

August 27, 2010

BY ELECTRONIC MAIL - sehaloak@nunavut.ca

Ms. Sharon Ehaloak
Executive Director
Nunavut Planning Commission
P.O. Box 2101
Cambridge Bay,
Nunavut, Canada
X0B 0C0

Dear Ms. Ehaloak:

Re: Input on the Draft Nunavut Land Use Plan Issued in June 2010 for Comment

Agnico Eagle Mines Limited (AEM) has been working with our colleagues within the mining industry to coordinate our review of the Draft Nunavut Land Use Plan that was issued by the Nunavut Planning Commission (NPC) in June of this year (June 22, 2010). Our combined comments have been brought together in a submission that you will be receiving today from the Prospectors and Developers Association of Canada (PDAC). We have participated in the development of these review comments and thus want the NPC to know that AEM fully endorses and supports the PDAC submission.

AEM believes that through our industry associations such as the Mining Association of Canada (MAC), the N.W.T & Nunavut Chamber of Mines and the PDAC, the mineral industry sector can make an important contribution to the development of legislation and policies that will ensure a robust mining industry in Canada based on the principles of sustainable development. The mission statements for these associations affirm the industry's commitment to promoting the highest technical, environmental, social and safety standards. AEM fully

endorses the mission statements of these industry associations and is committed to taking consistent action at all of its operations world-wide to honour the standards and commitment's established by these industry organizations.

I have extracted the following key points from the PDAC submission that emphasize our Company's specific concerns with the current draft Land Use Plan (the Plan), specifically:

- **Draft Land Use Plan – Conformity with the NLCA**

In our view the present draft Plan lacks a number of the key elements contemplated by section 11.3.1 of the Nunavut Land Claim Agreement (NLCA). That provision of the agreement states that a land use plan "...shall be a document containing text, schedules, figures and maps for the establishment of objectives and guidelines for short-term and long-term development". Section 11.3.1 then goes on to list nine of the various factors that the plan should take into account. In our opinion the current draft Plan does not fulfill the underlying intent and function of a land use plan, whether as set out in the NLCA or otherwise established. By way of explanation, we understand that a fully developed land use plan would generally include:

- broad guidelines for land access, land use and the management of renewable resources, notably important species of wildlife;
- maps that define the areas that are designated for, or limited to, specific uses (or "zones");
- a synopsis of permitted or prohibited land uses within each zone;
- a procedure explaining how a request for "minor variance" would be evaluated and either granted or denied, as contemplated, for example, by Section 11.5.10 of the NLCA;
- an indication of the extent to which more detailed planning or zoning that could affect future access or use is either underway or intended; and
- an explanation of the role that the land use plan plays in the overall regulatory regime that applies to the exploration and development of non-renewable resources.

We believe an effective and workable land use plan is one that allows an applicant, before submitting a proposal, to perform a self-assessment. The goal of doing so is to determine, with a reasonable degree of certainty, whether the proposal in question is likely to conform to the

developed version of the document be circulated for comment as soon as possible.

- **Broad Planning Policies, Objectives and Goals Under Section 11.4.1**

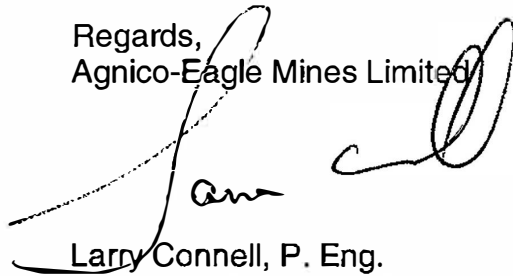
On November 10, 2007 the Commission approved the “broad planning policies, objectives and goals” for the Nunavut Settlement Area that section 11.4.1 of the NLCA establishes as one of the Commission’s three “major responsibilities”. In the November 10, 2007 document, the Commission stated that these policies, objectives and goals will “...inform the development of a Nunavut Land Use Plan and its regional or sub-regional components.” However, in our view it is not clear that the current draft plan fulfills this promise in its entirety: specifically we see the Plan lacking certainty in the fulfilling the promises in the following areas;

- Objective F, Goal 5 - It is an objective of the Nunavut Planning Commission that Land use Planning ensures that the goals of any proposed restrictions on land use are achieved with the least possible impact on undiscovered mineral resources, while taking into account environmental and social objectives.
- Policy F.1, Goal 5 - It is a policy of the Nunavut Planning Commission that Land Use Planning will, before any restriction on land use is created, review and assess the available data and research, broad planning goals and objectives, legislation, policies, priorities and values of residents and other planning partners, and programs relating to conservation, land use planning, wildlife management and parks to determine whether the restriction is warranted.
- Policy F.2, Goal 5 - It is a policy of the Nunavut Planning Commission that Land Use Planning provides clear direction and guidance regarding the conservation, development and use of land to provide certainty to land users, encourage investment, minimize risk and costs, and streamline the regulatory process to ensure Nunavut resources can compete in a global market place.

In our view, the objectives and policies cited above reflect a sound approach to land use planning and are consistent with the overarching goals set out in Articles 11 and 12 of the NLCA. We therefore recommend that, along with the other elements of the November 10, 2007 document,

AEM is eager to support the continued development and implementation of a land use plan for Nunavut. We believe that, together with Nunavummiut and other residents of the territory, we share the common goal of implementing a land use plan that will fully deliver on the vision for Nunavut established under the NLCA. In the interim, thank you for the opportunity to make this submission. We would be glad to respond to any questions or provide any further information.

Regards,
Agnico-Eagle Mines Limited

A handwritten signature in black ink, appearing to read 'Larry Connell', is written over the printed name.

Larry Connell, P. Eng.
Corporate Director of Sustainable Development

cc:

Mr. Tony Andrews,
Executive Director
Prospectors and Developer's Association of Canada

Mr. John Kearney, President
Northwest Territories & Nunavut Chamber of Mines
Yellowknife

Mr. Rick Meyers, Vice President Diamond Affairs
The Mining Association of Canada
Ottawa