



April 7, 2021

Ali Shaikh
Technical Advisor
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0

Sent via Email: licensing@nwb-oen.ca; ali.shaikh@nwb-oen.ca

Re: Retraction of the Notice of Modification for Installation of 'Madrid North Portal Pad Contact Water Pond' – Water License 2AM-DOH1335

Dear Ali Shaikh,

This letter represents TMAC Resources Inc. ("TMAC"), a wholly owned subsidiary of Agnico Eagle Mines Ltd ("AEM"), written notification to the Nunavut Water Board ("NWB") that the modification request for the planned installation of a Contact Water Pond ("CWP") in proximity to the existing Madrid North Portal Pad, is no longer being pursued. On December 14, 2020, TMAC provided a 'Notice of Modification' to the NWB regarding the planned installation of a CWP directly adjacent to the north end of the Madrid North Portal Pad. The modification request for the Madrid Portal Pad CWP is no longer being pursued as the decision has been made to discontinue the use of the Portal Pad at this time.

Alternative Plans

As described in the December 2020 correspondence, runoff monitoring conducted in June 2020 indicated elevated levels of chloride and ammonia at the downstream toe of the Madrid North portal pad. Contributing sources of chloride and ammonia originated from waste rock stored on the lined area which became compromised. The waste rock material was removed in 2020 to minimize future sources.

Prior to freshet of 2021, the eastern portion of the portal pad will be removed down to the pre-existing natural grade. The area to be removed will be staked out in the field prior to removal and is shown in Figure 1. Although construction rock used for the portal pad was classified as non-PAG with arsenic content below the criterion for classifying suitable waste rock, removing the eastern portion is anticipated to reduce the source of ammonia and chloride that may remain entrained in the material of the pad. Efforts will be made during excavation to minimize impact to the underlying tundra. Material excavated from the eastern portion of the pad will be used as backfill in the Naartok East Crown Pillar Recovery Trench. It is anticipated that this work will be completed in April 2021 or prior to the onset of freshet.

The western side of the pad will remain in place and be graded to allow positive drainage. The 2021 geochemical field surveys will continue to monitor runoff from the remaining pad area and downstream of the excavated area. Erosion control measures including cocoa matting and silt

fencing will be put in place prior to freshet to minimize sediments in runoff from the excavated area and the remaining pad area. Total Suspended Solids (TSS) and Oil and Grease analysis will be included in the geochemical monitoring survey of the area and reported as part of annual reporting to the NWB. Routine inspections of the area will be conducted throughout the snow-free period of 2021 to monitor stability of the excavated area and ensure positive drainage is maintained.

The above excavation, sediment control measures and geochemical monitoring of runoff from the area will be reported in the 2021 annual report to the NWB as part of operational, progressive reclamation and monitoring activities.

Should you have any further questions please feel free to contact me at oliver.curran@agnicoeagle.com.

Sincerely,



Oliver Curran

Senior Advisor Environment and Permitting, Western Nunavut

Cc:

Licensing (NWB)

Thomas Lepine (Engineer of Record Nunavut & Technical Specialist, Environmental Management)

Ashley Mathai (Environmental Engineer)

Sarah Warnock (Environmental Superintendent)

Figure 1. Area of excavation and removal (light green) from the Madrid Portal Laydown

