

June 12, 2023

NWB File No. 2AM-WTP1830

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

Re: Water Licence 2AM-WTP1830 – 2023 Modification

Dear Mr. Kharatyan,

Agnico Eagle Mines Limited (Agnico Eagle) is writing to the Nunavut Water Board (NWB) to provide sixty (60) days' notice of a proposed Modification to the Whale Tail Mine under Part G of Water Licence (2AM-WTP1830).

1. Background

On April 19, 2023 Agnico Eagle submitted an application to the Nunavut Planning Commission (NPC) to complete a screening of the proposed project changes, whereby Agnico Eagle is requesting to continue the Whale Tail Pushback and the IVR Pushback and add temporary storage of groundwater in IVR Pit (collectively referred to as the 2023 Modification). The NPC concluded on May 26, 2023 that the proposed changes were exempt from screening as the 2023 Modification does not change the general scope of the original or previously amended activities (Attachment A).

Following NPC conformity, Agnico Eagle submitted an Operational Update to the Nunavut Impact Review Board (NIRB) on May 30, 2023 outlining monitoring associated with the 2023 Modification. Attachment B provides the outcome of the Operational Update. As per the NIRB's June 8, 2023 letter (Attachment B), Agnico Eagle will be providing the requested Water Management Plan and Waste Rock Management Plan to the NIRB under a separate cover, which are the same plans submitted to the NWB.

Subsequently, Agnico Eagle is submitting this notification of Modification per Water Licence 2AM-WTP1830, Part G, Item 3a-g for the NWB review and approval, as described in the sections below.

2. Conditions Applying to Modifications

Part G, Item 3a: Description of Facilities and/or Works to be Constructed

The 2023 Modification includes the following:

- Continuation of Whale Tail Pushback in the southwest portion of the Whale Tail Pit
- Continuation of IVR Pushback in the south portion of the IVR Pit
- Temporary storage of groundwater in the east lobe of IVR Pit

The exploitation of open pit deposits usually takes place through a series of mining phases, commonly known as pushbacks. In open pit metalliferous mining, each pushback considers the extraction of one or more benches simultaneously in a process where the core operational tasks include: drilling, blasting, loading, and hauling. For clarity, a pushback represents an area that can be mined in a single continuous

operation as defined within the Ultimate Pit. It is used for different reasons, such as to access additional ore. A pushback is not an additional deposit, or standalone pit, but rather a continuation of the mining ore zone. A pushback should be considered as an adjustment of the pit footprint based on a better understanding of the geological and/or geotechnical properties of a pit.

The 2023 Modification is within the approved mine production and includes the generation of 0.8 Mt of ore and produces 3.0 Mt of waste material (rock and overburden) which will continue to be disposed of in the approved Whale Tail Waste Rock Storage Facility (WRSF; Agnico Eagle 2019) and is designed to accommodate waste rock and overburden generated from the Whale Tail and IVR Pits. No change is anticipated to the Whale Tail WRSF as a result of the 2023 Modification.

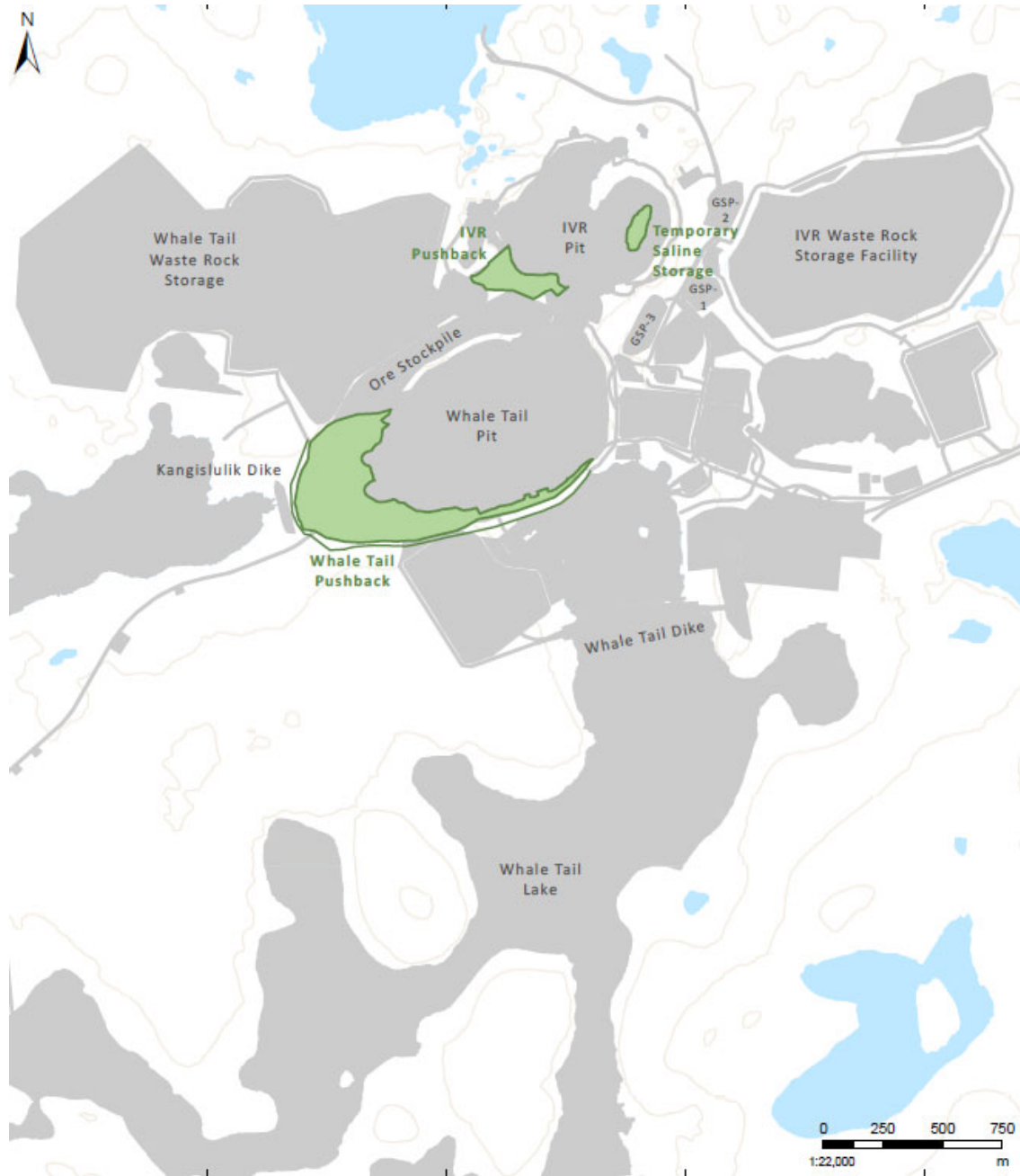
Consistent with Whale Tail Mine operations and the approved Operational ARD-ML Sampling and Testing Plan, a classification system will be used to identify and safely store PAG and ML rock. PAG mine rock will be stored in the designated storage areas designed for long-term stability. NPAG and NML rock will be either stockpiled or used in construction, including for WRSF cover material. Run-off will be appropriately handled.

In accordance with the Adaptive Management Plan, Agnico Eagle has identified the need to temporarily store groundwater in the east lobe of IVR Pit. The groundwater temporarily stored would be returned underground at the end of the mine life. Agnico Eagle is approved for the development of up to three Groundwater Storage Ponds (GSP1 is currently in operation); however, given the short temporary storage duration, Agnico Eagle proposes to utilize existing impacted areas and infrastructure rather than creating new disturbance. Storing groundwater in IVR Pit was listed as an alternative action within the Adaptive Management Plan. All other existing water management infrastructure will be able to manage the activities and no new water management infrastructure is anticipated.

Part G, Item 3b: Proposed Location of Structure(s)

Activities for the 2023 Modification are located within the approved Whale Tail Mine footprint (Project Certificate No.008, Amendment 001), as presented in Figure 1.

Figure 1: Approved Whale Tail Mine and 2023 Modification



Whale Tail Mine

Approved Infrastructure and 2023 Modification

Date: 3/27/2023

Map Number: MBCM-056

Coordinate System: NAD 1983 UTM Zone 15N

Projection: Transverse Mercator

Datum: North American 1983

2023 Modification

Approved Whale Tail

Part G, Item 3c: Potential Impacts to the Receiving Environment

Agnico Eagle completed an update to the water balance and site and downstream water quality model to account for the 2023 Modification. The 2023 Modification results show that all parameters are below their respective guidelines in the receiving lakes during operations, with the minor exception of phosphorus. Once effluent discharge ceases in active closure, phosphorus concentrations are expected to decrease and remain below water quality guidelines in the receiving environment and downstream lakes. All other parameters are expected to be less than or below their respective guidelines throughout closure.

The updated water quantity and quality predictions suggest that no changes to the current water management systems will be required. The updated results of the water quality predictions associated with the 2023 Modification are provided in Appendix B of the Water Management Plan (Attachment C).

Part G, Item 3d: Monitoring Required

Agnico Eagle does not anticipate any additional monitoring from that already included within Water Licence 2AM-WTP1830, particularly as there are no new structures associated with the 2023 Modification. Agnico Eagle will adhere to the sampling locations, parameters measured, and frequencies of sampling as outlined in Schedule D, Table 2 – Monitoring Program of the Water Licence, as well as the Whale Tail Water Quality and Flow Monitoring Plan.

In addition, the Whale Tail Water Management Plan and Whale Tail Waste Rock Management Plan have been updated to account for the 2023 Modification and are provided in Attachment C and Attachment D, respectively.

Part G, Item 3e: Schedule for Construction

The Whale Tail Pushback and IVR Pushback continuation are key to the mine plan schedule. These activities would initiate in mid-August following reception of the NWB approval and are linked to the mine plan. Further details are outlined in Section 3 the Whale Tail Waste Rock Management Plan (Attachment D). There are no changes to the overall operations phase as currently authorized under Water Licence 2AM-WTP1830.

Part G, Item 3f: Drawings of Engineering Structures

Per the description of Modification in Item 3a, there are no new structures associated with the 2023 Modification activities; therefore, no drawings of engineered structures stamped by an Engineer are required.

There are no changes to the approved WRSFs. The Whale Tail WRSF Expansion and IVR WRSF Design Report and Drawings were submitted in December 2019 (Agnico Eagle 2019) and were accepted by the NWB, per Part D, Item 4 of Water Licence 2AM-WTP1830.

Part G, Item 3g: Sediment and Erosion Control Measures

No new sediment or erosion control measures are required. The measures outlined in Section 3.7.1 of the Whale Tail Water Management Plan (Attachment C) are sufficient for the 2023 Modification activities.

3. Closure

Agnico Eagle thanks the NWB for their timely review and consideration of the proposed 2023 Modification under Water Licence 2AM-WTP1830. The NPC and NIRB have respected the regulatory timelines and we appreciate the NWB's timely review so activities can advance by mid-August.

Agnico Eagle is committed to responsibly manage waste and water resources to minimize or eliminate potential effects to the environment in accordance with the Water Licence, Project Certificate No. 008, and objectives as outlined in Management Plans for the Whale Tail Mine.

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Manon Turmel
Superintendent - Permitting and Regulatory Affairs
Agnico Eagle Mines Limited

Attachments: Attachment A NPC Letter - Exempt from Screening
Attachment B NIRB Acknowledgement Regarding Agnico Eagle Mines Limited's "Whale Tail 2023 Modification" Proposal
Attachment C Water Management Plan (includes the Water Balance and Water Quality Forecast)
Attachment D Waste Rock Management Plan

References:

Agnico Eagle (Agnico Eagle Mines Limited). 2019. Whale Tail WRSF Expansion and IVR WRSF Design Report and Drawings. 60-Day Notice to Nunavut Water Board In Accordance with Water License 2AM-WTP-1826. December 2019.

Attachment A NPC Letter - Exempt from Screening



7

The following works and activities have been proposed in the above-noted project proposal:

1. Mineral Exploration : Agnico Eagle is proposing an amendment to their Project Certificate No. 008 and Water License 2AM-WTP 1830 to support additional changes to the Whale Tail Pit mine site development. Proposed activities include the expansion of the Whale Tail Pushback, expansion of the IVR Pushback, and temporary storage of saline water in IVR Pit.

A complete description of the project proposal reviewed by the NPC can be accessed online using the link below.

The Nunavut Planning Commission (NPC) has completed its review of the above noted project proposal. The NPC previously reviewed works and activities associated with the current proposal on July 12, 2002, July 21, 2003, March 10, 2011, October 15, 2015, July 16, 2015, October 16, 2018, and on April 20, 2021, which still apply. In addition, associated activities were previously reviewed by the Nunavut Impact Review Board, including the development of an open pit mine (Whale Tail and IVR) and a haul road establishment (NIRB FILE NO.: 16MN056, Project Certificate No. 008). It conforms to the Keewatin Regional Land Use Plan (KRLUP). The proponent has undertaken to comply with the applicable conformity requirements of Appendix C, G, and H of the KRLUP.

The above-noted project proposal is exempt from screening by the NIRB because the NPC is of the understanding that the proposed expansions of whale tail and IVR push backs and construction of a temporary storage of saline water in IVR Pit do not change the general scope of the original or previously amended project activities, and the exceptions noted in Section 12.4.3 (a) and (b) of the Nunavut Agreement do not apply. However, the proponent is encouraged to discuss potential implications for the project's monitoring program with the NIRB.

By way of this letter, the NPC is forwarding the modification request to NIRB for further reconsideration of the project certificate no. 008. Project materials, including the applicable conformity requirements, are available at the following address:

<https://lupit.nunavut.ca/portal/project-dashboard.php?appid=150084&sessionid=>

The regulatory authorities to which this letter is addressed are responsible under the Nunavut Planning and Project Assessment Act (NUPPAA) to implement any of the applicable requirements by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued.

This conformity determination applies only to the above noted project proposal as submitted. Proponents may not carry out projects and regulatory authorities may not issue licenses, permits and other authorizations in respect of projects if a review by the NPC is required. Regulatory authorities may consult with the NPC to obtain recommendations on their duties to implement the existing land use plans prior to issuing licenses, permits and other authorizations under subsection 69(6) of the NUPPAA.

My office would be pleased to discuss how best to implement the applicable requirements and to review any draft authorizations that regulatory authorities wish to provide for that purpose. If you have any questions, please do not hesitate to contact me at (867) 979-3444.

Sincerely,



Goump Djalogue, MCIP, RPP
Manager of Planning and Implementation
Nunavut Planning Commission

Attachment B NIRB Acknowledgement Regarding Agnico Eagle Mines Limited's "Whale Tail 2023 Modification" Proposal



NIRB File No.: 16MN056
NWB File No.: 2AM-WTP1826

June 8, 2023

To: Jamie Quesnel
Regional Manager – Permitting and Regulatory Affairs
Agnico Eagle Mines Limited
Baker Lake, NU X0C 0A0

Sent via email: jamie.quesnel@agnicoeagle.com

Re: Acknowledgement Regarding Agnico Eagle Mines Limited's "Whale Tail 2023 Modification" Proposal

Dear Jamie Quesnel:

On May 25, 2023, the Nunavut Impact Review Board (NIRB or Board) received correspondence from the Nunavut Planning Commission (the Commission) regarding Agnico Eagle Mines Limited's (Agnico Eagle) application for the "Whale Tail 2023 Modification" proposal, a proposed change to the Whale Tail Pit Project. The Commission letter noted that the activities conform to the Keewatin Regional Land Use Plan and were exempt from NIRB assessment as they were within the scope of activities considered for the Whale Tail and IVR pushback projects (NIRB File No.: 16MN056).¹ The Commission also encouraged Agnico Eagle to discuss potential implications for the project's monitoring program with the NIRB.

After reviewing the proposed modification application provided to the Commission and the follow-up correspondence provided by Agnico Eagle on May 30, 2023,² the NIRB is of the understanding that activities at site are summarized as follows:

- Increase to IVR pushback;
- Increase to Whale Tail pushback;
- Temporary storage of saline groundwater in IVR pit; and
 - o Saline groundwater returned underground at the end of mine life.

The NIRB acknowledges and accepts the Commission's determination that the activities within the proposed modification application were previously assessed by the Board, and notes that the proposed activities would be subject to the terms and conditions of the NIRB's Project Certificate

¹ Public Registry ID: 345480

² Public Registry ID: 345485 and 345481

No. 008 Amendment 1. The Board has also identified that the following two plans are applicable to the prevention, mitigation and monitoring of the potential effects associated with the proposed activities:

- Waste Rock Management Plan, and
- Water Management Plan.

Consequently, the NIRB expects to be provided with copies of updated management plans directly and as soon as available. An update on changes to these plans should be provided in the annual project-specific monitoring report. In addition to considering updates to the management plans, the specific activities related to this modification, as approved under the current framework of the previously assessed Whale Tail Pit Project, must be reported in the project-specific annual monitoring report to the NIRB.

The NIRB appreciates receiving the update in respect of the proposed modifications to project activities that may affect the monitoring of the Whale Tail Pit Project and advises that updated plans should be submitted directly to the NIRB's Public Registry dashboard at www.nirb.ca/project/125418.

Should you have any questions or require clarification regarding the NIRB's direction, please contact Emily Koide, Technical Advisor III, at (867) 983-4612 or ekoide@nirb.ca, and Leah Klassen, Technical Advisor II, at lklaassen@nirb.ca or 1 (867) 983-4603.

Sincerely,



Karen Costello
Executive Director
Nunavut Impact Review Board

cc: Jennifer Range, Agnico Eagle Mines Limited
Manon Turmel, Agnico Eagle Mines Limited
Marie-Pier Marcil, Agnico Eagle Mines Limited
Alexandra Ozaruk, Agnico Eagle Mines Limited

Attachment C Water Management Plan

(due to file size, document is provided in standalone pdf file)

Attachment D Waste Rock Management Plan

(due to file size, document is provided in standalone pdf file)