



AGNICO EAGLE

Main application document and project description

Parker Lake - Temporary Exploration Camp and Airstrips
&
Cone Hill Exploration Project

Amendment to NPC file 148346 and NIRB decision 15EN049

January 2017



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1. Project summary

Agnico Eagle Mines Limited (Agnico Eagle) acquired, in 2014-2015, mineral claims on Crown and Inuit Owned Land (IOL). These claims are located in an area between 40 km and 140 km north-west of the Rankin Inlet community and between 100 km and 220 km south-east of the Baker Lake community. The projects are named Parker Lake, Peter Lake, and Fox Lake exploration projects. The exploration activities conducted in these areas started in 2016 and is for gold mineralization. The exploration related to these projects, is authorized under several permits and licences.

In addition to the authorized exploration works, a winter access between Baker Lake and Meliadine Gold Project has been reviewed and screened by the Nunavut Planning Commission (NPC) and the Nunavut Impact Review Board (NIRB). Agnico Eagle is now waiting for the issuance of the land use permits from the Kivalliq Inuit Association (KIA) and from Indigenous and Northern Affairs Canada (INAC).

The present application is to permit the installation of a temporary exploration camp on the Parker Lake property, to permit 2 airstrips for Otter plane to service the Parker Lake project, to permit exploration activities on the new property located 40 kilometers north of the Parker Lake project named the Cone Hill exploration project and to permit a spur winter access from the authorized Baker Lake – Meliadine winter access to the Cone Hill area.

1.1 Parker Lake temporary exploration camp

In order to increase worker safety, when working in these remote exploration areas, and to reduce travelling time from the Meliadine camp site, Agnico Eagle is applying for authorizations to install a temporary exploration camp on the Parker Lake property in 2017. This camp will accommodate up to 20 workers and will be mainly constituted of tents and sea cans. A core shack, a core splitting room, a medical room, a kitchen, a dry, showers and Pacto toilets will be included in this temporary exploration camp. Gensets for camp electricity, incinerator for



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domestic waste disposal, treatment for drinking water and berms for up to 400 fuel drums will also be installed at this camp site. This camp is planned to be used for 3 to 4 years.

1.1.1 Parker Lake airstrips

A small airstrip on the lake near the camp and one on the esker located 23 kilometers from the camp will be used to transport material, equipment and workers using an Otter plane. The airstrip on the lake will be used during the ice period and the airstrip on the esker will be used during the summer season to bring material and equipment from Meliadine or Baker Lake closer to Parker Lake. From the esker, a helicopter will transport material and equipment up to the exploration camp. No major leveling of the airstrips is planned since the plane will have tundra tires and will be able to land directly on the ice or directly on the esker. This type of plane only requires a short landing and take-off length of approximately 300 meters.

1.2 Cone Hill exploration project

Agnico Eagle acquired in 2016 new mineral claims at 40 kilometers north of the Parker Lake property and named this new project the Cone Hill exploration project. This project is located approximately 88 kilometers east of the Baker Lake community and 160 kilometers north-west of the Rankin Inlet Community. Agnico Eagle would like to start the exploration works in this area in summer 2017 and the works will include prospection, geophysical surveys and diamond drilling. Workers will be based at the Parker Lake temporary exploration camp or at Baker Lake. A winter access from the Baker Lake – Meliadine main winter access to the exploration area will be used for the transportation of material and equipment during the winter season using tracked tractors. A helicopter will be used for the transport of material, equipment and workers during the exploration season.



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2. Proponent information

The Parker Lake, Peter Lake, Fox Lake and Cone Hill exploration properties are owned and managed by Agnico Eagle, a Canadian publicly traded mining company listed on the Toronto and New York Stock Exchanges (NYSE:AEM, TSX:AEM) with head offices in Toronto, Ontario.

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Its main operations 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 in 1953 and has been active in the Kivalliq Region since 1990. Agnico Eagle owns and operates the Meadowbank mine, which is located 70 km north of Baker Lake and approximately 50 km south-east of the Amaruq Exploration project. In addition, Agnico Eagle owns the rights of the Meliadine Gold Project, which is located approximately 25 km north of Rankin Inlet, and 80 km south-west of Chesterfield Inlet.

Agnico Eagle has a proven reputation for sustainability and economic success wherever it operates. Its success is based on grassroots exploration and successful mining in politically stable countries. Agnico Eagle maintains strong relationships with the Nunavut Planning Commission (NPC), the Nunavut Impact Review Board (NIRB), the Nunavut Water Board (NWB), the Kivalliq Inuit Association (KIA), Indigenous and Northern Affairs Canada (INAC) and other regulators in advancing its projects. These relationships are built on thorough monitoring, transparent reporting, and presentation of information to the regulators and stakeholders, and are backed by successful and accomplished operations.

3. Contacts for the exploration projects

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4. Required authorizations

4.1 Land use

Agnico Eagle has sole responsibility for all the components of the proposed projects and related activities and has sole responsibility for the reclamation and closure of the projects when the exploration is completed. Agnico Eagle will ensure all drill locations are cleaned of any drilling related debris and that all casings will be cut at ground level.



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4.2 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. The proposed temporary exploration camp and the new exploration area are entirely within the Kivalliq (Keewatin) region of Nunavut and therefore are subject to confirmation of conformity determination with the Keewatin Regional Land Use Plan. Agnico Eagle is requesting that NPC undertake a conformity determination of the proposed projects. Agnico Eagle considers the application for land use permits to INAC and KIA will trigger NPC conformity determination requirements. It should be noted that Agnico Eagle received a positive NPC conformity determination for the exploration activities on the Parker, Peter and Fox lakes exploration projects on October 21st, 2015 (#148149) and a NIRB screening decision was received on January 18th, 2016 (#15EN049). A positive NPC conformity determination for the Baker Lake – Meliadine winter access was received on September 9th, 2016 (#148346) and a NIRB screening decision was received on December 23rd, 2016 (amendment to #15EN049).

4.3 Inuit Owned Land and Crown Land

Land and environmental management of Inuit Owned Land (IOL) is generally governed by the provisions of the Nunavut Land Claims Agreement (NLCA) as the area encompassing exploration was transferred to the KIA when the NLCA came into effect. Surface administration of the land remains with KIA for the IOL and with INAC for the Crown Land.

The temporary Parker Lake exploration camp and lake airstrip are located on Inuit Owned Land, but the esker airstrip and the Cone Hill exploration project are located on Crown Land. Agnico Eagle will have to apply for land use permits with both organizations, INAC and KIA



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4.4 Water licence

A water license was issued to Agnico Eagle by the Nunavut Water Board by March 7th, 2016 for the exploration activities in the Parker Lake area. The addition of a camp site with new water use and waste generation and a new exploration area where drilling is planned, trigger the need of an amendment to the water licence 2BE-PKR1621. An application for an amendment including the works described in this document will be submitted to the Nunavut Water Board.

5. Environmental screening

The information provided in this main application document has been compiled to meet the information requirements established by the various organizations. Agnico Eagle understands that a positive environmental screening decision for this application is required before any other agency can issue any permits, leases, or authorizations that would allow Agnico Eagle to commence works described in this document.

5.1 Public consultation

Agnico Eagle conducted public consultations in 2016 in regard to the different Nunavut Exploration projects. Meetings were held in Baker Lake and Rankin Inlet. Agnico Eagle will continue to conduct consultations in 2017, and the present projects will be added in the presentations.

5.2 Logistics

Parker Lake temporary exploration camp

Once the Parker Lake temporary exploration camp is in place, the workers working in the area will be based there. Transports from Baker Lake and/or Meliadine will continue to be required during the exploration season to provide supplies. This transport will be done using Otter plane and helicopters. Helicopters will be used to transport drill, material, equipment and workers



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between the exploration camp and the working areas. Transports on the winter access will be done with tracked tractors.

Cone Hill exploration project

No camp is planned to be set up at the Cone Hill property. Helicopters will be used to move the drill, material, equipment and workers during the exploration season and tracked tractors could be used during the winter to bring part of the equipment and material needed for the exploration. The tractors would use part of the Baker Lake – Meliadine winter access and a spur access toward the Cone Hill property.

5.3 Inuit heritage

To ensure Inuit heritage protection Agnico Eagle conducts annual archaeological works on various exploration sites and these investigations are permitted by the Government of Nunavut. These works include office and field investigations conducted by archaeologists to find, identify and report archaeological sites. Annual reports are submitted to the Government of Nunavut and include details of the completed investigations. These investigations help Agnico Eagle to protect archaeological sites during its exploration works. Most parts of the area planned to be used for the projects described, were visited by an archaeologist during the summer 2016. Some archaeological sites were identified by the archaeologist and protection buffers will be established to ensure their protection. The report associated to the 2016 archaeological works will be submitted to the Government of Nunavut and the archaeologist will return on the field in summer 2017 to expand and complete the areas investigated. Protection buffers will be established by the archaeologist in compliance with the regulations for any archaeological sites found.



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5.4 Caribou protection

To limit the impact on the caribou, Agnico Eagle will apply the protection measures that are described in the Keewatin Regional Land Use Plan and also in the Agnico Eagle Wildlife Protection and Response Plan developed for Parker Lake, Fox Lake, Peter Lake and Cone Hill. The protection measures include avoidance of some areas during defined periods and the Wildlife Protection and Response Plan describes procedures to apply when caribous are approaching a working area. The plan includes also the situations when the right of way must be provided to caribous and muskoxen during the use of the winter access.

The Cone Hill area is located near a caribou crossing present in the Keewatin Regional Land Use Plan (KRLUP), Caribou Protection Map. Conditions associated to this protected area are described in the KRLUP and in the Wildlife Protection and Response Plan. With these measures, Agnico Eagle is confident that there will be no significant impact on caribous.

5.5 Spill Contingency Plan

A Spill Contingency Plan respecting water license 2BE-PKR1621 and 2BE-PTR1621 was developed for the exploration projects. It designates lines of authority and responsibility, and establishes proper reporting and detailed action plans in the event of a spill. This plan is applicable to all Agnico Eagle employees and to any contractors working at Agnico Eagle exploration projects.



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Figure 1, Winter access

