
December 18, 2017

Nunavut Planning Commission
P.O. Box 1797
Iqaluit, Nunavut X0A 0H0

RE: Notification of Self Assessment - Agnico Eagle Mines Meadowbank Non-Significant Modification – In-Pit Tailings Disposal

Dear Sharon Ehaloak and Peter Scholz,

Agnico-Eagle Mines Limited (Agnico Eagle) currently operates the Meadowbank Mine under Project Certificate No. 4, and production is underway. The Meadowbank Mine was the subject of positive Nunavut Planning Commission (NPC) conformity determinations in 2003 and 2005, as well as several subsequent reviews by NPC indicating that a new conformity determination was not needed in connection with certain follow-up applications.

Agnico Eagle is proposing to make a modification to the Meadowbank Mine within the existing Meadowbank Mine footprint, to place tailings within existing areas of disturbance (pits) at the mine site. This change will result in no change to mine site footprint or intensification of mining activity. As outlined below, Agnico Eagle has completed a self-assessment pursuant to recent guidance from the Nunavut Impact Review Board (NIRB) and concluded that the planned change is not a "significant modification" under the *Nunavut Planning and Project Assessment Act* (NuPPAA). This letter is to notify the NPC of the proposed In-pit Tailings Disposal modification, and of Agnico Eagle's self-assessment that this change is not a significant modification.

Summary of Proposed Modification

Agnico Eagle currently places all tailings at the Meadowbank Mine in the Meadowbank Tailings Storage Facility (within the former Second Portage Lake northwest dewatered arm), where tailings have been deposited sub-aerially as slurry and water from the ponds reclaimed during operation. Since mining began, Agnico Eagle has continued to evaluate alternative options for tailings deposition, in order to ensure that best practices are followed and to ensure appropriate long term planning to optimize the site footprint. In 2016, the Meadowbank Dike Review Board (the "MDRB"), an Independent Geotechnical Expert Review Panel established in accordance with Type A Water Licence No: 2AM-MEA1525, supported the use of early in-pit tailings disposal as an appropriate alternative in addition to current practices at Meadowbank Mine. Specifically, in-pit disposal of tailings has advantages with respect to health and safety, quality of life, water, air, capital cost, technology, natural hazards and adaptability. The MDRB accepted that in-pit disposal would be recognized as the best available technology. As a result,

Agnico Eagle is now proposing to dispose of tailings in three pits, Portage Pit A, Portage Pit E, and Goose Pit, all within the footprint of the assessed and approved Meadowbank Mine.

The In-pit tailings disposal in the Portage and Goose pits will not increase the project footprint, and will occur entirely within existing pits that have already been impacted by ore extraction. The location of the Portage and Goose pits within the mine site is shown on Figure 1 below.

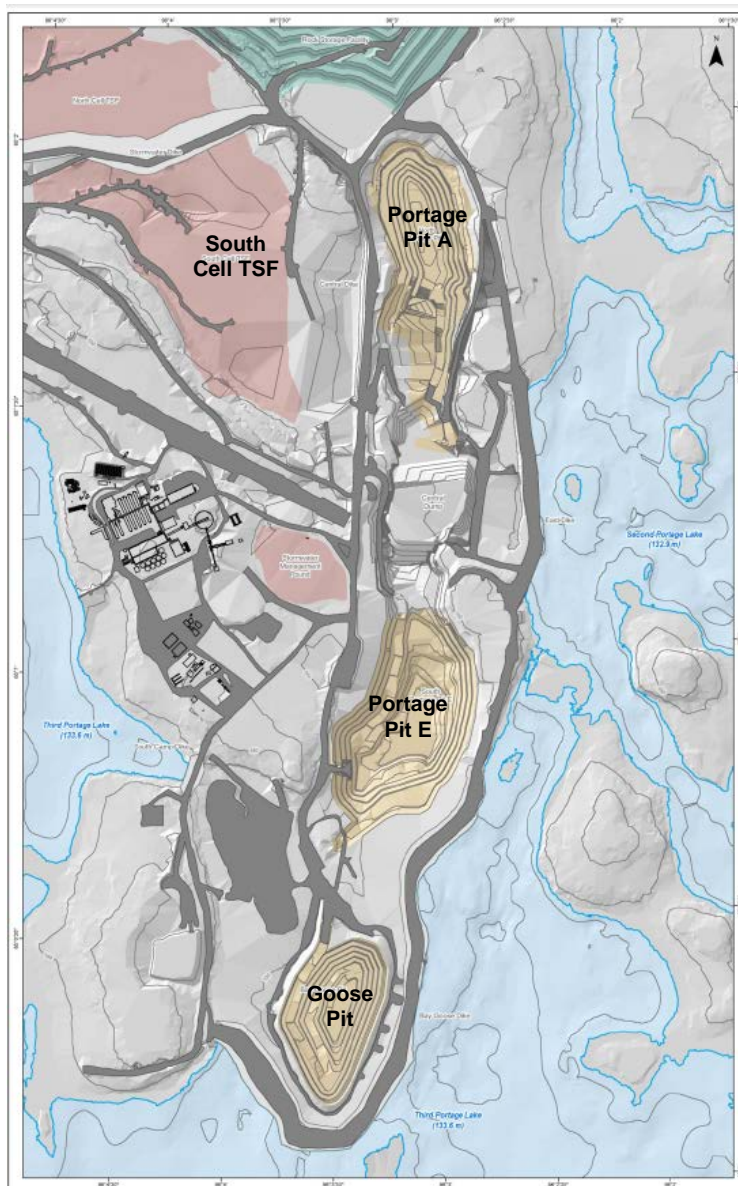


Figure 1: Meadowbank Site Layout with In Pit disposal

This method of tailings disposal will require the continued use of various existing project components, including the following:

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- pits and dikes to segregate operations from Third Portage Lake and Second Portage Lake;
 - the reclaim water barge;
 - the tailings deposition barge;
 - the reclaim water treatment plant; and
 - tailings thickener (this is under evaluation).

The modification will also require an extension of the slurry and reclaim water piping.

Agnico Eagle confirms that based on its engagements to date, its understanding is that this modification can proceed in accordance with existing approvals. Agnico Eagle has not identified any amendments to Project Certificate No. 4 or Type A Water Licence No. 2AM-MEA1525 in order to proceed with the In-pit Tailings Disposal modification. Before proceeding, the In-pit Tailings Disposal modification will require a formal Modification notification to the Nunavut Water Board pursuant to the conditions of the water licence. The current planned timeline for commencing the in-pit deposition of tailings is April 2018. Agnico Eagle is committed to proceed with this activity in full compliance with its regulatory obligations and with the obligations and guidance set out in the Keewatin Regional Land Use Plan.

Modification Significance Analysis under NuPPAA

The following significance analysis follows the guidance outlined in the NIRB's correspondence to TMAC Resources Inc. dated December 12, 2017, and to Baffinland Iron Mines Corporation dated November 14, 2017, in which NIRB sets out its recommended process for proponents wishing to propose a modification to a previously approved project. In accordance with NIRB's recommended process we have considered the proposed scope of activities and the significance of impacts in accordance with s. 90 of NuPPAA, using the self-assessment step outlined by the NIRB. Under NuPPAA, a modification to an existing, previously assessed and approved project is not subject to the requirement for a conformity determination by NPC and an assessment by NIRB if it is not a "significant modification."

Section 90 of NuPPAA states, in determining the significance of potential impacts, the NIRB must take into account the following factors:

- (a) the size of the geographic area, including the size of wildlife habitats, likely to be affected by the impacts;
 - (b) the ecosystemic sensitivity of that area;
 - (c) the historical, cultural and archaeological significance of that area;
 - (d) the size of the human and the animal populations likely to be affected by the impacts;
 - (e) the nature, magnitude and complexity of the impacts;
 - (f) the probability of the impacts occurring;
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- (g) the frequency and duration of the impacts;
 - (h) the reversibility or irreversibility of the impacts;
 - (i) the cumulative impacts that could result from the impacts of the project combined with those of any other project that has been carried out, is being carried out or is likely to be carried out; and
 - (j) any other factor that the Board considers relevant to the assessment of the significance of impacts.

Agnico Eagle has considered each of the s. 90 factors and has concluded it not a significant modification, in the context of the In-pit Tailings Disposal modification:

- (a) the entire geographic area to be used for the In-pit Tailings Disposal modification is within pits that have previously been impacted by ore extraction, therefore the modification results in no additional impacted geographic area;
- (b) by re-purposing the existing area of disturbance (pit areas), the modification does not cause impacts to an ecosystemically sensitive area;
- (c) by re-purposing the pit areas, the modification will result in a negligible change in impacts to an area of historical, cultural or archaeological significance;
- (d) the modification is not expected to result in changes to impacts on human and animal populations;
- (e) by re-purposing the pit areas, this modification will result in a negligible change to the Meadowbank Mine environmental impacts, including the nature, magnitude and complexity of the impacts;
- (f) there will be negligible change to the probability of impacts occurring;
- (g) there will be negligible change to the frequency and low to negligible change in duration of the impacts;
- (h) there will be negligible change to the reversibility or irreversibility of the impacts; and
- (i) there will be negligible change to the cumulative impacts.

Agnico Eagle requests that NPC inform them if additional information or rationale is required in respect of any of the s. 90 factors listed above.

Furthermore, the pits are within an area that (i) was reviewed by the NIRB as part of the Meadowbank environmental review, (ii) was included as an impact in the terrestrial environment impact assessment, (iii) was included in the freshwater environment impact assessment, and (iv) is within the scope of the original tailings storage facility (Cumberland 2007, included seven potential tailings storage sites which included “option A” sub-aqueous slurry deposition in Second Portage Arm and North Portage Pit¹).

¹ Cumberland. 2007. Meadowbank Gold Project Integrated Report on Evaluation of Tailings Management Alternatives. February 2, 2007. Section 3.1 Summary of Potential Tailing Storage Options.

In conclusion, Agnico Eagle's self assessment is that the proposed In-Pit Tailings Disposal modification is not a "significant modification" under NuPPAA, in particular when taking into account the "s. 90 factors". The modification is located within the area of impact previously assessed, with no additional historical, cultural and archaeological significance. Agnico Eagle considers the nature, magnitude, complexity, probability, frequency, reversibility and cumulative impacts are unaffected as outlined in Cumberland (2005)², which previously conformed with the applicable land use plan as determined by NPC and was reviewed by the NIRB.

If you require any further information please contact the undersigned via email or telephone.

Regards,



Jamie Quesnel

Jamie.Quesnel@agnicoeagle.com

819.856.0821

Environmental Superintendent – Nunavut

copy to: Nunavut Impact Review Board
 Nunavut Water Board

² Cumberland Resources (2005) Meadowbank Gold Mine Project : Final Environmental Impact Statement (FEIS).