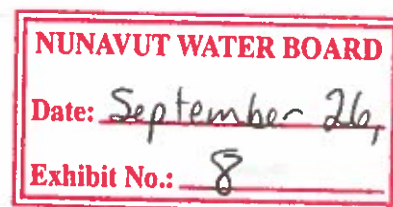


AGNICO EAGLE

May 25, 2017

Karen Kharatyan
Technical Advisor – Nunavut Water Board
PO Box 119
Gjoa Haven, NU, X0B 1J0



CC: Sophia Granchinho

Re: NIRB File No. 16MN056 Application No: 124683/ NWB File No. 2AM WTP --- : NWB Consideration of Agnico Eagle Mines Ltd's " Whale Tail Pit" Project Proposal and revised Water License Applications (2AM MEA-1525 Amendment Application and New license 2AM WTP ---).

Dear Mr. Kharatyan,

As requested during the pre-hearing conference in Baker Lake on May 2nd, 2017, please find attached a revised Type A Water License 2AM MEA1525 amendment application and a new Type A Water License application for the proposed Whale Tail Pit Project: 2AM WTP ---.

A detailed regulatory history including the NPC conformity determination is found in Appendix 2-C of the original FEIS document package/ application dated June 30th; NIRB scoping and review decisions for the coordinated process are found on the NIRB website. In brief, Agnico Eagle was issued a NIRB Project Certificate on December 30, 2006 for the Meadowbank Mine Site. The initial Meadowbank Type A Water Licence for mining, milling, and associated uses was issued to Agnico Eagle in 2008. The Meadowbank Mine Type A Water Licence was recently renewed in 2015. A summary of procedural history in relation to the existing licences can be found in the final decisions issued by the NWB available on the NWB public registry.

Existing Water Licences

Agnico Eagle currently holds a Type A Licence 2AM-MEA1525 for the mining and milling for Meadowbank Mine and a Type B Licence 8BC-AEA1525 for construction and operations of the access road to the Amaruk property to support surface and underground advanced exploration. As discussed with the NWB, Agnico Eagle is requesting a new Type 2AM – WTP- - - for the Whale Pit Project that includes conditions of the Type 2BC – AEA1525 in relation to the proposed expansion to a haul road. Water taking location for this activity is Nemo Lake for camp use and along the proposed haul road according to Type 2BC – AEA1525.

Furthermore, as discussed with the NWB, Agnico Eagle is requesting an amendment to the current Type A Licence 2AM-MEA1525 to include milling of the Whale Tail Pit ore, storage of the tailings in the Meadowbank Tailings Storage Facility, and associated water use for milling and camp use.

Agnico Eagle is requesting that the Type BB Licence 2BB- for bulk sample, exploration ramp development and exploration activities on the Amaruk property remain as approved and stand-alone.

Proposed Term of Licences

As per the original application, Agnico Eagle is not seeking to amend the term of the current 2AM-MEA1525 water licence. Agnico Eagle believes the construction, operations and most of the closure



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activities of the proposed Meadowbank extension through the Whale Tail Pit fits within the existing water licence term until 2025 and will include the extension of the Meadowbank Mill, Tailings Storage Facility and Meadowbank Camp use during Whale Tail Pit construction and operations, the anticipated progressive closure of the Vault Pit operations including reflooding of Vault Pit, Phaser Pits, Phaser Lake and Vault Lake, Meadowbank Tailings Storage Facility, Meadowbank Mill and ancillary infrastructure.

Agnico Eagle is seeking a term of 2018 to 2025 for the new 2AM WTP----. Agnico Eagle believes the construction, operations and most of the closure activities of the proposed Whale Tail Pit (or Meadowbank extension through the Whale Tail Pit) fits within the existing water licence term until 2025 and will include the camp use during Whale Tail Pit construction and operations, the closure period of Whale Tail Pit and ancillary infrastructure

Proposed Water Use Amendments to Type A - 2AM-MEA1525

According to Type A Licence 2AM-MEA1525, Agnico Eagle is currently approved to take 9.12 Million cubic metres (m³) as per Part E. To facilitate the anticipated progressive closure of Vault Pit operations, concurrent with Whale Tail Pit Operations, Agnico Eagle is proposing to amend the amount of freshwater use to not exceed 9.12 Million m³ during operations and 19.7 Million m³ during closure to complete the flooding of approved open pits.

Tables 2.4-3 provides the Meadowbank water use presented in Agnico Eagle (2016) and the approved water use limits set in 2AM MEA1525 Part E. Tables 2.4-4 presents the forecasted water use to extend Meadowbank Milling, camp use, closure of Vault area, during the operation of the Whale Tail Pit satellite operations and closure from 2018 to 2025, which are respecting previous maximum annual freshwater consumption allowed under 2AM MEA-1525 (Part E). Under the current mining and water use scenarios for Whale Tail Pit, Goose pit will be done during the year 2018 and Portage Pit flooding activity will be extended from 2019 to 2025. Although Agnico Eagle is continuously optimizing our freshwater use and therefore are forecasting a reduction of water use at Meadowbank in 2016 to 2018, however, at this time Agnico Eagle is not requesting amendments to "Conditions Applying to water use" set out in 2AM MEA-1525 Part E Item 1 to 4 for operations of the Whale Tail Pit. Suggested amendments to terms and definitions in the Type A 2AM MEA-1525 are outlined in Table 2.4-5.

Proposed Water Use for New License Type A 2AM-WTP ----

Table 2.4-6 summarizes the requested volumes of water use for the Whale Tail Pit satellite construction, operations and closure. During construction in 2018 and 2019, we are estimating a total of 174,708 m³/year; during operation our expected volume of water will be 191,052 m³/year from Nemo Lake. The total natural annual water yield of the Nemo watershed is estimated at 302,400 m³.

In 2022 and 2023, camp use will continue with water taking from Nemo Lake, concomitantly with water taking from Whale Tail Lake (South Basin) to support reflooding activity during active closure until 2025. As a result, a total of 28.4 Million m³ is projected to be consumed during Whale Tail Pit construction, operations, and the closure period of Whale Tail Pit.

Should you have any questions or require further information, please contact the undersigned Jamie Quesnel at Jamie.quesnel@agnicoeagle.com or Ryan Vanengen at ryan.vanengen@agnicoeagle.com.

Regards,



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cc. Ryan Barry, NIRB; Stephanie Autut, NWB; David Hohnstein, NWB; Luis Manzo, KIA; Tineka Simmons, NPMO



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Table 2.4-3: Amount of freshwater use projected for Meadowbank (m³/ year) to not exceed license limits specified in Type A- 2AM MEA1525

	Approved Water Use at Meadowbank					
Used for	Meadowbank Mill & Camp ^a	Goose Flooding ^a	Portage Flooding ^a	Vault Area Flooding (Wally) ^a	Meadowbank Estimated Total ^a	Meadowbank Mine Approved Water Use
Source	Third Portage Lake	Third Portage Lake	Third Portage Lake	Wally Lake		Part E Item 1- 4
Licence	2AM-MEA1525	2AM-MEA1525	2AM-MEA1525	2AM-MEA1525	2AM MEA1525	2AM MEA1525
2016	571 440	1 350 000			1 921 440	2,350,000
2017	1 058 160	900 000			1 958 160	2,350,000
2018	652 420	941 614	3 000 000		4 594 034	9,120,000
2019	34 675		4 520 000	4 182 604	8 737 279	9,120,000
2020	34 770		4 520 000	4 182 604	8 737 374	9,120,000
2021	34 675		4 520 000	4 182 604	8 737 279	9,120,000
2022	34 675		4 520 000	4 182 604	8 737 279	9,120,000
2023	34 675		4 520 000	4 182 604	8 737 279	9,120,000
2024	34 770		4 374 649	4 182 604	8 592 023	9,120,000
2025	34 675			3 269 666	3 304 341	9,120,000
2026						
2027						
2028						

^a Agnico Eagle (2016). Meadowbank Gold Mine 2015 Water Management Report and Plan. March 2016. Version 1.



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Table 2.4-4: Amount of freshwater use projected for Meadowbank (m³/ year) during construction and operation of Whale Tail Pit to not exceed license limits specified in Type A- 2AM MEA1525

	Projected Water Use at Meadowbank					
Used for	Meadowbank Mill & Camp	Goose Flooding	Portage Flooding	Vault Area Flooding (Wally)	Meadowbank Estimated Total	Meadowbank Mine Approved Water Use
Source	Third Potage Lake	Third Portage Lake	Third Portage Lake	Wally Lake		Part E Item 1- 4
Licence	2AM-MEA1525	2AM-MEA1525	2AM-MEA1525	2AM-MEA1525	2AM-MEA1525	2AM MEA1525
2016	571,440	0			571,440	2,350,000
2017	1,058,160	0			1,058,160	2,350,000
2018	390,340	3,182,704	0	0	3,573,044	9,120,000
2019	282,635	0	4,272,040	4,182,604	8,737,279	9,120,000
2020	944,640	0	3,992,756	4,182,604	9,120,000	9,120,000
2021	1,072,800	0	3,864,596	4,182,604	9,120,000	9,120,000
2022	1,072,800	0	3,864,596	4,182,604	9,120,000	9,120,000
2023	1,072,800	0	3,864,596	4,182,604	9,120,000	9,120,000
2024	1,072,800	0	3,864,596	4,182,604	9,120,000	9,120,000
2025	1,072,800	0	3,864,590	3,269,666	3,626,261	9,120,000
2026	34,675	0	3,591,586	0		
2027						
2028						

Table 2.4-5: Summary of proposed Amendments to 2AM MEA-1525

PART	ITEM	DESCRIPTION OF PROPOSED CHANGES
Cover Page	-	No change
Part A	1	Addition – Management and disposal of Wastes associated with Whale Tail Pit.
	2	No change
	3	No change
Part B	1-15 Inclusive	No change
	16	No change – Note: as a result of the review process and due to changes in operation as a result of Whale Tail Pit, Agnico Eagle is committed to updating relevant plans and will include them in the Annual Report Part B, Item 2 due on March 31, prior to construction of Whale Tail Pit.
	17-18 Inclusive	No change
Part C	All	No change
Part D	All	No change
Part E	1 – 4 Inclusive	No Change - Refer to the above Table 2.4-4 summarizing freshwater use estimates in comparison to approved water use limits
	5-12 Inclusive	No change
Part F	1-18 Inclusive	No change
	19	Amend date of approved plans to current plan on file (March 2016) submitted with last annual report. Note: Agnico Eagle committed to updating the plan to reflect Whale Tail Pit operations and stand-alone appendix as per Part B, Item 16 within the next Annual Report cycle.
	20-21 Inclusive	No change
Part G	All	No change
Part H	All	No change
Part I	All	No change
Part J	All	No change
Schedule A	Definitions	Addition – Definition for <u>Whale Tail Pit</u>; Addition – Definition of <u>Whale Tail Pit Haul Road</u>; Amendment – Definition of <u>Project</u> to capture milling of Whale Tail Pit ore. Errata – Definition for <u>Water Supply Facilities</u> does not capture approved water source at Wally Lake. Amendment – Definition for <u>Water Licence Application</u> to reflect amendments to date. Amendment – Definition of “Central Dike”. Suggested revision – “<u>Central Dike</u>” means the structure, designed to isolate the south cell portion of the Meadowbank Tailings Storage Facility for the purpose of retaining tailings as described in the approved plans and reviewed by the Meadowbank Dike Review Board. Amendment – Definition of Tailings Storage Facility. Suggested revision – “<u>Tailings Storage Facility</u>” means the facility designed to permanently contain the solid fraction of the mill tailings as described in the approved <i>Meadowbank Tailings Management Plan</i>. The Facility includes structures and future facilities reviewed by the Meadowbank Dike Review Board and described in the approved <i>Meadowbank Tailings Management Plan</i>.
Schedule B	Annual Report	No change
Schedule D	Construction	No change
Schedule I	Monitoring	No change



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Table 2.4-6: Proposed Amount of Freshwater for Whale Tail Pit (m³/year) 2AM- WT---

	Proposed Whale Tail Pit Type A				
Used for	Whale Tail Camp	Whale Tail Camp	Whale Tail Pit Flooding	Whale Tail Pit Flooding	Whale Tail Pit Total
Source	Nemo Lake	Whale Tail Lake	North-East Pond	Whale Tail Lake	
Licence	2AM- WTP ---	2AM- WTP ---	2AM- WT---	2AM- WT---	2AM- WT---
2016					
2017					
2018	111 560	63 147			174 708
2019	174 708				174 708
2020	191 052				191 052
2021	191 052				191 052
2022	191 052		241 055	10 413 557	10 845 663
2023	191 052			4 351 961	4 543 013
2024	191 052			3 414 973	3 606 025
2025		17 520		4 366 520	4 384 040
2026		17 520		4 272 650	4 290 170
2027		17 520			17 520
2028		17 520			17 520

