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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-MEP0813 / Amendment No. 1**

January 12, 2012

Mr. Larry Connell
Agnico-Eagle Mines Ltd.
Suite 400, 145 King St. E
Toronto, Ontario
M5C 2Y7

Email: larry.connell@agnico-eagle.com

RE: 2BE-MEP0813 Type “B” Amendment No. 1

Dear Mr. Connell,

Please find attached Amendment No. 1 to Licence No. 2BE-MEP0813 Type “B” issued to Agnico-Eagle Mines Ltd. by the Nunavut Water Board (NWB) (Motion 2011-18-L02) 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 Land Claims Agreement or NLCA)*. The terms and conditions of the original Licence and Licence Amendment No. 1 related to water use and waste disposal remain an integral part of this approval.

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,

Thomas Kabloona
Nunavut Water Board
Chair

TK/kt/pb

Enclosure: Licence No. **2BE-MEP0813 – Amendment No. 1**
INAC and EC Comments

Cc: Kivalliq Distribution List

¹ Indian and Northern Affairs Canada (INAC), December 29, 2010; Environment Canada (EC), December 17, 2010; Department of Fisheries and Oceans Canada (DFO), December 23, 2010; EC, August 29, 2011.

LICENCE AMENDMENT No. 1

Licensee:	Agnico-Eagle Mines Ltd.	
Licence No.	2BE-MEP0813	Type “B”
Licence Issued:	June 17, 2008	
Effective Date:	January 10, 2012	

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and the Nunavut Surface Rights Tribunal Act*, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued June 17, 2008 with an expiry date of October 31, 2013 shall be amended to include the following terms and conditions, with respect to the use of water and deposit of waste during exploration operations at the Meliadine Gold Project (formerly Meliadine East Project), located within the Kivalliq Region, Nunavut.

DECISION

The Nunavut Water Board (NWB or Board) distributed the above-cited amendment application to interested parties on December 1, 2010. Following the review period, the NWB was in receipt of comments from Indian and Northern Affairs Canada (INAC), Environment Canada (EC), and Department of Fisheries and Oceans Canada (DFO). On January 24, 2011, the NWB provided the Licensee, Agnico–Eagle Mines Ltd. (formerly under Comaplex Minerals Corp.) with an opportunity to respond² to the comments received. On February 20, 2011 the Licensee submitted its response³ to the NWB request, addressing the concerns of the submissions and issues raised relating to the two project areas being governed by separate licences.

On June 28, 2011, AEM contacted the NWB with an inquiry into the re-establishment of an exploration camp for the Meliadine Gold Project, to be located proximal to the drilling program and would confirm at a later date. In a follow-up email received from AEM on August 11, 2011, AEM indicated that they would like to re-establish the camp for the Meliadine Gold Project (Meliadine East) at the location previously approved within the current licence. This camp had been closed and partially remediated during the initial period of the current licence, however, re-assessment of the needs of the exploration program had indicated that a camp would be required. With this camp, water use was going to be increased, so the applicant requested an increase in water use from Atulik Lake, to 10 m³/day from the previously approved 2 m³/day for the camp, to be considered within the total water use request of 299

² Letter from NWB to AEM, Re: Amendment Request to increase water use from 30m³/day to 299m³/day, dated January 24, 2011.

³ Letter from AEM to NIRB, Re: Amendment Request to increase water use from 30m³/day to 299m³/day, dated February 20, 2011.

m³/day. Further to this request, the applicant also indicated that diesel fuel storage at the project site would no longer involve 205L fuel drums, but would incorporate three 85,000L bulk fuel, double-walled storage tanks.

With this new information, a further review was requested⁴ on August 19, 2011 by the NWB and comments were received from Environment Canada on August 29, 2011. In addition to comments received through the distribution requests, the NWB received correspondence from the Nunavut Impact Review Board (NIRB), dated February 10, 2011, clarifying that the scope of NIRB's screening of the "Meliadine Gold Underground Exploration" project proposal (NIRB File No. 10EZ018) included the exploration activities previously associated with the "Meliadine East Project" (NIRB File No.: 08EN043).

In consideration of the above, the Licence shall be amended to indicate the following:

LICENCE NO. 2BE-MEP0813

AGNICO – EAGLE MINES LTD.

(Licensee)

SUITE 400, 145 KING ST. E., TORONTO, ONTARIO, M5C 2Y7

(Mailing Address)

Location: **MELIADINE GOLD PROJECT**

Quantity of Water use not
to Exceed:

TWO HUNDRED NINETY NINE (299) CUBIC METRES PER
DAY

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling as per Schedule II of the *Regulations* at the Meliadine Gold Project, located approximately 15 km North of Rankin Inlet within the Kivalliq Region, Nunavut.

- 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

⁴ Letter from NWB to distribution, Re: Licence No. 2BE-MEP0813; Application for Amendment, additional information regarding request to increase water use from 30 m³/day to 299 m³/day, dated August 19, 2011.

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.

PART C: CONDITIONS APPLYING TO WATER USE

Amend

Item 1

The Licensee shall obtain all water for domestic camp use, up to a maximum of ten (10) m³/day, from Atulik Lake. Drill water shall be obtained from local lakes, proximal to the drilling targets, up to a maximum of two hundred eighty nine (289) m³/day. The total volume of water for the purposes of this Licence shall not exceed two hundred ninety nine (299) cubic meters per day.

In addition to the above, 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 the larger 85,000L bulk, double-walled fuel storage tanks.

All remaining terms and conditions of Licence 2BE-MEP0813 Type “B” dated June 17, 2008 still apply.

This Licence Amendment No.1 issued and recorded at Gjoa Haven, Nunavut on January 10, 2012

Approved by,



Thomas Kabloona
Nunavut Water Board
Chair