



Fwd: 8BC-AEA Amaruq Axploration Access Road

Karén Kharatyan <karen.kharatyan@nwb-oen.ca>
To: Robin Ikkutisluk <robin.ikkutisluk@nwb-oen.ca>

Wed, Nov 18, 2015 at 10:11 AM

On Fri, May 22, 2015 at 1:55 PM, David Abernethy <David.Abernethy@aandc-aadnc.gc.ca> wrote:

Hi Karén and David,

I don't want to make either you or board members uncomfortable with respect to the allocation of reclamation security for this licence application.

I hope that the current challenges of assigning reclamation security under type A water licences will lead to policy directions / agreements that can be applied to type B water licences. As a group, we will need to figure out how to properly secure resource development undertakings through water licences and land lease authorizations.

The department is concerned about the risks of having unsecured exploration (regular and advanced) projects. However, like you, I think that it will be difficult to address this issue until we can resolve the larger projects.

Thanks for reaching out to me on this matter. This is a start to addressing liabilities associated with the closure of resource development undertakings.

I hope you have a good weekend.

Regards,
David

>>> Karén Kharatyan<karen.kharatyan@nwb-oen.ca> 5/22/2015 3:29 PM >>>

Hi David,

Thank you for your quick response.

Some type "B" Licensees provide the reclamation cost estimate (North Country Gold, Sabina, Peregrine Diamonds etc) without being requested by water licence to have a financial security furnished.

I agree with you that discussions are needed regarding potential security requirements under major Type "B" licenses. However, we see that this issue is not easily resolved even for Type "A" projects... I agree that the issue might be resolved more easily once a common ground is found between AANDC and RIO.

From my understanding the NWNSRTA doesn't really provide the mechanisms or cases on how and when the Board may require to furnish a security. So I don't really know any other mechanisms to require a security under water licenses if it is not with the renewal or amendment of licenses.

Dave, maybe you could provide more complete answers to David regarding the mechanisms that can be used for imposing a security requirement?

Regards,



Karén Kharatyan, Ph. D- бн-а бн-а

Technical Advisor- Conseiller Technique

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On Fri, May 22, 2015 at 12:10 PM, David Abernethy <David.Abernethy@aandc-aadnc.gc.ca> wrote:

Hi Karen,

I am fine. Thanks for asking. Keeping busy on several fronts but I think this is normal for most people. I'm glad its Friday afternoon.

The department has discussed the need for reclamation security for certain licence activities because of the costs that would be required to reclaim sites if companies can't fulfill their closure plans. However, I realize that setting water licence security is complicated. It is difficult to comment on submitted cost estimates (short review period and outside assistance is usually needed) and it is well known that regional Inuit associations can request security under land leases.

I think it would be unfair for Agnico Eagle to provide security under this licence until these issues are resolved. I am also reviewing North Country Gold Corp's type B water licence amendment application (2BE-CRA) and note that the most recent renewal application included a reclamation cost estimate. I believe the licence doesn't require reclamation security. Furthermore, as you state, reclamation security is not required under the Meliadine All-Weather Road licence, No. 2BW-MEL. So, it is not uncommon for large undertakings to not have licensed security requirements (or undervalued security requirements, e.g., Boston).

I understand that the department (AANDC) will likely seek reclamation security from Agnico Eagle for this activity under a Crown Land Lease(s). This is likely sufficient for the time being.

Do you know what mechanisms can be used to require water licence reclamation security from licensees apart from amendment and renewal applications? I think several type B licensed undertakings will need to be re-assessed with respect to this issue once the department and regional Inuit associations find common ground on how to apply reclamation security to licences and leases.

I'd be happy to set-up a teleconference call to discuss this matter further.

Regards,
David

David Abernethy

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>>> Karén Kharatyan<karen.kharatyan@nwb-oen.ca> 5/22/2015 12:53 PM >>>

Hi David,

Howe are you?

I have a quick question regarding comments that you provided with respect to Agnico-Eagle's licence application for the Amaruq Road construction.

In the Issue No. 1 (Licence Term) you it was stated that *provided that there will be opportunities to revisit reclamation cost estimates and water licence reclamation security requirements throughout the*

licence term, it is reasonable to issue a 10 year water licence for the construction...

Are you recommending to include a reclamation security requirement as a licence term? Although a reclamation cost estimate has been provided within the conceptual closure and reclamation plan, however, I am not sure that the Board's intention was to include a security requirement as a licence term.

No security requirement was for example included within the 2BW-MEL licence for Meliadine All Weather Road.

Regards,



Karén Kharatyan, Ph. D- բնա բԳՌՆՀ

Technical Advisor- Conseiller Technique

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