

Response to Crown-Indigenous Relations and Northern Affairs Canada's August 18, 2023 Technical Memorandum Review of the Licence Updated Security Review Estimate for the Hope Bay Project, Type A Water Licence No. 2AM-DOH1335

Hope Bay Doris-Madrid Project Updated Closure Security Estimate - Current and LOM Capital Cost Estimates (CAPEX)

Prepared for:

Agnico Eagle Mines Limited and the Kitikmeot Inuit Association

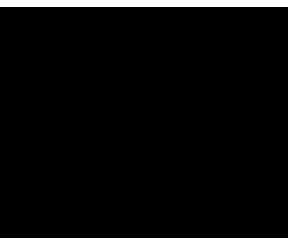
Prepared by:

Nunami Stantec Limited



September 11, 2023

Project No.: 169523533



Response to Crown-Indigenous Relations and Northern Affairs Canada's August 18, 2023 Technical Memorandum Review of the Licence Updated Security Review Estimate for the Hope Bay Project, Type A Water Licence No. 2AM-DOH1335

September 11, 2023

Robert Hunter
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut
XOB 1JO

Sent by E-mail: robert.hunter@nwb-oen.ca

2023-08-31

Re: Response to Crown-Indigenous Relations and Northern Affairs Canada's August 18, 2023 Technical Memorandum Review of the Licence Updated Security Review Estimate for the Hope Bay Project, Type A Water Licence No. 2AM-DOH1335

Dear Robert Hunter,

Agnico Eagle Mines Limited (Agnico Eagle) and the Kitikmeot Inuit Association (KIA) jointly appointed Nunami Stantec as their Reclamation Security Expert under the terms of their Framework Agreement, and worked closely with Nunami Stantec to develop the April 30, 2023 and revised July 2023 updated Doris-Madrid Closure Security Estimate, in compliance with Part J, Item 6 of the 2AM-DOH1335 Water License. Nunami Stantec, on behalf of Agnico Eagle and the KIA, are providing a response to the August 18, 2023 Technical Review Memorandum issued to the Nunavut Water Board (NWB) and sent to Agnico Eagle for response, titled *Crown-Indigenous Relations and Northern Affairs Canada's Review of the Licence Updated Security Review Estimate for the Hope Bay Project, Type A Water Licence No. 2AM-DOH1335* (the Technical Memorandum).

The Technical Memorandum notes that Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) engaged their consultant Arcadis to conduct a review of the updated Doris-Madrid Closure Security Estimate and supporting Basis of Estimate documents that were submitted to the Nunavut Water Board on April 30, 2023. The updated Closure Security Estimate was developed in RECLAIM 7.0 for the Current and Life of Mine (LOM) conditions. Following review of these documents by CIRNAC and their consultant, a June 2023 a memo titled *30182580 Memo to CIRNAC - Questions for AEM on LOM Estimate 290623* was received by Agnico Eagle. The letter included 8 questions and one recommendation. Nunami Stantec, on behalf of Agnico Eagle and the KIA, responded to these in a July 14, 2023 letter titled *Nunami Stantec Response Comments to 0182580 Memo to CIRNAC - Questions for AEM on LOM Estimate 290623 – June 2023*. In summary, the Nunami Stantec response letter to the CIRNAC questions included an acknowledgement of a LOM condition error where Current conditions volumes were erroneously included in the final LOM RECLAIM 7.0 model, which was resolved in the July 2023 LOM resubmission and addressed 3 of the 8 questions. Two remaining questions related to unit rates, where Nunami Stantec provided justification for the unit rates used in their April 30, 2023 estimates. One question related to the Mobilization tab where Nunami Stantec agreed that an allowance for a temporary camp should be included. The responses to the final two questions provided clarification of Doris-Madrid site conditions prior to the site entering Care and Maintenance on March 30, 2022.

Response to Crown-Indigenous Relations and Northern Affairs Canada's August 18, 2023 Technical Memorandum Review of the Licence Updated Security Review Estimate for the Hope Bay Project, Type A Water Licence No. 2AM-DOH1335

September 11, 2023

Nunami Stantec revised their LOM condition closure security estimates to correct the three erroneous line entries and to include the temporary camp in the Mobilization tab of the Current and LOM conditions estimates. The revised Updated Closure Security Estimate RECLAIM 7.0 files were provided to CIRNAC at the end July 2023 with a revised Basis of Estimate document. These documents, which are currently on the NWB's Public Registry and FTP site registry, support Agnico Eagle's current submission of their Water Licence No: 2AM-DOH1335, Hope Bay Updated Closure Security Estimate to the NWB.

CIRNAC's subject noted August 18, 2023 Technical Memorandum indicates that the CIRNAC-Arcadis Current and LOM condition estimates were developed based on a review of information provided in response to their June 2023 questions and the revised July 2023 Nunami Stantec-Agnico Eagle-KIA Closure Security Estimate documents. This Technical Memorandum provides Current and LOM conditions summary tables that compare the CIRNAC-Arcadis estimate to those recommended by Nunami Stantec, Agnico Eagle and the KIA. Variations remain between the two estimates however Nunami Stantec, Agnico Eagle and the KIA have not been provided with the detailed CIRNAC-Arcadis estimates to review in order to comment on the source of these variations.

Nunami Stantec, Agnico Eagle and the KIA coordinated closely to develop the April 2023 and revised July 2023 Updated Closure Security Estimate documents. The July 2023 estimates and documents were revised following feedback and recommendation received by CIRNAC and their consultant. Following this due process, Nunami Stantec, Agnico Eagle and the KIA recommend that the 2AM-DOH1335, Hope Bay Updated Closure Security Estimate be set to the values presented in the July 2023 revised Nunami Stantec-Agnico Eagle-KIA Updated Closure Security Estimate documents.

Regards,
Nunami Stantec, on behalf of Agnico Eagle and the KIA.

Sara Wilkins
Nunami Stantec
Stantec Mining, Minerals, & Metals Water Practice Lead