comment:

Agnico Eagle requested that the MEL-5 water monitoring site be removed from the 2BB-MEL licence. The current licence requires MEL-5 water sampling as the point of discharge for the Bermed Fuel Containment Facilities for the exploration camp. The Scope Description documents for the renewal application stated, "Since it was decommissioned, sampling is no longer required."

Agnico Eagle provided no information on when the Bermed Fuel Containment Facilities were decommissioned. There is no information on whether the reclamation was completed, the site had been inspected, or any post-monitoring program was in place after the decommissioning of the Bermed Fuel Containment Facilities for the exploration camp.



Recommendation:

(R-02) CIRNAC recommends that Agnico Eagle confirm the completion of reclamation and restoration of the Bermed Fuel Containment Facilities for the exploration camp, including photos and any work orders and engineering reports and provide post-closure monitoring results before NWB considers removing MEL-5 from the licence.

Agnico Eagle's Response:

The Bermed Fuel Containment Facilities was decommissioned after transferring all fuel to the Meliadine Mine Site fuel farm, which was fully operational in January 2019. This area is now under the waste rock storage facility (WRSF3) footprint (see Figure 1). The latest monitoring results for the Bermed Fuel Containment Facilities was completed in 2021; the sampling locations are shown in Figure 2. All borehole soil sampling results were below Canada Wide Standards for Petroleum Hydrocarbons in Soil (CCME 2008) and provided as Appendix B.

CIRNAC's Reply:

CIRNAC has no further comments on this and thanks AEM for providing the information necessary.

3. Waste Rock and Ore

Comment:

In the Scope Description documents, Agnico Eagle requested that the conditions related to waste rock and ore be removed from the 2BB-MEL licence as the 2AM-MEL licence covers waste rock and ore activities.

CIRNAC understands that the 2BB-MEL and 2AM-MEL licences include waste rock and ore processing activities and wants to highlight that these two licences' purpose and allowed activities are not the same. Moreover, the current 2BB-MEL1424 licence allows advanced exploration (bulk sample) activities beyond the 2AM-MEL licence boundaries, and the licensee has requested further to extend the exploration area under the current 2BB-MEL licence renewal. Reporting on waste and ore activities is a critical component of the annual report. Therefore, CIRNAC believes that waste rock and ore conditions should not be removed from the 2BB-MEL licence, and the licensee should submit an updated Waste Rock and Ore Storage Plan as part of the current renewal amendment application.

Recommendation:

(R-03) CIRNAC recommends that NWB does not remove the conditions related to waste rock from the 2BB-MEL licence and requires the Waste Rock and Ore Storage Plan as part of the renewal amendment application.



Agnico Eagle’s Response:

Agnico Eagle had a discussion with CIRNAC (Andrew Keim) on January 24, 2024 (Vancouver, BC) where both parties mutually agreed that conditions relating to waste rock and ore can be excluded from the licence and that the licence type will revert to a “BE type” licence. The scope required under this licence renewal would be exploratory activities (e.g., geological mapping, prospecting, etc.).

CIRNAC’s Reply:

CIRNAC (Andrew Keim) and Agnico Eagle discussed the renewal application on January 24, 2024 (Vancouver, BC). In that discussion, CIRNAC indicated no objection to changing the current licence type from “BB type” to “BE type.” In such a case, a Waste Rock and Ore Storage Plan will not be required for the “BE type” licence. CIRNAC is unaware if the applicant has requested NWB to change the licence type. Therefore, a Waste Rock and Ore Storage Plan should be required under the current amendment application if NWB approves it as a “BB type” license.

Agnico Eagle’s Second Round Response:

Agnico Eagle agrees with CIRNAC that the Water Licence should be modified from a type “BB” to a “BE”; Agnico Eagle and CIRNAC (Andrew Keim) also engaged in a phone call on February 20, 2024 to reaffirm this.

CIRNAC’s Second Round Reply:

CIRNAC is unaware of a situation where NWB has modified a “BB” type license to a “BE” type license. This process, whether it takes the form suggested by the proponent or not, is at the board's sole discretion. CIRNAC has no issue with AEM’s wish to undertake this process and supports the removal of licenses that have become redundant or no longer serve any useful purpose.

As such, CIRNAC would suggest that Agnico Eagle fulfill the terms and conditions outlined in the current licence related to Abandonment and Restoration Planning to allow the closing of the current licence. Once the site reclamation is done per the Abandonment and Restoration Plan and Interim Reclamation and Closure Plan, CIRNAC will conduct inspections to verify the information and provide recommendations to NWB. Then, at that time, the Board can provide guidance on the next steps as they see fit.

Once the current license is cancelled, Agnico Eagle can apply for a new “BE” type license only to conduct exploration activities. Security for the Type BB may be returned to the proponent (assuming there are no outstanding liabilities). However, a Waste Rock and Ore Storage Plan should be required under the current amendment application if NWB approves it as a “BB type” license.



4. Licence Extent

Comment:

Agnico Eagle has requested to extend the current licence boundaries to the west of the existing license extent. The renewal amendment application did not specify the type of activities that will be conducted in the extended areas.

Recommendation:

(R-04) CIRNAC recommends that Agnico Eagle clarify and provide details of the activities it intends to conduct in the proposed extended areas, as well as provide proof of their right of access to any lands not currently covered under the authority of the existing license.

Agnico Eagle's Response:

The licence extent includes a portion of land that is currently under Agnico Eagle's Licence 2BE-PTR2227 (shown in red on the map below). The 2BE-PTR2227 licence will be abandoned by Agnico Eagle; however, as this licence boundary is split (e.g., not one large polygon), Agnico Eagle is requesting to extend the 2BB-MEL licence slightly to capture a portion of the property that would be lost in cancelling the 2BE-PTR licence. Agnico Eagle is requesting lease boundaries beyond the necessary limit to streamline the boundary definitions (e.g., simple polygon). The cancellation of the 2BE-PTR licence will be submitted following the conclusion of this review by the Exploration division.

CIRNAC's Reply:

The requested extension of the current licence boundary will include lands beyond what is currently under 2BE-PTR2227. Therefore, Agnico Eagle should clarify and provide details of the activities it intends to conduct in the proposed extended areas and proof of their right of access to any lands not currently covered under the authority of an existing license.

Agnico Eagle's Second Round Response:

Only permitted activities in this water licence renewal are to be conducted in the existing land boundaries. Agnico Eagle does not intend to conduct any activities outside of the 2BE-PTR2227 and the current 2BBMEL licence boundaries (shown in green and hatched red, respectively below). Agnico Eagle would like to reiterate that no new land claims are being requested at this time, the extension boundaries are to simplify land boundaries to a simple polygon.

CIRNAC's Second Round Reply:

CIRNAC does not agree with the proponent's argument that the licence boundary should be extended to include land that the proponent does not have the right to access. It does not matter how convenient it is for the proponent and whether it intends not to conduct any activities; it is neither appropriate nor procedurally accurate to include land under the current license that the proponent does not have the right to access. Therefore, CIRNAC



does not recommend that NWB extend the current boundary to include any land outside the 2BE-PTR2227 and the current 2BB-MEL1424 licence boundaries.

5. Security Estimate

Comment:

Agnico Eagle has submitted a revised security estimate (i.e., December 2023) of \$359,491 (\$186,414 water liability) under the current Application as opposed to \$1,489,082 (\$965,051 water liability) in the previous estimate (i.e., August 2023). The security estimate difference between the Reclamation and Closure plan versions is manifold. Agnico Eagle did not provide enough information and explanation to reconcile the difference. Therefore, CIRNAC can not comment on the security estimate at this moment. CIRNAC will require a detailed explanation of the units' rates, lump sum costs, allowances, and other rates and underlined assumptions to better understand the revised security estimate and provide comments.

Recommendation:

(R-05) CIRNAC recommends that Agnico Eagle work cooperatively with all interested parties to address reclamation security for this undertaking.

Agnico Eagle's Response:

Detailed RECLAIM cost estimate spreadsheets are provided in Appendix A. Agnico Eagle looks forward in collaborating with interested parties and will address questions as they arise.

CIRNAC's Reply:

CIRNAC thanks Agnico Eagle for the cost estimate. CIRNAC proposes that all interested parties meet in the new fiscal year to discuss the reclamation security for this undertaking.

Agnico Eagle's Second Round Response:

Agnico Eagle and CIRNAC (Andrew Keim) engaged in a phone call on February 20, 2024 and reaffirmed mutual interest in modifying the Water Licence type from "BB" to "BE". As no reclamation securities are required under a "BE" licence, the path forward would be to transfer the reclamation securities required under the current "BB" licence to the 2AM-MEL licence. A workshop to discuss reclamation securities under 2AM-MEL licence has been organized for March 7, 2024 in Toronto, ON.

CIRNAC's Second Round Reply:

CIRNAC generally agrees with the proponent's desire not to continue with the current "BB" type of license and reaffirms their need to apply for a "BE" type license to conduct only exploration activities. As indicated in the response for R-03, CIRNAC is unaware of a situation where NWB has modified a "BB" type license to a "BE" type license.



Please note that there was no discussion about the 2BB-MEL1424 security review during the March 07, 2024, meeting in Toronto. CIRNAC is highly surprised that the proponent has submitted an updated Interim Reclamation and Closure Plan (Appendix -C of Agnico Eagle's February 29, 2024 response letter) removing the securities associated with this license and citing that the security amount is expected to be transferred to the Meliadine Mine 2AM-MEL1631 Water Licence. CIRNAC seeks the guidance of the Board with respect to this approach and recommends that NWB instruct the proponent to update the Interim Reclamation and Closure Plan to include the security estimate as indicated in Appendix C of the proponent's February 06, 2024 response.

This is an unexpected and surprising update, and CIRNAC wishes that the proponent will avoid this approach in the future for better mutual collaboration. CIRNAC proposes that all interested parties meet in the new fiscal year to discuss the reclamation and closure costs. The security of a license can not be released until abandonment and restoration work is complete as per the terms of conditions identified in the license and the work is verified satisfactorily. Therefore, a path forward would be to proceed with any known abandonment and restoration work necessary to work towards cancelling the current license and apply for a new "BE" type license.

6. Management Plans

Comment:

The renewal amendment application did not submit any Used Water Management Plan and Wildlife Protection and Response Plan that are part of the current licence. Moreover, Agnico Eagle requested that the requirement of the Waste Rock and Ore Storage Plan and Waste Management Plan be removed from the 2BB-MEL licence as the activities are covered under the 2AM-MEL licence.

CIRNAC believes the Used Water Management Plan and Wildlife Protection and Response Plan should remain part of the 2BB-MEL licence and be updated as required. As mentioned in R-04, the extent of the 2BB-MEL licence is beyond the boundaries of the 2AM-MEL licence. Activities under the 2BB-MEL will likely happen in areas not covered under the 2AM-MEL licence. Therefore, the 2BB-MEL licence should include a Waste Rock and Ore Storage Plan, its own Waste Management Plan, and the Used Water Management Plan and Wildlife Protection and Response Plan.

Recommendation:

(R-06) CIRNAC recommends that NWB require submission of Waste Rock and Ore Storage Plan, Waste Management Plan, Used Water Management Plan and Wildlife Protection and Response Plan as part of the current renewal amendment application.



Agnico Eagle's Response:

Agnico Eagle has been in extensive collaboration with parties in developing Meliadine Mine Wildlife Protection and Response Plan, which includes the extent of the 2BB-MEL licence. The latest approved plan is included in Appendix C.

As detailed in Section 2.1 of the "Amendment Request of Water Licence 2BB-MEL1424", the exploration camp landfill is not in operation; the landfill under the 2AM-MEL Licence is being used for solid waste. Similarly, the exploration camp incinerator is also not in operation and all putrescible waste is being incinerated at the main camp incinerator under 2AM-MEL Licence. Therefore, there is no requirement for a Waste Management Plan under 2BB-MEL licence.

Similarly, a Used Water Management Plan is no longer required for the 2BB-MEL licence, as treated water from the exploration STP is trucked to the Main Meliadine Mine site, which is covered under 2AM-MEL management plans. Agnico Eagle clarifies that all other activities would be covered under the Water Management Plan that was submitted as part of the 2BB-MEL licence renewal.

See also response to CIRNAC-R-03 in regard to the Waste Rock and Ore Storage Plan.

CIRNAC's Reply:

In the response for R-01, Agnico Eagle mentioned, "two functioning incinerators are being stored for use; therefore, the incineration site is still being retained." Therefore, the Waste Management Plan should still be part of the 2BB-MEL licence until the incinerators are decommissioned and the site is reclaimed.

The submitted Water Management Plan did not mention what happens to the treated water from the exploration STP (i.e., whether it is trucked to the Main Meliadine Mine site). CIRNAC recommends that the applicant update the submitted Water Management Plan to include components of the Used Water Management Plan.

Please refer to CIRNAC's reply to R-03's response regarding the Waste Rock and Ore Storage Plan.

Agnico Eagle's Second Round Response:

Agnico Eagle would like to reiterate that the functioning incinerators are in storage and only being stored for potential future use. Therefore, incineration is not a waste management strategy currently required under this licence, as the exploration camp incinerator is out of commission and all putrescible waste is being incinerated at the main camp incinerator under 2AM-MEL Licence. Agnico Eagle has updated the Water Management Plan to include trucking of treated water from the exploration STP to Meliadine Mine site included as Appendix A of this response package.



CIRNAC's Second Round Reply:

Please refer to CIRNAC's second-round reply to R-01's response regarding the inclusion of the terms and conditions for incineration. The licence components relating to the incinerators in the license and in the "Waste Management Plan" outline the general waste management policy. These policies and frameworks are valid and applicable for the activities of this license, irrespective of whether the proponent is using the exploration camp incinerator or the main camp incinerator. Moreover, the two functioning incinerators are being stored for use, and no reclamation work has been done.

Since the functioning incinerators are in storage for potential future use, the Waste Management Plan should still be part of the 2BB-MEL licence until the incinerators are decommissioned and the site is reclaimed. A Waste Rock and Ore Storage Plan should also be required under the current amendment application if NWB approves it as a "BB type" license.

7. Terms in the Licence

Comment:

Agnico Eagle is requesting the following condition be added to Part F: Conditions Applying to Drilling Operations and Trenching:

"The Licensee is authorized to conduct land-based drilling within thirty-one (31) metres of the ordinary High Water Mark of any water body during winter conditions within the project area, as identified in the Amendment Application."

Inclusion of this term should not mean that the licensee is allowed to drill on ice, and any waste, including drill cuttings or wastewater from the drilling operations, should be stored/deposited more than 31 meters from the ordinary High Water Mark of any water body.

Recommendation:

(R-07) CIRNAC recommends that NWB clarify in the licence that the proponent is not allowed to drill on ice, and any waste, including drill cuttings, should be stored/transported/deposited more than 31 meters above the ordinary High Water Mark of any water body.

Agnico Eagle's Response:

Agnico Eagle thanks CIRNAC for their comment and would like to highlight that the exact wording of the proposed condition is also included in our Meadowbank 2BB-MEA1828 licence. Agnico Eagle will make every effort to drill on land; however, it is not always possible to achieve the targeted area strictly on land, especially during the installation of the diamond drill. Agnico Eagle has developed a Drilling on Ice Action Plan (Action Plan) in collaboration with CIRNAC officers in October 2022.

CIRNAC's Reply:



If Agnico Eagle intends to follow the Drilling on Ice Action Plan referenced above, it should be part of the current renewal amendment application. Therefore, CIRNAC recommends that Agnico Eagle submit the Drilling on Ice Action Plan for review and approval to ensure that it meets the conditions of the license.

Agnico Eagle's Second Round Response:

Agnico Eagle had a drilling on ice dry-run on February 1, 2023 with CIRNAC and KivIA, which resulted in the finalization of the Drilling on Ice Action Plan. The Drilling on Ice Action Plan was a result of continuous collaboration between CIRNAC, KivIA, ECCC, and Agnico Eagle. This included:

- A meeting with CIRNAC and ECCC on May 17, 2022, during which Agnico Eagle committed to the development and implementation of a comprehensive Drilling on Ice Action Plan prior to the start of the 2023 winter drilling;
- Review and discussion of the Action Plan and updated procedures with CIRNAC and ECCC through teleconference held on October 26, 2022, and with CIRNAC, ECCC, and KivIA through teleconference held on January 11, 2023;
- Sharing of the Action Plan with CIRNAC and ECCC via email on October 28, 2022, and sharing of the revised Action Plan and improved procedures with CIRNAC, ECCC, and KivIA on January 12, 2023; and
- A "dry run" of the improved procedures related to drilling in ice held at a drill rig located on land on February 1, 2023 which included CIRNAC, KivIA, and Agnico Eagle.

Based on the engagement noted above and completion of corrective actions, Agnico Eagle feels that CIRNAC has approved our activities and exploration drilling on ice.

CIRNAC's Second Round Reply:

CIRNAC recommends that land-based drilling within thirty-one (31) metres of any water body's Ordinary High Water Mark is only allowed during winter conditions, and the licence includes similar wording and conditions as in 2BB-MEA1828.

8. Security for 2BE-MEP1828

Comment:

As per current licence 2BB-MEL1424, the "Interim Reclamation and Closure Plan Water Licenses 2BE-MEP1318 and 2BB-MEL0914" dated August 2013 included estimates of reclamation liability for different components of the Project under both of the listed licenses. The reclamation and closure costs for the Meliadine Project and Meliadine East Camp (under 2BE-MEP1828) were calculated at \$1,489,082 and \$34,126, respectively. An updated Reclamation and Closure Plan was submitted to the NWB on November 26, 2018, specifically for the 2BE-MEP1828 licence, as \$33,681. The plan addresses the requirements of Part I, Item 1 of the 2BE-MEP1828 licence.



In the past, security estimates for 2BB-MEL and 2BE-MEP licences were discussed together. CIRNAC does not hold separate security for the 2BE-MEP licences, and its activity is not covered under the 2AM-MEL licence security. Agnico Eagle is required to fulfill the conditions of Part I for the 2BE-MEP1828 licence, which requires the licensee to complete restoration and progressive reclamation work. Therefore, in CIRNAC's view, reclamation and closure costs for the 2BE-MEP licence should be factored in when discussing the security estimate for this renewal application.

Recommendation:

(R-08) CIRNAC recommends that reclamation and closure costs associated with the 2BE-MEP1828 license not be dropped but continued factored in during the security discussion for 2BB-MEL licence renewal.

Agnico Eagle's Response:

Agnico Eagle agrees with CIRNAC's recommendation and added a line item to the reclamation and closure costs of the 2BB-MEL1424 Water Licence renewal, in the amount of \$34,126 for the Meliadine East Camp (as per 2BE-MEP1828 Approved Reclamation and Closure Plan). This has been adjusted in the RECLAIM file provided in Appendix A.

CIRNAC's Reply:

CIRNAC thanks Agnico Eagle for the updated reclamation and closure costs. CIRNAC proposes that all interested parties meet in the new fiscal year to discuss the reclamation and closure costs.

Agnico Eagle's Second Round Response:

A workshop to discuss reclamation securities has been organized for March 7, 2024 in Toronto, ON.

CIRNAC's Second Round Reply:

Please note that the 2BB-MEL1424 and 2BE-MEP 1828 security reviews were not discussed during the March 07, 2024, meeting in Toronto. CIRNAC is highly surprised that the proponent has submitted an updated Interim Reclamation and Closure Plan (Appendix -C of Agnico Eagle's February 29, 2024 response letter) arbitrarily removing the securities associated with 2BB-MEL and 2BE-MEP licences and citing that the security amount is expected to be transferred to the Meliadine Mine 2AM-MEL1631 Water Licence.

CIRNAC does not agree with this heavy-handed approach and recommends that NWB instruct the proponent to update the Interim Reclamation and Closure Plan to include the security estimate indicated in Appendix C of the proponent's February 06, 2024 response.

CIRNAC proposes that all interested parties meet in the new fiscal year to discuss the reclamation and closure costs.