



February 22, 2013

Our reference
IQALUIT-#639952

Your reference
2BE-MEP0813

Megan Porter
Licensing Administrator Assistant
Nunavut Water Board
Gjoa Haven, Nunavut
X0E 1J0

**Re: Meliadine Gold Project – Agnico-Eagle Mines Ltd. – Type ‘B’ Licence
Amendment and Renewal Application – Kivalliq Region**

Dear Ms. Porter,

Thank you for your email of January 25, 2013, concerning Agnico-Eagle Mines Ltd.’s application to amend and renew the Meliadine Gold Project’s Type B water licence, No. 2BE-MEP0813.

A memorandum is provided for the Board’s consideration. Comments/ recommendations 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 867-975-4555 or email at David.Abernethy@aandc-aadnc.gc.ca for further information.

Yours very truly,

David Abernethy
Regional Coordinator
Water Resources Division, Resource Management Directorate
Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office
Iqaluit, Nunavut X0A 0H0

Encl.

c.c.: Murray Ball, Manager of Water Resources
Erik Allain, Manager of Field Operations

Memorandum

TO	Megan Porter Licensing Administrator Assistant Nunavut Water Board	OUR REFERENCE IQALUIT-#639952
FROM	David Abernethy Water Resources Regional Coordinator Aboriginal Affairs and Northern Development Canada	YOUR REFERENCE 2BE-MEP0813 DATE February 22, 2013
SUBJECT	Meliadine Gold Project – Agnico-Eagle Mines Ltd. – Type ‘B’ Licence Amendment and Renewal Application – Kivalliq Region	

A. Project Description

On January 25, 2013 the Nunavut Water Board (NWB or Board) provided notification of Agnico-Eagle Mines Ltd. (AEML) application to amend and renew the Meliadine Gold Project's Type B water licence, No. 2BE-MEP0813. Interested parties were requested to review the submitted application and provide comments by February 25, 2013.

Agnico-Eagle Mines Ltd. are requesting the authorization to drill within 30 metres of the ordinary high water mark of any water body, add authorization to an area located on federal land claims, and renew the licence term for 5 years. No changes to conditions applying to water use have been proposed (i.e., $10 \text{ m}^3 \text{ day}^{-1}$ limit from Atulik Lake for domestic purposes and $289 \text{ m}^3 \text{ day}^{-1}$ limit from lakes proximal to drilling targets for drilling purposes).

Although not referenced in the submitted Amendment Application Form, the submitted cover letter states, dated November 21, 2012, states that AEML are requesting authorization to drill on ice. On a similar note, the submitted non-technical summary document states that exploration work will include trenching activities. Trenching activities are not authorized in the current licence and a request to allow such activities is not included in the submitted application. These issues are addressed in the following section.

The submitted application includes a revised Spill Contingency Plan. This partially addresses requirements included in Amendment No. 1 to the licence, dated January 1, 2012. This amendment states, "the licensee is reminded of the requirement to review and submit revisions to the approved Spill Contingency Plan (Part H, Item 3) and

Interim Abandonment and Restoration Plan (Part I, Item 3) currently on file, to reflect the licence amendment and the re-establishment of a camp at Atulik Lake with related increase in water use, as well as the installation of a larger 85,000 L bulk, double-walled fuel storage tanks.” This issue is addressed in the following section.

B. RESULTS OF REVIEW

On behalf of Aboriginal Affairs and Northern Development Canada, the following comments/ recommendations are submitted for the Board’s consideration,

1. Requested authorization to drill within 30 metres of the ordinary high water mark of any water body

AANDC has no issue with drilling activities within 30 metres of the ordinary high water mark of water bodies provided that all waste is properly contained and disposed at distance at least 30 metres from the ordinary high water mark of water bodies and erosion/ sedimentation preventative measures are implemented. Standard licence terms and conditions should be applied in a renewed licence.

2. Authorization to drill on ice

AANDC has no issue with drilling on ice activities provided that standard licence terms and conditions are included in an amended and renewed licence. The NWB should confirm that AEML intend to carry-out ice based drilling activities considering that this activity is mentioned in their non-technical summary document but not in the licence amendment application form.

3. Authorization to carry-out trenching activities

AANDC has no issue with amending the licence to include trenching activities provided that standard licence terms and conditions are applied. The NWB should confirm that AEML intend to carry-out trenching operations considering that this activity is mentioned in the submitted cover letter but not in the licence amendment application form.

4. Authorization to an area located on federal land claims

AEML's application for Crown Land Use from AANDC (Class 'A' Land Use Permit No. N2013C0002) has been received and is in the regulatory review/ approval process.

5. Proposed term of licence: March 2013 to March 2018

AANDC has no issue with the proposed licence term.

6. Revised Spill Contingency Plan, dated October 2012

The revised Spill Contingency Plan appears to be comprehensive and satisfy the requirements of the project's water licence.

AEML should note that Mr. Peter Kusugak is no longer the AANDC Manager of Field Operations. Rather, Mr. Erik Allain holds this position. Mr. Kusugak is referenced as a contact on the Summary Spill Response Priorities section of the submitted plan (page iii). This section should be revised to reference Mr. Allain (Erik.Allain@aandc-aadnc.gc.ca; tel. 867-975-4295; fax. 867-979-6445) or "AANDC Manager of Field Operations."

7. Revised Interim Abandonment and Restoration Plan - Outstanding

AEML should submit a revised Interim Abandonment and Restoration Plan as required by Amendment No. 1 to the licence, dated January 1, 2012.

Prepared by David Abernethy