

Agnico Eagle Mine's (Agnico Eagle) Response Package dated January 30, 2020 enclosed revised recommended drafts of Water Licenses 2AM-WTP1826 (now 2043), 2AM-MEA1526(2033), and 2BB-MEA1828, which included additional revisions to the drafts filed on December 20, 2019, and the KIA filed additional comments regarding Agnico Eagle's January 30, 2020 draft licenses on February 14, 2020. What follows is Agnico Eagle's response to these suggestions (see bold and underlined text below).

1. *Any reference to the Amaruq Exploration property should not be included in the Type A licenses:*

The licenses before the Board are for the Whale Tail Expansion Project, not the larger Amaruq Exploration property. The Scope of the Project and the Project Footprint must be confined to the approved Whale Tail Project and current Agnico Eagle Whale Tail Expansion application. References to the Amaruq Exploration property, including in the definition of "Open Pit" and "Underground", should not be included in the licenses.

Agnico Eagle Response: Agnico Eagle does not agree that its proposed language requires clarification, but should the Board agree with KIA that further clarification is required, the phrase as "specified in the Applications" could be added to each of the definitions of "Open Pit" and "underground" set out in the January 30, 2020 draft.

It is also noted that the Type B water licence will continue to permit exploration of the larger Amaruq property following issuance of the amended Type A Whale Tail and Meadowbank Licences.

2. *The Board's decision making and timelines should not be constrained:*

KIA does not agree with the proposed short timelines for Board decisions and "deemed approval" in Agnico Eagle's January 30, 2020 drafts (See Agnico Eagle recommended draft Water License 2AM-WTP1826 at Part B(12) and (15)). In particular, the KIA does not agree with Agnico Eagle's suggestion that further review by intervenors should not be required following submission of a revised plan. Intervenors including KIA must have an opportunity to provide comments, confirm their original comments have been adequately addressed, and/or identify any further potential deficiencies in the revisions. The Board has an obligation to consult with the community.

AGNICO EAGLE RESPONSE: Per our discussions, it would be open to the Board to extend timelines suggested for deemed approvals. In the scenario described by KIA, in our view the Board would have already evaluated intervenors comments and identified what specific changes they require to the plan. The community and public would have had the opportunity to be consulted. Whether or not the Licensee has addressed those comments should be a matter for the Board to evaluate and decide.

Agnico Eagle views the deemed approval clause as an important procedural matter to address the current extended plan review process and uncertainties in timelines, which results in the sub optimal situation where Agnico Eagle is not able to implement the most up to date plans at site. This is not what we consider best environmental management practice.

3. *The standard license language that “the expiry or cancellation of the license does not relieve the licensee from any obligation imposed by the license or any other regulatory requirements” should be included in the licenses:*

Agnico Eagle’s January 30, 2020 drafts propose the opposite for cancellation – that cancellation of the License relieves the licensee from all obligations under the license. KIA does not support Agnico Eagle’s revisions and submits that the licenses must include the standard language.

AGNICO EAGLE RESPONSE: Agnico Eagle’s intention is that the Licence should be clear that once all activities in the Final Closure Plan are complete, and the licence is permitted to expire or is cancelled by the Board, there should not be any confusion regarding ongoing obligations under the Licence. In that scenario, all obligations of the licence would be complete and would not be ongoing.

4. *Agnico Eagle’s proposed provision allowing it to “at any time” submit to the Board a request for change in the amount of security should not be included in the license (see Agnico Eagle’s January 30, 2020 draft license Part C(9)):*

This additional provision is not necessary as the process in the existing Part C is sufficiently flexible. The proposed Agnico Eagle provision imposes an additional unnecessary review burden on KIA.

AGNICO EAGLE RESPONSE: Agnico Eagle believes its Jan 30 proposed wording adds clarity regarding increases or decreases to security that may be required from time to time and should be considered for inclusion in the Licences.

5. *The license should require Agnico Eagle to remove culverts and restore the drainage in the manner described in the approved final closure plan:*

Agnico Eagle has proposed adding language to the provision regarding removing culverts under Part J to match the natural channel “to the extent practicable”. KIA maintains that this phrase sets too low a bar and is unclear.

AGNICO EAGLE RESPONSE: Agnico Eagle agrees with KIA that Part J, Item 9 should be revised to read as follows: “The Licensee shall remove any culverts and restore the drainage in the manner described in the approved Final Closure Plan.”

6. *References to Adaptive Management in the licenses should be limited to the Board approved Adaptive Management Plan:*

The intent of the Adaptive Management Plan is to reduce uncertainty and risk associated with the current approved Project as outlined in the FEIS – it is not intended to expand the scope of the Project. The intent of Adaptive Management as defined in the Adaptive Management Plan is to minimize environmental impacts associated with project activities and ensure the project is able to meet closure objectives.

The general references to “Adaptive Management” in the Agnico Eagle January 30, 2020 draft licenses (including in Part A(1)(a), Part B(9), Part D(27)), however, have too broad a meaning and could encompass activities outside of those approved by the Board.

AGNICO EAGLE RESPONSE: For clarity, the intent is that the actions specified in the Adaptive Management Plan are included in the scope of the Licence approved by the

Board. We believe that KIA is aligned with Agnico Eagle that all actions specified in the Adaptive Management Plan should be considered as part of the licence, and should be permitted to proceed without amendment to the licence or following the modification process under the licence. These measures were carefully considered by KIA, Agnico Eagle, CIRNAC, ECCC and Board staff as part of this licencing process, and there is general consensus that such actions should proceed in a timely way where levels have been reached in order to ensure the protection of Nunavut waters and to prevent any need for an emergency release or amendment.

7. *KIA does not support Agnico Eagle's proposed process for New Adaptive Management Actions (Part D(27))*

Agnico Eagle's proposed process in its draft licenses does not provide for any review, community consultation, or Board approval. In any event, the benefits of the New Adaptive Management Actions are not clear to KIA in the face of an approved Adaptive Management Plan and available emergency procedures.

AGNICO EAGLE RESPONSE: Adaptive management by its very nature should be intended to avoid emergency situations. We believe KIA is aligned with us on this. KIA may disagree with the process put forward by Agnico Eagle to manage situations where adaptive management actions are identified as a better method to address a given situation, that are not included in an approved plan. While Agnico Eagle believes its proposal is reasonable, we believe that all parties agree that where there are adaptive management actions within the project footprint that are optimal for the environment, they should proceed with only limited delay - whatever process is applied, Agnico Eagle is requesting the ability to proceed with new actions within 21 days, given seasonal construction constraints. Emergency situations should not be created by regulatory delay where they are foreseeable and preventable. We believe this is consistent with the goals of the Nunavut Agreement, and of the landowner KIA in protecting Inuit Owned Lands.

8. *Definitions:*

- a. Adaptive Management: KIA has concerns with the proposed broad definition.
- b. Amendment/Modification: The definitions should not include a carve out for Adaptive Management or New Adaptive Management Action, particularly given the broad proposed definition of Adaptive Management. Some Adaptive Management action may require an Amendment.

KIA would be content with language to the following effect: "Proceeding with an action in the Adaptive Management Plan as approved by the Board shall not require an Amendment"

- c. See above comments regarding definition of "Open Pit" and "Underground"

AGNICO EAGLE RESPONSE: See relevant comments above.