

NUNAVUT PLANNING COMMISSION
PUBLIC HEARING ON THE 2016 DRAFT NUNAVUT LAND USE PLAN

Agnico Eagle Mines Limited

PRE-HEARING WRITTEN SUBMISSIONS

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Agnico Eagle Mines Limited
Submission for the Public Hearing on the 2016 Draft Nunavut Land Use
Plan

1/13/2017

1 Background and Objectives

Agnico Eagle is a senior Canadian gold mining company with eight mines located in Canada (Nunavut & Quebec), Finland and Mexico and employing more than 7,500 people worldwide. The Company is listed on the Toronto and New York Stock Exchanges (AEM) and has been producing precious metals since 1957. The Company has identified Nunavut as a strategic platform with considerable long-term investment potential with one operating mine (Meadowbank), one advanced gold development project (Meliadine) and one new gold discovery (Amaruq) – all located in the Kivalliq region. We currently employ 1,200 people at our Meadowbank and Meliadine properties – including more than 400 Inuit Beneficiaries.

Agnico Eagle has built considerable trust with the Inuit people of Nunavut and these projects have the potential to transform the future of Nunavut for generations to come with multi-decades of benefits in terms of continuous employment and financial benefits for the communities and governments.

Agnico Eagle remains committed to the common goal of contributing to the development of a land use plan that will fully achieve the objectives spelled out in Article 11 of the NLCA, taking into account the realities of our industry's small footprint. Agnico Eagle has been actively monitoring and engaged in the advancement of the Draft Nunavut Land Use Plan for the past 5 years.

2 General Comments and Recommendations

The revised 2016 DNLUP added substantial changes around protection of caribou habitat. More specifically, areas previously designated Special Management Areas in the 2014 draft were changed to Protected Areas. Post-calving areas have now been added as a “**prohibited use**” instead of being recognized as “**Special Management Areas**”. Both the Government of Nunavut and Nunavut Tunngavik Incorporated (NTI) were against establishing prohibited uses in the calving, post calving and caribou crossings areas.

Blocking exploration and mining when there is no scientific link to the decline of caribou would unnecessarily compromise the development of other opportunities for Nunavut and Nunavummiut, while not necessarily contributing to better caribou population protection. As a result, these proposed changes to the DNLUP could have a significant and long-term adverse impact on the future economic development of Nunavut.

Agnico Eagle agrees with the Government of Nunavut's position that, with effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou calving ground, post-calving grounds and access corridors. No definitive and scientific link has been established between the current decline in caribou populations across the North and exploration or mining. It's our view that many of these zones lack the scientific and traditional

knowledge evidence to make them Protected area and should be designated as Special Management areas.

We strongly recommend that the 2016 DNLUP not be advanced as currently constructed, and that a land use plan be developed that adequately balances economic, environmental and social priorities of Nunavummiut, as outlined in the Nunavut Land Claim Agreement (NLCA), Article 11.2.1.

3 Specific Comments and Recommendations

Observations on issues where the submission includes more detailed comments, analysis and specific recommended changes to the DNLUP, organized as follows:

3.1 [Issue #1 – Caribou Habitat]

3.1.1 Reference in DNLUP

Section 2.2.1, p.21

3.1.2 Comment

The 2016 DNLUP appears to discount the fact that protective measures on core calving area (actual Keewatin Land Use Plan) are already outlined and enforced in the regulatory system through various terrestrial monitoring and management plans for mining and exploration activities. It also does not acknowledge industry's demonstrated commitment to adopt leading practices related to impact mitigation. In our view, the changes in land use designations in comparison to the actual land use plan have not struck a balance between the goals of economic development potential and ecological conservation. The proposed plan, in its current form, does not recognize our industry's demonstrated leadership applying technological solutions toward limiting environmental impacts on wildlife, etc.

The 2016 DNLUP added substantial changes around protection of caribou habitat. Post-calving areas have now been added as a "**prohibited use**" instead of being recognized as "**Special Management Areas**". The impact to Agnico Eagle's development plans could potentially prevent future development on new claims west of Meliadine (Fox, Parker Lake and Peter Lake) and south of Meadowbank (White Hills) beyond the exploration stage.

3.1.3 Recommendations

2016 DNLUP, Section 2.2.1.1, p.27, sentence 2 be changed to "With effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou calving areas."

2016 DNLUP, Section 2.2.1.2, p.27, sentence 2 be changed to "With effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou access corridors."

2016 DNLUP, Section 2.2.1.3, p.27, add the sentence "However, with effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou post-calving areas."

3.1.4 Rationale

Agnico Eagle recognizes that mining projects in Nunavut may interact with caribou. Agnico Eagle has a track record of managing our interaction with migrating caribou. We reduce or halt operations that could disturb caribou migration when large numbers of animals are passing. For example we curtail traffic on the

Meadowbank road until the herds pass. In 2012, AEM signed a Caribou and Muskox Protection Agreement with the Inuit (KIA) that sets out our commitment to manage our interaction around caribou in this manner. Thus we have a track record with Inuit of working with them to balance protection of caribou with our activities. These protective measures and commitments are spelled out in our Terrestrial Monitoring and Management Plans for our activities at Amaruq, Meadowbank and Meliadine. These Plans have been made public and have been provided to the Nunavut Impact review Board, the GN and with the Kivalliq Inuit Association.

Agnico Eagle agrees with the Government of Nunavut's position that, with effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou calving ground, post-calving grounds and access corridors. No definitive and scientific link has been established between the current decline in caribou populations across the North and exploration or mining. It's our view that many of these zones lack the scientific and traditional knowledge evidence to make them Protected areas and should be designated as Special Management areas.

Agnico Eagle is involved with its partners in studying and monitoring the effects of exploration and mining activities on caribou (collaborating with GN on caribou collaring) and we continually adapt new information and new approaches to monitoring and reducing these effects and have shared this information with land use planning partners.

3.2 [Issue #2- Grandfathering of existing rights - minerals]

3.2.1 Reference in DNLUP

Section 6.5.1, p.52

3.2.2 Comment

Agnico Eagle's Meliadine advanced exploration gold project is the Company's second major project in Nunavut. The Meliadine land package consists of 111,757 hectares on Inuit-owned land as well as Crown land. In 2015, the Company staked new claims totaling 68,012 hectares, both on Inuit-owned land as well as Crown land on properties to the west-northwest of the Meliadine project and has expended significant resources exploring on these properties. As an example, Meadowbank mine operation represented only 750 hectare.

However, if the proposed 2016 DNLUP is approved, it could potentially prevent future development of these new claims beyond the exploration stage. NPC can consider a significant modification and could require a Conformity determination and, under the proposed 2016 DNLUP, advanced exploration or mining will no longer meet conformity. Agnico Eagle believes that existing rights must be grandfathered for existing and future activities. This approach is in agreement with Indigenous and Northern Affairs Canada (INAC), that the grandfathering of existing rights (conformity under the actual Keewatin land Use Plan) on all stages of mineral exploration and development without exceptions should be included in the revised Nunavut Land Use Plan.

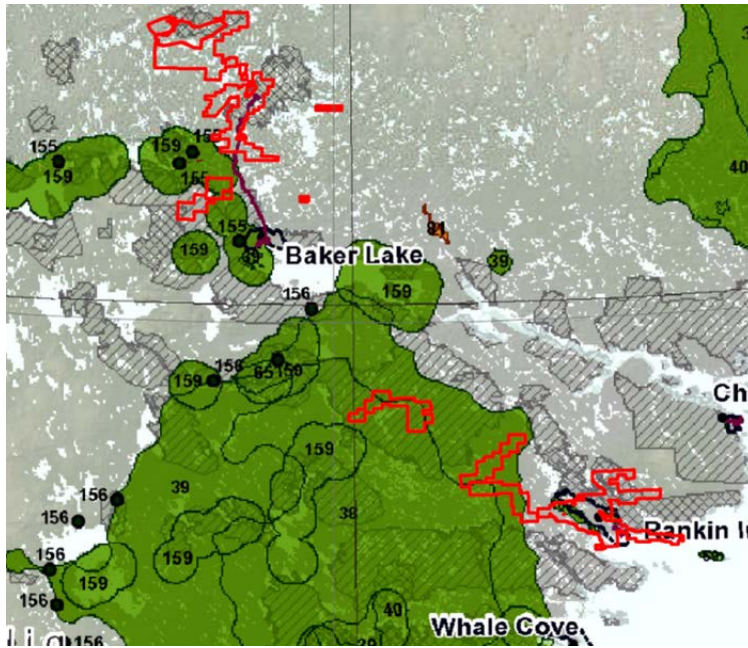


Figure 1: Proposed Protect Areas (green) and Agnico Eagle's claims areas in red.

3.2.3 Recommendation(s)

The grandfathering of existing rights on all stages of mineral exploration and development without exceptions should be included in the DNLUP.

3.2.4

Rationale

If the proposed 2016 DNLUP is approved, it could potentially prevent future development of existing claims beyond the exploration stage. The NPC can consider a significant modification and could require a conformity determination and, under the proposed 2016 DNLUP, advanced exploration or mining will no longer meet conformity. This would have the effect of removing the rights of current developers with no offset, in essence expropriating existing right holders. This would have a significant negative impact on the reputation of Nunavut as a place seeking future investment by mineral developers.

3.3 [Issue #3 – Alternatives energy sources]

3.3.1 Reference in DNLUP

Section 4.3, p.38

3.3.2 Comment

Agnico Eagle is working with the Government of Nunavut and other stakeholders on the feasibility of developing run-of-river hydropower in the Kivalliq region on the Thelon and Kazan River. Under the proposed 2016 DNLUP, the protected area in the Kivalliq region will prevent future development of any alternative energy projects on the Thelon and Kazan River watersheds.

3.3.3 Recommendations

Agnico Eagle recommends that infrastructure development run-of-river hydropower of the Aleksektok Rapids on the Thelon River and the Kazan Falls on the Kazan River should be allowed under special Management.

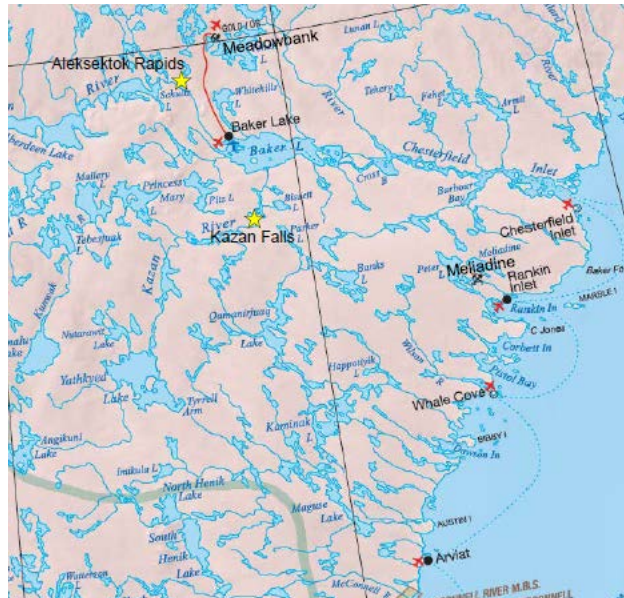


Figure 2: Proposed run-of-river hydropower of the Aleksektok Rapids on the Thelon River and the Kazan Falls on the Kazan River

3.3.4 Rationale

Alternative energy sources are a critical need for Nunavut for developing projects throughout Nunavut at remote locations and to reduce the cost of energy in the Kivalliq communities. Potential development of alternative energy resources in Nunavut is an important component in Nunavut being able to reduce its current reliance on diesel fuel to supply electricity to all Nunavummiut and for enabling Nunavummiut to do their part for reducing global carbon dioxide emissions to help reverse global climate change. The DNLUP should not block development of alternative energy resources but should enable such initiatives under special management conditions. Nunavut must be able to do its part in addressing climate change by allowing it to address its own reliance on carbon based fuels.

3.4 [Issue #3 – Linear Infrastructures corridors]

3.4.1 Reference in DNLUP

Section 5.5.1.2, p.44

3.4.2 Comment

Agnico Eagle is working with the Government of Nunavut and other stakeholders on the feasibility of developing a road and a transmission line between Manitoba and Baker Lake. Under the proposed 2016 DNLUP, the protected area in the Kivalliq region will prevent future development of any linear infrastructures corridor from Manitoba in the Kivalliq region.

3.4.3 Recommendations

Agnico Eagle recommends that infrastructure development of linear infrastructure should be allowed under special Management.

3.4.4 Rationale

Linear infrastructure is a critical need for Nunavut for developing projects throughout Nunavut at remote locations and to reduce the cost of food and supply in the Kivalliq communities.

4 Editorial Recommendations and Considerations

Page #	Description, Recommendation and Rationale
P. 12	<p>Definitions – “Transportation Infrastructure” is not currently defined.</p> <p>Recommendation – It should be defined broadly within the plan to include seasonal and all weather roads, ports, airstrips, railways, and any other facilities designed to support the movement of persons or goods.</p> <p>Rationale for change – Transportation Infrastructure is a critical need of industry in developing projects throughout Nunavut at remote locations. AEM and the Nunavut Chamber of Mines recommend that the plan clearly states that winter roads and power transmission lines are permitted within corridors that cross through protected areas.</p>
P. 22	<p>Section 2.2.1.1.</p> <p>Recommendation - sentence 2 be changed to “With effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou calving areas.”</p>
P. 22	<p>Section 2.2.1.2.</p> <p>Recommendation - sentence 2 be changed to “With effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou access corridors.”</p>
P. 22	<p>Section 2.2.1.3.</p> <p>Recommendation - add the sentence “However, with effective mitigation measures and monitoring programs, mineral exploration and development activities can co-exist with sustainable development in caribou post-calving areas.”</p>
P. 52	<p>Section 6.5.1</p> <p>Recommendation – Remove the sentence “However, the transition from one stage of Mineral Exploration and Development to another may require a new Conformity Determination”.</p>