



April 22, 2024

NWB File No.: 2BB-BOS1727

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

RE: 2BB-BOS1727 UPDATE ON SECURITY INCREASE

Dear Mr. Shaikh:

Agnico Eagle Mines Limited (Agnico Eagle) has been working with the Kitikmeot Inuit Association (KitlA) and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) regarding security for Type B Water Licence 2BB-BOS1727 (2BB-BOS Licence). Agnico Eagle is writing to the Nunavut Water Board (NWB) to provide the history and results of the 2BB-BOS Licence security increase.

HISTORY

During the review of the 2AM-DOH1335 security update, CIRNAC had flagged that security for the Boston site should also be reviewed and increased as necessary. The security that is currently being held under the 2BB-BOS Licence is \$3,612,000, there is no security held under the 2AM-BOS Licence.

On November 27, 2023, Agnico Eagle and KitlA met via conference call to discuss Boston securities (2AM-BOS and 2BB-BOS). The KitlA had expressed there was no need to increase the 2AM-BOS security as a Letter of Credit (LOC) is not yet in place. However, the KitlA suggested there could be a simple increase under the 2BB-BOS Licence related to the activities at the site and also the last update was 7 years ago in 2017.

On December 11, 2023, Agnico Eagle and CIRNAC met via conference call to discuss Boston securities. After discussions between both parties, Agnico Eagle and CIRNAC agreed that the 2AM-BOS security did not to be reevaluated as no LOC is held under this licence. However, CIRNAC's position was that the 2BB-BOS Licence currently sets security for the Boston site and should therefore be updated to reflect current site conditions. Agnico Eagle agreed to update 2BB-BOS security.

RESULT

As there was agreement between all parties, Agnico Eagle presented the suggested security update to the KitlA in December and issued formally to CIRNAC on February 7, 2024 via email. The security update agreed to parties is a \$1,787,400 increase, bringing the 2BB-BOS security amount to \$5,399,400 (Table 1).

Table 1: Security Update to 2BB-BOS Licence

CAPITAL COSTS	COMPONENT NAME	COST	Revised COST
OPEN PIT		\$ -	\$ -
UNDERGROUND MINE	Portal/Decline	\$ 8,000.00	\$ 75,000.00
	Vent Raise	\$ 16,000.00	\$ 50,000.00
ROCK PILE	Ore Stockpiles	\$ 434,000.00	\$ 600,000.00
	Contaminated Soil Implementation Plan	\$ 41,000.00	\$ 75,000.00
BUILDINGS AND EQUIPMENT	Facilities Demolition	\$ 377,000.00	\$ 664,000.00
	Transportation Infrastructure	\$ 76,000.00	\$ 310,000.00
	Drill Sites / Drill Hole Abandonment	\$ 16,000.00	\$ 25,000.00
	Non-Process Ponds & Reservoirs	\$ 11,000.00	\$ 73,000.00
	Off-Site Shipping for Disposal and Fees	\$ 9,000.00	\$ 40,000.00
TAILINGS FACILITY		\$ -	\$ -
CHEMICALS AND CONTAMINATED SOIL MANAGEMENT		\$ -	\$ -
SURFACE AND GROUNDWATER MANAGEMENT		\$ -	\$ -
INTERIM CARE AND MAINTENANCE		\$ 80,000.00	\$ 170,000.00
	SUBTOTAL: Capital Costs	\$ 1,068,000.00	\$ 2,082,000.00
INDIRECT COSTS			
MOBILIZATION/DEMOBILIZATION		\$ 1,249,000.00	\$ 1,500,000.00
POST-CLOSURE MONITORING		\$ 200,000.00	\$ 300,000.00
ENGINEERING AND CONSULTING SERVICES		\$ 150,000.00	\$ 300,000.00
PROJECT MANAGEMENT		\$ 723,000.00	\$ 800,000.00
HEALTH AND SAFETY PLANS/MONITORING & QA/QC		\$ 10,000.00	\$ 20,000.00
BONDING/INSURANCE		\$ 10,000.00	\$ 15,000.00
CONTINGENCY		\$ 202,000.00	\$ 382,400.00
	SUBTOTAL: Indirect Costs	\$ 2,544,000.00	\$ 3,317,400.00
TOTAL COSTS		\$ 3,612,000.00	\$ 5,399,400.00

The KitlA and CIRNAC had agreed to the security increase to the 2BB-BOS Licence:

- December 7, 2023 the KitlA confirmed to Agnico Eagle via email that the security increase was acceptable.
- February 9, 2024 CIRNAC acknowledged receipt of the substantiation as required and had no further concerns related to this specific file with respect to the security increase to the 2BB-BOS. CIRNAC also noted they looked forward to receiving the DRAFT LOC as soon as practical.

CURRENT STATUS

Agnico Eagle is revising LOCs held with KitlA and CIRNAC under the 2BB-BOS Licence and will advise the NWB once executed.

CLOSURE

Agnico Eagle thanks the KitlA and CIRNAC for the coordination and collaboration to reach agreement to the security increase under the 2BB-BOS Licence.

Should you have any questions or require further information, please contact the undersigned at your convenience.

Regards,



Jamie Quesnel
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Director, Permitting & Regulatory Affairs