AGNICO EAGLE

August 06, 2026

Nunavut Water Board
Ali Shaikh
PO Box 119
Gjoa Haven, NU X0B 1J0

Re: 2AM-DOH1335 Water Licence Amendment - Commitment WLA-15: Tailings Closure Statement Update

Dear Mr. Shaikh,

As per the Hope Bay Mine Water Licence Amendment 2AM-DOH1335 Technical Meeting and Pre-hearing Conference held July 16-17, 2026 Agnico Eagle committed to the following (commitment No. WLA-15) to address CIRNAC-TRC-14a, and CIRNAC-TRC-23a,c:

- Agnico Eagle will add a statement for inclusion to the Interim Closure and Reclamation Plan of the conceptual closure concept of the dry-stack facility.

In response to Commitment WLA-15, Agnico Eagle has included edits in **bold blue font** to be incorporated within Section 4.5.3 of the Interim Closure and Reclamation Plan (ICRP). All text provided in black text is extracted from the ICRP v8 (January 2026), as submitted with the Application.

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4.5 Permanent Closure and Reclamation Requirements

4.5.3 Tailings Impoundment Area

The specific closure objectives for the TIA can be summarized as follows:

- Ensure long-term physical and geotechnical stability of tailings surface and associated retaining structures; and
- Ensure chemical stability by minimizing release of neutral metal leaching to the receiving environment.

A closure stability analysis was completed based on the current understanding of foundation conditions across the TIA, which have been characterized through geotechnical drilling, thermal monitoring, and other field investigations (SRK 2025) **and summarized as follows:**

- **North Section of TIA**: Up to 10 m of slurry tailings overlie 10 m of lakebed sediments, underlain by 3 m of gravelly till atop basalt bedrock. Permafrost is present above the historic shoreline, while sediments within the lakebed are unfrozen due to a closed talik. Freezeback of tailings is expected over time following deposition.

- **South Section of TIA**: Contains 3–4 m of slurry tailings over 5.5 m of marine silt transitioning to silt and clay, underlain by 4–5 m of gravelly till on basalt bedrock. Ice-rich conditions with visible ice lenses are present. Permafrost and freezeback conditions are similar to the northern area.

It was demonstrated through stability and creep analyses (SRK 2017h) that the South and West dams will remain stable after closure. The north Dam will be breached, and therefore will not perform any long-term post-closure function.

Water quality in TIA will continue to be monitored after completion of the mining and milling activities. Constituents of concern in the Reclaim Pond originate mainly from the process water. Once active milling operations are concluded, the tailings pore water contribution to the Reclaim Pond is less of a concern with respect to meeting discharge water quality criteria.

As a first step in the reclamation of this facility all of the remaining inventory of water will be discharged to the ocean through the Roberts Bay Discharge System, at the rate as specified in the Water Licence. The small residual pond area will then be backfilled to prevent ongoing impoundment of water.

Once water quality sampling confirms the established closure criteria to be met, the North Dam will be breached and the natural flow path re-established. The breach will be 20 m wide, cut to the original ground elevation (of 28.3 masl) with 4H:1V side slope. The cut slopes will be covered with ROQ material to ensure physical and thermal stability. The cut in the dam will be clad in rip-rap for erosion protection. Tail Lake outflow will be re-established along the base of the cut and suitable bedding material will be put in place to ensure channel stability.

All instrumentation will be removed and salvaged or disposed of, as appropriate. The thermosyphon radiators will be dismantled, and the support superstructure cut at ground level and removed. The buried evaporator pipes of the thermosyphons and the sub-surface sections of the ad-freeze piles will be left in place.

The conceptual closure cover designs for the TIA are presented in the following sections and are dependent on the selected tailings deposition scenario:

- **Slurry Tailings only**
- **Transitioning from Slurry Tailings to Filtered Tailings**

4.5.3.1 Slurry Tailings Only

If the current slurry deposition method is maintained through life of mine, the slurry tailings surface will be graded to promote free drainage. Exposed tailings remain susceptible to hydraulic erosion, which could mobilize tailings toward the reclaim pond and increase total suspended solids (TSS) concentrations. To mitigate wind and water erosion, a 0.3 m thick cover of ROQ material will be placed across the entire tailings surface. The cover will also serve as a physical separation layer, preventing direct contact between tailings and humans or wildlife.

Portions of the tailings surface may remain non-trafficable for several years following deposition, requiring winter construction over frozen tailings to facilitate cover placement.

Thermal modelling indicates that the majority of the tailings mass will refreeze over the long term and remain frozen for the foreseeable future (SRK 2017h). However, consolidation within the approximately 2 m active layer and the potential development of ice lenses may result in differential settlement of the tailings surface and cover system. Such settlement is not expected to compromise cover performance, as localized ponding would not diminish its ability to control wind and water erosion.

4.5.3.2 Transitioning from Slurry Tailings to Filtered Tailing

If filtered tailings technology is to be implemented as part of the Mine Plan, tailings deposition will follow a phased approach. Initially, slurry tailings will be deposited within the permitted TIA until the containment capacity is reached. Filtered tailings will then be placed on a prepared foundation of slurry tailings and overburden. A 1–2 m thick rock fill trafficability and drainage layer will be placed progressively in winter following deposition at each spigot. This approach encapsulates frozen tailings and promotes the aggradation of frozen ground.

Filtered tailings will be placed in compacted lifts of 0.3–0.5 m to minimize thermal disturbance and porewater pressure. The final filtered tailings stack will reach a maximum height of 15 m and tie into the surrounding terrain to form a broad, flat landform. This design minimizes the need for permanent surface water diversion infrastructure and allows runoff to flow into the Reclaim Pond via engineered channels.

In the southern section, filtered tailings will be placed upstream of the South Dam, which is constructed on frozen ground using ROQ material and includes a Geosynthetic Clay Liner (GCL) for water retention. The South Dam will form the toe of the final landform.

The current conceptual closure design assumes placement of a 0.3 m thick run-of-quarry (ROQ) cover over the tailings surface to control erosion, limit the potential for tailings transport to the Reclaim Pond, and reduce human and wildlife contact. Based on the closure water quality assessment completed to date, an infiltration-reduction cover is not currently considered required to achieve the closure objectives for the TIA. However, closure planning will continue to be refined as additional monitoring data, performance assessments, and closure studies become available. As part of this process, alternative cover systems will be evaluated, including low-permeability cover options such as geomembrane-based covers, to confirm the most appropriate long-term closure strategy. These alternatives represent potential contingency measures and are considered conservative scenarios at this stage of project development.