



AGNICO EAGLE

December 2016

EXPLORATION

Pilot study - Hovercraft Implementation in Nunavut Main Application Document

Submitted to:
Nunavut Planning Commission
PO Box 1797
Iqaluit, NU X0A 0H0

EXECUTIVE SUMMARY

The Nunavut territory is a significant part of Agnico Eagle's business and is expected to remain a key component of Agnico Eagle's operations for several decades to come. As Agnico Eagle's Nunavut platform currently spans an area that is well over 400km in length, improving the ability to move people and equipment more freely within this area would have an immediate and significant impact on the company's long term strategy and success in Nunavut, primarily in the areas of logistics and exploration. In this context, Agnico Eagle has identified an opportunity to enhance the potential of its assets in Nunavut.

Hovercrafts have resolved numerous logistical and transportation problems in Northern and Arctic territories of Siberia and the Far East. It is expected that they will also be applicable in Nunavut and may have future all-season benefits for Nunavummiut. The hovercrafts, by design, can be interchangeably used on water and land, while transporting people or industrial loads over small and large rivers, lakes, swamps, snow soil, packed ice bogs, tundra, and coastal seas throughout the year. Noise levels for one unit are about the same as two snowmobiles, the low ground pressure prevents impacts to the terrestrial environment and aquatic environment.

Agnico Eagle is proposing to purchase and transport 2 hovercraft units (3 tonnes) to the Meadowbank site in the third quarter of 2017 summer sealift season to be used to transport personnel and light cargo on the Amaruq Exploration Access Road (AEAR), on the approved winter roads and designated trails to drilling properties on the Amaruq property on a year round basis. The intent is to perform a one-year pilot program starting in the summer of 2017 continuing through the winter of 2017/2018 to validate its operational performance, to demonstrate its viability for search and rescue activities in the area around Meadowbank and to de-risk the later stages of a larger implementation strategy. Depending on the success and findings of the pilot study, the operation of these two hovercrafts is expected to continue beyond 2018.

Compared with alternatives assessed, Agnico Eagle feels that the implementation of the hovercraft technology is the most cost-effective and best overall alternative for exploration from an environmental and economic perspective.

[illegible]

Table of Contents

EXECUTIVE SUMMARY	I
DOCUMENT CONTROL.....	VI
ABBREVIATIONS, ACRONYMS, AND UNITS	VII
1.0 INTRODUCTION.....	1
1.1 Project Overview.....	1
1.2 Hovercraft Technology.....	1
1.3 Proponent Information	5
1.4 Authorizations.....	6
1.4.1 Land Use.....	6
1.4.2 Environmental Screening and NWB Type B Water License.....	6
2.0 PROJECT PROPOSAL	8
2.1 Project Rationale	8
2.2 Alternatives.....	8
2.3 Hovercraft Technology Alternatives Assessment.....	9
2.4 Preferred Option	10
3.0 PROJECT SCOPE.....	11
4.0 DESCRIPTION OF EXISTING ENVIRONMENT, ENVIRONMENTAL IMPACTS, AND MITIGATION.....	13
5.0 MANAGEMENT	14
5.1 Reclamation and Closure	14
6.0 CONSULTATION.....	15
7.0 REFERENCES.....	16

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT

TABLES

Table 1.4-1: Required Licenses, Permits, Agreements, and other Approvals for Winter Roads and Amaruq Exploration Access Road	7
Table 2.2-1: Hovercraft Alternatives Assessment	8
Table 3.1-1: Summary of Hovercraft Specifications	11
Table 3.1-2: Construction Consumables and Storage Location for the Exploration Access Road	12
Table 3.1-3: Type of Waste, Quantity, Treatment and Disposal Method Anticipated during the Construction of the Proposed Exploration Access Road	12
Table 5.1: Approved Management Plans	14

FIGURES

Figure 1-1: General Site Layout	3
Figure 1-2: Designated routes to access 2017 Amaruq drilling sites.....	4

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT

DOCUMENT CONTROL

Version	Date	Section	Page	Revision
1	12/06/2016	All	All	Main Supporting Document for the Nunavut Planning Commission Application

Prepared by:

Agnico Eagle Mine Limited

Approved by:



Jamie Quesnel – Environmental Superintendent Nunavut - Services Group



Ryan Vanengen, M.Sc. – Environmental Superintendent – Permitting and Regulatory Affairs

ABBREVIATIONS, ACRONYMS, AND UNITS

Agnico Eagle	Agnico Eagle Mines Limited
AEAR	Amaruq Exploration Access Road
KIA	Kivalliq Inuit Association
km	kilometre
INAC	Indigenous and Northern Affairs Canada
NIRB	Nunavut Impact Review Board
NWB	Nunavut Water Board
NPC	Nunavut Planning Commission

1.0 INTRODUCTION

Agnico Eagle Mines (Agnico Eagle) has been involved in Nunavut since 2007. It has become a significant component of its business strategy, and is expected to remain a key area of activities for several decades. What began as a purchase and development of the Meadowbank mine located 70 kilometre (km) north of the Hamlet of Baker Lake, has transformed in a period of nine years into a platform of operations containing well over 10 million ounces of resources and a key source of growth potential for Agnico Eagle's production profile.

Agnico Eagle's objective is to assess implementation of the hovercraft technology in Nunavut using two hovercrafts at the Amaruq Gold Project (Amaruq) located 62.5 km northwest of the Meadowbank mine and, between Amaruq and Meadowbank (Figures 1-1 and 1-2).

Information related to the operation of Hovercrafts is presented in this document in support of the Nunavut Planning Commission (NPC) application.

1.1 Project Overview

Agnico Eagle is proposing to purchase and transport 2 hovercraft units (3 tonnes each) to the Meadowbank site in the third quarter of 2017 summer sealift season to be used to transport personnel and light cargo on the Amaruq Exploration Access Road (AEAR), on the approved winter roads and designated trails to drilling properties on the Amaruq property on a year round basis. The intent is to perform a one-year pilot program starting in the summer of 2017 continuing through the winter of 2017/2018 to validate its operational performance, to demonstrate its viability for search and rescue activities in the area around Meadowbank and to determine the feasibility of expanding its' application to future regional exploration activities. Depending on the success and findings of the pilot study, the operation of these two hovercrafts is expected to continue beyond 2018.

1.2 Hovercraft Technology

A hovercraft, also known as an air-cushion vehicle or ACV, is a vehicle capable of travelling over-land, water, mud, ice and other surfaces. Hovercraft use blowers to produce a large volume of air below the hull that is slightly above atmospheric pressure. The pressure difference between the higher pressure air below the hull and lower pressure ambient air above it produces lift, which causes the hull to float above the running surface. For stability reasons, the air is typically blown through slots or holes around the outside of a disk- or oval-shaped platform, giving most hovercraft a characteristic rounded-rectangle shape. Typically this cushion is contained within a flexible "skirt", which allows the vehicle to travel over small obstructions without damage.

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT



A Lithuanian Coast Guard hovercraft
with engine off and skirt deflated



The same hovercraft with engine
on and skirt inflated

The first practical design for hovercraft derived from a British invention in the 1950s to 1960s. They are now used throughout the world as specialized transports in disaster relief, coastguard, military and survey applications as well as for sport or passenger service. Although now a generic term for the type of craft, the name Hovercraft itself was a trademark owned by Saunders-Roe (later British Hovercraft Corporation (BHC), then Westland), hence other manufacturers' use of alternative names to describe the vehicles.

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT

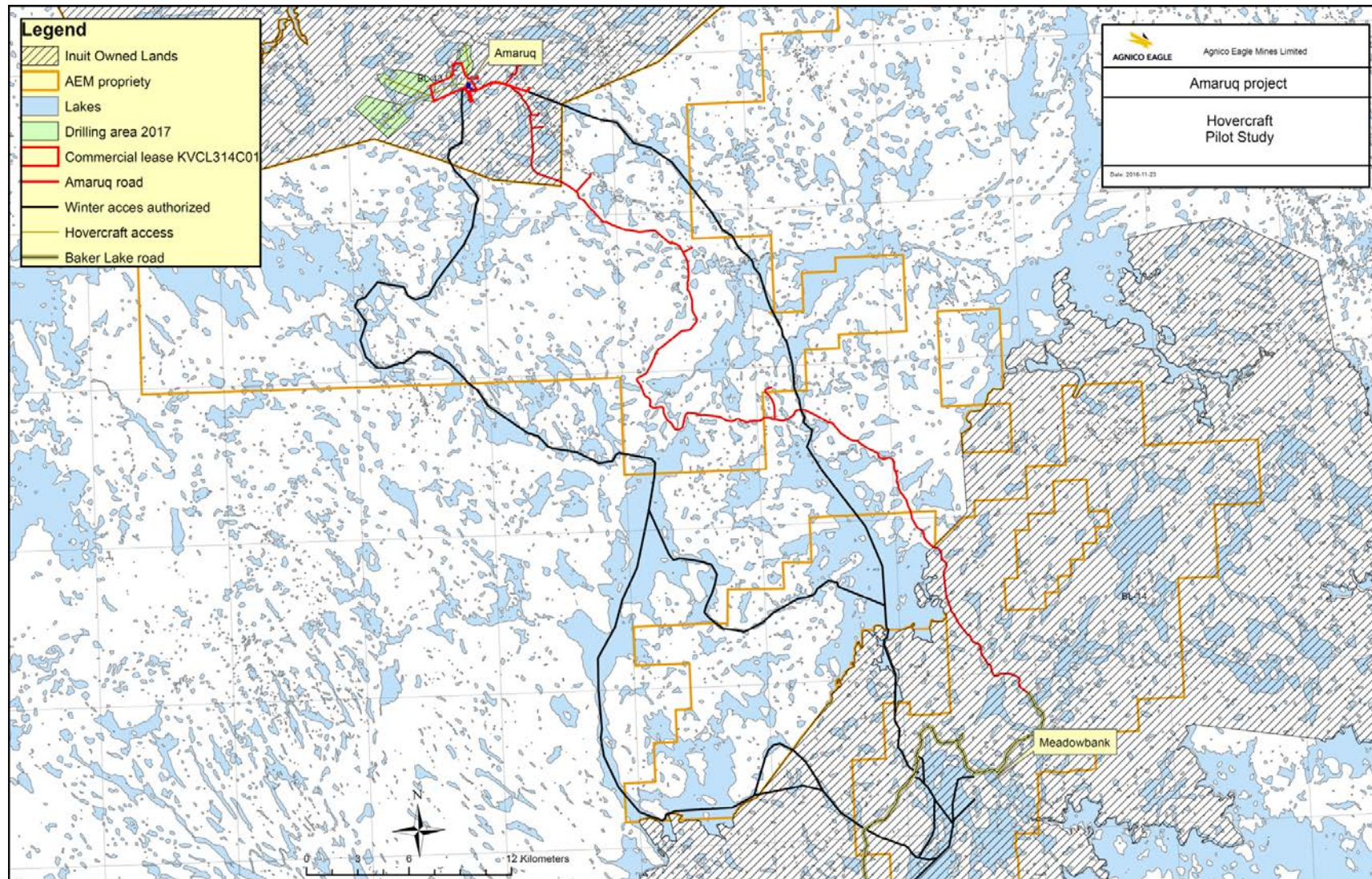


Figure 1-1: General Site Layout

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT

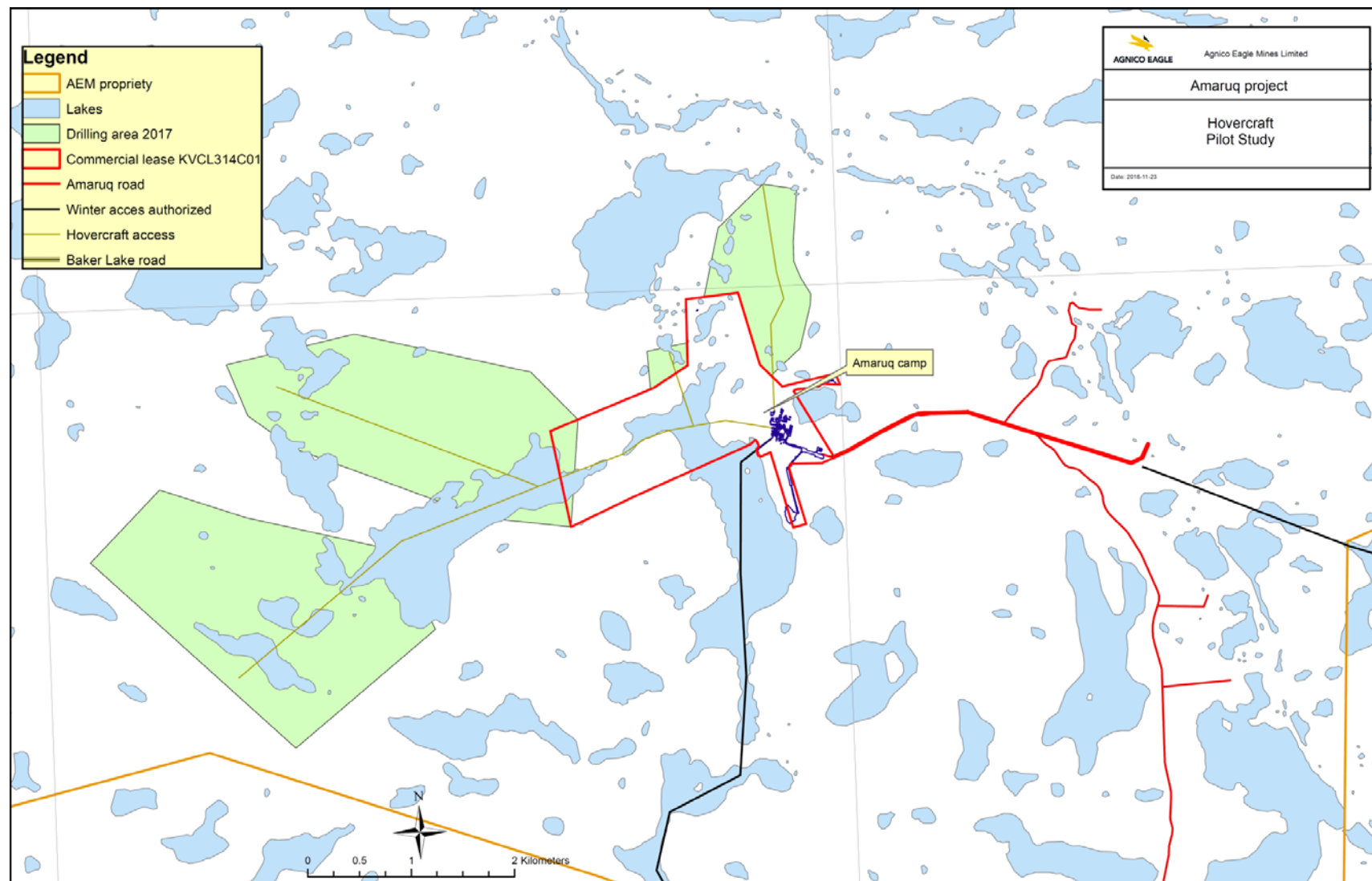


Figure 1-2: Designated routes to access 2017 Amaruq drilling sites.

1.3 Proponent Information

The Amaruq Exploration Property is owned and managed by Agnico Eagle Mines Limited (NYSE:AEM, TSX:AEM) ("Agnico Eagle" or the "Company"), a Canadian publicly traded mining company listed on the Toronto and New York Stock Exchange, trading symbol AEM, with head offices in Toronto, Ontario.

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Its nine mines are located in Canada, Finland, and Mexico, with exploration and development activities in each of these regions as well as in the United States. Agnico Eagle began exploring for minerals in Canada since 1953 and has been active in the Kivalliq Region since 1990. Agnico Eagle owns and operates the Meadowbank mine, which is located 70 km directly north of Baker Lake and approximately 50 km southeast of the Amaruq Exploration site. In addition Agnico Eagle owns rights to the Meliadine Gold Project, which is located approximately 25 km north of Rankin Inlet, and 80 km southwest of Chesterfield Inlet. Agnico Eagle is a senior mining company with a proven reputation for sustainability and economic success in Nunavut. Its' success is based on grass roots exploration and successful mining in politically stable countries.

Agnico Eagle's audited financial statements are available on line at:

http://ir.agnicoeagle.com/files/doc_financials/2014/Annual-Audited-Financial-Statement-2014.pdf

The people who work for Agnico Eagle in advancing this Project are listed below:

Environmental Nunavut Services Group:	Jamie Quesnel, Environmental Superintendent, Nunavut Services Group Baker Lake, Nunavut, Canada, X0C 0A0 P : 819-759-3555 (ext.6838) M : 819-856-0821 Email: jamie.quesnel@agnicoeagle.com
Environmental Permitting:	Ryan Vanengen, Environment Superintendent: Permitting and Regulatory Affairs Baker Lake, Nunavut, Canada, X0C 0A0 M: 819-651-2974 Email: ryan.vanengen@agnicoeagle.com
Environmental Compliance:	Marie-Pier Marcil, Senior Compliance Technician Baker Lake, Nunavut, Canada, X0C 0A0 P: 819-759-3555 x 5193 Email: marie-pier.marcil@agnicoeagle.com
Environmental Compliance:	Manon Turmel, Environmental Compliance Counselor Rankin Inlet, Nunavut, Canada, X0C 0G0 P: 819-759-3555 x 8025 Email: manon.turmel@agnicoeagle.com

1.4 Authorizations

The Lead authorizing agencies for the Amaruq Exploration Access Road, the on approved winter roads and designated roads to drilling properties on the Amaruq property are the Nunavut Planning Commission (NPC), the Nunavut Impact Review Board (NIRB), the Nunavut Water Board (NWB), Indigenous and Northern Affairs Canada (INAC) and the Kivalliq Inuit Association (KIA).

1.4.1 Land Use

Agnico Eagle has sole responsibility for the construction and ongoing inspection and maintenance of all of the components of the winter roads and Amaruq Exploration Access Road, including the road bed, spur roads, the bridges, the culverts, and the borrow sites and quarry used in the construction of the exploration access road. These winter road and exploration access road are not part of any Territorial highway system.

Land Use Planning

All project proposals in the Keewatin Planning Region that require a licence or authorization from a land use authorizing agency must be assessed by the NPC for conformity with the Keewatin Regional Land Use Plan (NPC 2000). The proposed access roads for the Hovercraft Pilot Project are entirely within the Kivalliq (Keewatin) region of Nunavut and therefore are subject to confirmation of conformity determination to the Keewatin Regional Land Use Plan. It should be noted that Agnico Eagle received a positive NPC conformity determination for the winter road on January 22, 2015 and on July 16, 2015 for the Amaruq Exploration Access Road.

Inuit Owned Land

The 408 km² Amaruq Property is located on IOL, and was acquired by Agnico Eagle in 2013 subject to a mineral exploration agreement with Nunavut Tunngavik Incorporated. The main routing of the approved Winter Roads and Amaruq Exploration Access Road are both on IOL and Crown land as shown in Figure 1-1. The surface ownership of the land encompassing the exploration access road right-of-way was transferred to the KIA when the Nunavut Land Claims Agreement came into effect. Land and environmental management in this area are generally governed by the provisions of the Nunavut Land Claims Agreement.

Agnico Eagle will follow approved plans and has in place necessary mitigation measures to ensure that the proposed hovercraft trails will not substantially affect the quality, quantity or flow of water through IOL.

Crown Land

Crown land use authorizations have been acquired from Indigenous and Northern Affairs Canada for use of the Exploration Access Road and Winter Roads as shown on Figure 1-1. Agnico Eagle has in place necessary mitigation measures to ensure that the proposed roads will not substantially affect the quality, quantity or flow of water through Crown Land.

1.4.2 Environmental Screening and NWB Type B Water License

On April 11, 2014, Agnico Eagle received a positive screening decision from the Nunavut Impact Review Board (NIRB) for the operation of the Winter Roads on Amaruq property and on November 4, 2015 for the Amaruq Exploration Access Road. On November 9, 2015, the Nunavut Water Board (NWB) issued Type B license 8BC-AEA1525 to construct the Amaruq Exploration Access Road.

AGNICO EAGLE – HOVERCRAFT IMPLEMENTATION IN NUNAVUT

A list of permits, licenses, agreements and approvals for the Winter Roads and Amaruq Exploration Access Road is presented in Table 1.4-1.

Table 1.4-1: Required Licenses, Permits, Agreements, and other Approvals for Winter Roads and Amaruq Exploration Access Road

Licence Number	Screening, License and Permit	Issued By	Date of Expiry	Remarks
	Conformity determination with Keewatin Regional Land Use Plan for Winter and Exploration Access Roads	NPC	NA	Allows amendment to proceed to screening by NIRB
11EN010	Project Screening	NIRB	NA	Previously screened the Exploration Access Road
8BC-AEA1525	Type B Water License AEAR	NWB	Dec 31, 2025	Allows the for the construction and operation of the AEAR
KVCL314C01	Amaruq commercial lease	KIA	Aug 15, 2025	Commercial Lease for camp site and associated infrastructure
KVL312C03	Amaruq Exploration	KIA	Aug 28, 2016 – renewal ongoing	General land use permit applying to exploration on IOL BL-42/43
KVCA15Q02	IOL Borrow Lease	KIA	Nov 22, 2017	Borrow pits on IOL- authorize 306,000m ³ to be removed from land
KVRW15F01	AEAR Right-of-Way on IOL	KIA	Nov 30, 2018	AEAR across IOL
KVRW11F01	Amaruq Winter Access Road Right-of-Way on IOL	KIA	May 16, 2017	Winter Road across IOL
N2015F0026	Land use permit for AEAR	INAC	May 9, 2017	AEAR across Crown Land
N2013F0030	Amaruq Winter Access Road Land use permit	INAC	April 15, 2017	Winter Access Road across Crown Land
66H/8-02-1	Exploration Access Road Right-of-Way on Crown Land	INAC	Dec 30, 2026	AEAR across Crown Land
66H/8-01-1	Crown Land Quarry Lease	INAC	Dec 31, 2026	Allows the for the construction and operation of quarries along the Amaruq Exploration Access Road on Crown land
11-HCAA-CA7-00006	Letter of Advice	DFO	NA	Implementation of mitigation measures to avoid impacts to fish and fish habitat Amaruq Exploration Road

2.0 PROJECT PROPOSAL

2.1 Project Rationale

The Nunavut territory is a significant part of Agnico Eagle's business and is expected to remain a key component of Agnico Eagle's operations for several decades to come. The operating cost of mining in Nunavut is high, primarily due to the remote location and the lack of infrastructure such as roads and ports. As Agnico Eagle's Nunavut platform currently spans an area that is well over 400km in length, improving the ability to move people and equipment more freely within this area would have an immediate and significant impact on the company's long term strategy and success in Nunavut, primarily in the areas of logistics and exploration.

In this context, Agnico Eagle has identified an opportunity to enhance the potential of its assets in Nunavut and assist Nunavummiut in piloting this new technology that has the potential to change year-round regional travel.

With their inherent qualities, hovercrafts have resolved numerous logistical and transportation problems in Northern and Arctic territories of Siberia and the Far East. It is expected that they will also be applicable in Nunavut. The hovercrafts, by design, can be interchangeably used on water and land, while transporting people or industrial loads over small and large rivers, lakes, swamps, snow soil, packed ice bogs, tundra, and coastal seas throughout the year. They can withstand temperature as low as -55°C. In addition, hovercrafts can be a significant tool in Agnico Eagle's rescue and safety protocols, mainly due to their fast speed and smooth motion in transit. Finally, the level of noise when the equipment is in motion is in the range of 70 db (base case) and up to 110/120 db externally and the pressure on the ground is 1 psi, which is expected to have very low environmental impact.

2.2 Alternatives

Agnico Eagle assessed the effects of maintaining current practices and evaluated alternatives namely:

- Continued use of the AEAR and winter roads to travel light cargo and passengers between Meadowbank and Amaruq, and continued use of helicopter to access drilling sites;
- Continue used of the AEAR and constructing a network of all season trails for drilling; and
- Continued use of AEAR and helicopter use; no longer any use of winter roads or trails.

Under all scenarios, helicopter use is expected to continue. However, it is expected that the magnitude of helicopter use is expected to decrease, with the implementation of the hovercraft. Table 2.2-1 summarizes the alternatives assessment to evaluate the project with consideration and overview of the effects on exploration.

Table 2.2-1: Hovercraft Alternatives Assessment

Alternative	Effect on Exploration
Continued use of AEAR, winter road, and helicopter	• Seasonal scaled back pace; • Reduced exploration and drilling activities due to limited helicopter flexibility (daylight restriction, weather or ground conditions dependant, pilot availability dependant); • Increased emergency response time; • Reduced flexibility in exploration planning due to uncertainty in helicopter availability; • Delay to advancement of exploration; and

Alternative	Effect on Exploration
	Operational difficulty in meeting aggressive exploration timelines.
Continued use of the AEAR, helicopter use and development of a permanent network of all season trails near the exploration site	- Improves year round access; - Increased and reliable emergency response time to drill sites; - Higher construction and maintenance cost (including higher fuel costs); - Delay to advancement of exploration; - Operational difficulty in meeting aggressive exploration timelines; and - Increased environmental footprint
Use of AEAR and helicopter use; no longer any use of winter roads or trails	- Seasonal scaled back pace; - Significant reduction in exploration activities in 2017/early2018 prior to the AEAR completion; - Reduced exploration and drilling activities due to limited helicopter flexibility (daylight restriction, weather or ground conditions dependant, pilot availability dependant); - Reduced emergency response time and flexibility; - Reduced flexibility in exploration planning due to uncertainty in helicopter availability; - Delay to advancement of exploration; and - Operational difficulty in meeting aggressive exploration timelines.

2.3 Hovercraft Technology Alternatives Assessment

Several potential technologies were considered including hoverbarge, pneumatic pipeline, barge, rail, and blimp. Arktika's hovercraft capability to constantly be able to maintain itself above water, snow soil, packed ice bogs and tundra during the entire year was the driving factor at selecting it as the most viable alternative to carry employees and/or cargo in the Nunavut area.

Two scenarios were assessed for the acquisition and testing of this technology:

- Acquire one hovercraft: An optimal configuration of the hovercraft would be made to split weight capacity between passenger and cargo, and a possible configuration could be half passenger and half cargo;
- Acquire two hovercrafts: One hovercraft would be exclusively for the purpose of transporting people; the other would be designed to be adaptable for passenger-cargo transportation and would include a small installed crane to facilitate loading and offloading of supplies, food, and equipment.

Buying hovercraft in pairs provides favourable economics and is deemed to be particularly beneficial for logistics and flexibility to transport people and materials as needed. At this time it is planned that one of hovercrafts would be partly used for logistics, and it is expected that through this pilot phase, expertise around loading and unloading cargo or equipment would be developed.

The greatest benefit in having two units is its' redundancy in the case of an emergency. Having a backup hovercraft provides valuable for search and rescue operations, on maintenance of the hovercraft, as well as not being dependent on weather (i.e. Helicopter) for rapid response situations.

2.4 Preferred Option

Agnico Eagle believes implementation of the hovercraft technology is the best solution to enhance the potential of its assets in Nunavut. Of mention, it will:

- Improve operational safety;
- Improve transportation equipment flexibility using already approved trails or roads;
- Partially, replaces existing equipment (i.e. helicopter) with better equipment;
- Improve Agnico Eagle's access to the territory in the area and facilitate access to potential exploration targets along the exploration access road route, increasing feasibility of further exploration in this area;
- Provide greatest degree of flexibility in operational decisions;
- Improve operations and minimize costs;
- Fewer environmental impacts (i.e. potential of fewer permanent trails or roads, less overall fuel consumption);
- No additional reclamation and closure activities required; and
- Initial high cost of construction of the hovercraft would be recovered as compared to airlifting light cargo and passenger for exploration activities.

Consequently, Agnico Eagle feels that the implementation of the hovercraft technology is the most cost-effective and best overall alternative from an operational, environmental and economic impact perspective.

3.0 PROJECT SCOPE

As part of this research, Agnico made contact with a Russian manufacturer of hovercraft (OAO SibVPKNeftegaz), which is located in the Siberian federal region of Russia. A site visit was conducted in April of 2015 to see the equipment in operation, as well as to visit and inspect the manufacturing facility. This company has built and sold over 60 hovercrafts since 2002, each unit varying between 1 and 3 tonnes in load carrying capacity.

For this pilot project Agnico Eagle is proposing to purchase two 3T capacity hovercraft units similar to the units viewed in Siberia and adapt it slightly to suit its needs. The units would be configured to carry cargo and/or passengers. The specifics of the Arktika 3T unit are summarized as follows:

Table 3.1-1: Summary of Hovercraft Specifications

Specifications	Hovercraft 3 tonnes
Payload	3 tonnes or 25 passengers
Speed	70-100 km/h
Operating Temperature	+40 to -55 ⁰ C
Noise (Receiving Environment)	70db to 110/120db
Mechanical Availability	Over 80%
Obstacles (trench, ditches, cracks)	Up to 2.5m
Steepness of rise	Up to 20 ⁰
Engine	2X Diesel 400 Hp
Fuel Consumption	50-60l/h
Autonomy	12 hours
Number of operator per unit	1
Braking distance at 100km/h	75m
Dry weight	5600 kg
Overall Dimensions	5.6 x 12.8 x 3.6m
Life expectancy	>25 years
Life expectancy (“skirt”)	>5 years
Pressure on the ground (psi)	1 psi*

* Max 3.5 psi to avoid ecological damage on tundra referring to Alaska research.

The units would be used to transport exploration personnel between the Meadowbank and Amaruq exploration sites and to move personnel and supplies between the exploration camp and the active drilling sites and on occasion to move supplies between the Meadowbank and Amaruq sites. However most supplies (including fuel) will be moved between the Meadowbank and Amaruq sites using the AEAR once it is completed in early 2017. The primary use of the cargo hovercraft would be to move supplies between the exploration camp and the active exploration drilling sites. The objective is to replace to the greatest extent possible the current use of helicopters to move personnel and equipment between the exploration camp and the active drilling sites and to replace the use of helicopters to move exploration personnel between Meadowbank and Amaruq.

In traveling between Meadowbank and Amaruq, the hovercraft will typically follow a travel path using interconnecting lakes and streams similar to the existing previous winter road alignment. The intent is to avoid any topographical obstacles such rock outcrops, boulder, fields and steep slopes.

During the Pilot Study, no explosives or fuel transportation will take place. Fuel storage will be done either at the Amaruq exploration site, or at the Meadowbank mine site as per currently approved permits. No additional fuel storage will be required for this Project.

Table 3.1-2: Construction Consumables and Storage Location for the Exploration Access Road

Material	Maximum Amount Present	Storage Location
Diesel Fuel	500,000 liters	Exploration Site and Meadowbank; in approved facilities

Based on previous experience and given that maintenance of equipment will be centered at the Amaruq exploration site and the Meadowbank mine maintenance facilities, very little waste is expected to be produced in addition to what has been previously approved at authorized facilities. All waste generated will be backhauled to approved/licensed waste disposal facilities. Table 3.1-3 presents approximate quantity of waste, treatment and disposal methods. Mitigation and management plans are in place to ensure proper handling and disposal of any waste generated. Further information can be reviewed in the Emergency Response and Spill Contingency Plan and the Road Management Plan.

Table 3.1-3: Type of Waste, Quantity, Treatment and Disposal Method Anticipated during the Construction of the Proposed Exploration Access Road

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Waste Oil	Waste Oil from engines (undertaken by qualified technicians)	Conservatively, 20 Liters/ month is expected	Waste oil will be returned to an existing Agnico Eagle camp facility	Disposed of by consuming waste oil in burners/ furnaces or shipped south to an approved recycling facility
Contaminated Soil	Soil collected due to small fuel spills that may occur; small quantities of fuel following spill remediation	Conservatively estimated at 20 m ³ .	Contaminated soil will be returned to an existing Agnico Eagle facility	Disposed of at the approved Meadowbank Landfarm and appropriately treated

4.0 DESCRIPTION OF EXISTING ENVIRONMENT, ENVIRONMENTAL IMPACTS, AND MITIGATION

As previously submitted and screened by the NIRB, the Winter and Exploration Access Road will interact with the natural and human environment of the area in both time and space. The Winter and Exploration Access Road has been determined to present few negative effects to the environment. The identified impacts will not occur in the long-term, or be significant due to mitigative measures and standard best practices that will be implemented. Agnico Eagle believes the use of Hovercraft as a pilot project is not expected to change the conformity decision by NPC.

Nevertheless, for the purposes of this application and as an extension of the approved Winter and Exploration Access Road activities, Agnico Eagle will conduct a screening level assessment that considers use of Hovercraft as a pilot project.

During the pilot study phase of the proposed application, Agnico Eagle prioritized the need to ensure that the use of Hovercraft will have low environmental impact. As previously described, Agnico Eagle selected the Winter and Exploration Access road as preferred roads, as they already received a positive screening decision. As a result of these design decisions, no impacts to surface hydrology, fish or fish habitat, wildlife, surface water quantity or quality are expected. Furthermore, there will be negligible changes to the physical environment, air, noise and vibration (atmosphere).

Overall, at this point, Agnico Eagle believes the potential impacts on the Terrain and Permafrost, Soil, Air and Climate, Noise and Vibration, Hydrology, Aquatic Environment, Terrestrial Environment, Social and Economic Environment, Archaeology and Traditional Land Use, and Traditional Knowledge due to the operation of Hovercraft were considered and will be assessed. Agnico Eagle will refer you to the Amaruq Exploration Road and Winter Road document application for a complete review of these roads potential impacts. At this time, Agnico Eagle is preparing a detailed description of the existing environment, environmental impacts, and mitigation for the proposed pilot program.

5.0 MANAGEMENT

Agnico Eagle prides itself on the fact that as a Company it can rely on a highly experienced senior management team that have remained together for many years (the senior management team members each average approximately 20 years of service with Agnico Eagle). As a Company, Agnico Eagle has an excellent track record as a local employer; in being a valued member of the communities in which they operate; in managing the environmental impact of our mining operations; in providing a safe work place and in reporting our performance to all of our stakeholders.

Agnico Eagle also has in place an Environmental Policy and a Health and Safety Policy to ensure core values for operating safely, protecting the environment, treating people and communities with respect, and making a profit are achieved.

When using hovercraft units, Agnico Eagle will implement the plans approved in Table 5.1 as part of the AEAR and Amaruq Exploration Project.

Table 5.1: Approved Management Plans

Title	Version	AEAR	Amaruq Winter Road
Road Management Plan	March 2015	X	
Waste Management Plan	May 2016		X
Wildlife Protection and Response Plan	October 2016		X
Emergency Response and Spill Contingency Plan	March 2015	X	
Spill Contingency Plan	March 2016		X
Conceptual Closure and Reclamation Plan	May 2015	X	

All management plans identified are approved and have taken into account established Nunavut guidelines and standards.

5.1 Reclamation and Closure

The exploration access road will be decommissioned as per the approved conceptual Closure and Reclamation plan (May 2015). No additional reclamation and closure activities will be required in support of the hovercraft technology.

6.0 CONSULTATION

Utilization of a hovercraft was first introduced to regulators in September 2016 via letter sent to KIA, NWB, INAC, DFO, ECCC, NRCAN and TC to explain briefly the proposed project and request advice on regulatory requirement for this pilot project. Agnico Eagle first introduced the project to the public in Rankin Inlet and Baker Lake in June 2016. Another public consultation was held in November 2016 with local residents of Baker Lake after Agnico Eagle decided to order equipment. Consultations will be conducted in Baker Lake in 2017 and will focus on potential interaction between the expansion of the use of hovercraft beyond the Project and key environmental components (i.e., caribou, fish, and traditional land use).

7.0 REFERENCES

- CCME. 2015a. Canadian Water Quality Guidelines for the Protection of Aquatic Life. In: Canadian Environmental Quality Guidelines, 1999 with updates to 2015. Available at <http://ceqg-rcqe.ccme.ca/>. Accessed February 2015. Canadian Council of Ministers of the Environment, Winnipeg, MB, Canada. ISBN: 1-896997-34-1.
- CCME. 2015b. Canadian Sediment Quality Guidelines for the Protection of Aquatic Life. In: Canadian Environmental Quality Guidelines, 1999 with updates to 2015. Available at <http://ceqg-rcqe.ccme.ca/>. Accessed February 2015. Canadian Council of Ministers of the Environment, Winnipeg, MB
- G.R. Bert. 1970. Travel on Thawed Tundra, University of Alaska Note 7005.
- Health Canada. 2014. Guidelines for Canadian Drinking Water Quality – Summary Table. Water and Air Quality Bureau, Healthy Environments and Consumer Safety Branch, Health Canada. Ottawa, ON.
- NPC (Nunavut Planning Commission). 2000. Keewatin Regional Land Use Plan.