



AGNICO EAGLE

Whale Cove area Exploration Projects

Main Application Document and Project Description

**Related to Authorizations
NPC:148647
NIRB: 17EA068**

**Application to obtain land use authorizations and water
licence**

May 2018

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1. Project summary

Agnico Eagle Mines Limited (Agnico Eagle) possesses mineral properties located on Crown and Inuit Owned Land in the area located between 20km to 70km of the Whale Cove community. The exploration activities planned on these properties include drilling, prospection and geophysical surveys. Winter accesses from the Meliadine Mine site and from the Whale Cove community up to some of the exploration areas were screened by NIRB in decision 17EA068. This decision concerned the Huckleberry exploration project which is shown on Figure 1.

The present application has been prepared to obtain the authorizations for exploration activities in additional areas and also include the installation of an exploration camp in one of these areas. The locations of the proposals are shown on Figure 1.

The winter accesses already screened will allow Agnico Eagle to transport material and equipment from the Meliadine Mine and from the Whale Cove community to the exploration sites during the winter, thus reducing the use of helicopters during the exploration season. At this time, a limited quantity of material and equipment is planned to be transported, since these exploration projects are at an initial stage.

Winter accesses will be used by tracked tractors (Challenger), passing directly on the ice and snow ensuring soil protection. Snowmobiles could also use these accesses.

a. Exploration camp

The planned exploration camp will be constructed to accommodate up to 20 workers and will mainly be composed 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. Gensets for camp electricity, incinerator for domestic waste disposal, treatment for drinking water and berms for up to 420 fuel drums will also be installed. Activities are planned to be conducted periodically in the Whale Cove area between April and October. This camp will be similar to the one proposed to be constructed on the Huckleberry property.

b. Exploration activities

Exploration activities planned on this property include prospection, geophysical surveys (airborne and ground), diamond drilling, rab drilling and trenching. The first drilling campaign is planned for 2000 meters of drilling from which approximately 1000 meters will be analyzed at the laboratory. Future exploration campaign scope will be adjusted depending on the results obtained during previous activities.

Exploration activities are planned to start in 2018 and continue periodically between April and October annually. A helicopter will be used for the transport of material, equipment and workers during the exploration season from the exploration camp up to the working areas.

c. Winter access

The winter access will allow transportation of material and equipment from the Meliadine Mine site and from Whale Cove community up to the exploration areas during the winter, thus reducing the use of aerial transport during the exploration season. The winter accesses are planned to be used annually using tracked tractors (Challenger). At this time, a limited quantity of material and equipment is planned to be transported, since these exploration projects are still at an early stage.

The winter accesses will be used by tracked tractors (Challenger), passing directly on the ice and snow with their loads. Snowmobiles could also use these accesses as needed. The width of these winter accesses will be less than 6 meters. Figure 1 shows the accesses already screened by NIRB that will be used to reach the exploration areas described in this application.

d. Major equipment planned to be used

At this time, most of the equipment planned to be used in the area will be the same as the equipment used at the Huckleberry exploration project. Transport from an area to another using the authorized accesses is planned in winter. Transport of a part of the equipment during the exploration season will be done using helicopters.

- 1 Diamond drill
- 1 Bulldozer D6
- 1 Rab drill
- 3 Tracked tractors

- 2 Helicopters
- 1 Plane Otter
- 1 Mini excavator
- 4 ATV
- 4 Snowmobiles
- 1 Zoom Boom

e. Fuel planned to be stored at the exploration camp site

- 200 x 205-litre diesel drums
- 200 x 205-litre jet fuel drums
- 20 x 205-litre gas drums
- 4 x 600-litre diesel double wall tanks
- 4 x 4000-litre diesel double wall tanks

2. Proponent information

Agnico Eagle is 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 and is a senior Canadian gold mining company that has been producing 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 70km north of the Baker Lake Community. In 2017, the company approved the construction of the Amaruq and Meliadine mines. Amaruq is located around 50km northwest of the Meadowbank mine and Meliadine is located 25km mostly north of the Rankin Inlet community. Both operations are planned to start gold production in 2019.

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 Kivalliq Inuit Association (KIA), the Nunavut Water Board (NWB), 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 activities

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4. Required authorizations

a. Land use

Agnico Eagle has the responsibility for the proposed activities and for the reclamation and closure once completed. When its exploration program is completed, Agnico Eagle will clean up its sites. All drilling casings will be removed or cut at ground level.

b. 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 exploration camp and the additional exploration areas are entirely within the Kivalliq (Keewatin) region of Nunavut. Since a land use licence, a land use permit and a water licence are needed, conformity determination is needed from NPC. It should be noted that the Nunavut Planning Commission (file #148647) referred the Huckleberry exploration project to NIRB on November 22, 2017 and this file included the winter accesses planned to be used for this proposal. The related NIRB screening decision 17EA068 was issued on March 23, 2018.

c. Inuit Owned Land

Land and environmental management of Inuit Owned Land (IOL) in this area are administered by KIA. INAC is the administrator for the Crown Land.

The areas described in this application are located on both Inuit Owned Land and on Crown Land. Agnico Eagle will have to apply for a land use licence with KIA and a permit with INAC to begin the proposed exploration activities.

d. Water licence

Water will be needed to conduct the proposed exploration activities and to operate an exploration camp in the proposed area. The water uses and waste generation associated to these activities trigger the need for a water licence application which 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. We understand 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 the works described in this document.

a. Public consultation

Agnico Eagle conducts public consultations in regard to its different Nunavut Exploration projects. Consultation meetings concerning the Huckleberry exploration project (NIRB decision 17EA068) were conducted between October 2017 and February 2018 and will continue. Future meetings will now also include the new exploration areas and activities described in this proposal.

b. Inuit heritage

To ensure Inuit heritage protection, Agnico Eagle plans 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 then submitted to the Government of Nunavut and include details of the completed investigations. These investigations are required for Agnico Eagle to protect archaeological sites during exploration activities. Archaeological sites identified by the archaeologist will have protection buffers determined by the archaeologist to ensure their protection. Archaeologists are planned to return on the field in summer 2018 to continue investigations in the exploration areas.

c. 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 its exploration projects. Respecting protection measures in the Keewatin Regional Land Use Plan, no exploration activities are planned to be conducted between May 15th and July 15th in the areas that are within the caribou protection area. Should activities have to be conducted between May 15th and July 15th (if caribous are far from the area) an authorization from the Land Use Inspector would be required as planned in the Keewatin Regional Land Use Plan, Caribou Protection Measures.

d. Spill Contingency Plan

A Spill Contingency Plan that respects the water licence will be developed for this exploration project. It will designate lines of authority and responsibility, and will establish proper reporting and a detailed action plan in the event of a spill. This plan will be applicable to all employees and to any contractors working on the exploration activities.

e. Waste Management

Camp greywater is planned to be disposed of in a natural depression located at more than 31 meters from any water body.

Sewage coming from Pacto toilets is planned to be incinerated, or temporarily stored in 205-litre drums with bolted lids stored in seacans. Should the storage in 205-litre drums be the option applied, the seacans would then be transported south for final disposal in an authorized disposal facility.

Combustible waste is planned to be either incinerated on site using a dual chamber waste incinerator, transported to an existing Agnico Eagle facility (i.e. Meliadine) or transported south for final disposal in an authorized disposal facility. Minimally, the food waste and food packaging will have to be incinerated on site or transported to the Meliadine Mine site daily to ensure that wildlife is not attracted. The incinerator planned to be used is a standard small dual chamber waste incinerator.

Hazardous waste will be segregated on site, temporarily stored in appropriate containers located in a seacan. The final preparation will be conducted by a hazmat waste specialist and then transported south for final disposal or recycling in authorized facilities.

Drill cuttings will be disposed of in natural depressions located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body and where direct flow into a water body is not possible.

Non-combustible waste is planned to be segregated on site, temporarily stored in seacans and then transported south for final disposal or recycling in authorized facilities.

f. Fish protection during water withdrawal

To ensure fish protection during water withdrawal, water intakes with appropriate intake mesh sizes will be used as described in the “Freshwater intake End-of-Pipe fish screen guideline” published by the Department of Fisheries and Oceans. To ensure protection of water bodies, including fish habitat, protection buffers are applied around water bodies during exploration activities. Drilling waste (cutting) has to be disposed of at least thirty-one metres above the

ordinary High Water Mark of any water body, at a site where direct flow into a water body is not possible.

Figure 1, Location of the proposed activities

