

Project Description: Agnico Eagle Mines Limited – Exploratory Licence of Occupation for the former Toburn Property

PROJECT OVERVIEW

Agnico Eagle Mines Limited, is seeking an Exploratory Licence of Occupation (ELO) for the Toburn Gold Property, in the Townships of Lebel and Teck, Kirkland Lake, Ontario. The licence will allow for the exploration of lands that are not open for mining claim registration, in accordance with specific terms set by the Ministry. The location of the project and site tenure is provided in the Project Definition included as Attachment A.

It is understood that the company is proposing to undertake a \$12.4 million exploration program to:

- a) produce, in the event of positive results, a NI 43-101 compliant gold resource that would support a potential advanced exploration and possibly mine production project, and
- b) commence a progressive remediation program that will continue to safeguard the public from existing mine liabilities and to identify, assess and perform geotechnical evaluations on mine hazards.

The proponent has proposed exploration and remediation activities over a 10-year period with the following program highlights:

- a two-phase, surface diamond drill program totalling 51,245 metres from 48 drillholes and 16 wedge off-sets,
- a tailings sampling and metallurgy program involving 19 percussion drillholes each having an anticipated depth less than 10 metres and a pre-feasibility study for possible removal of existing gold tailings to a mill facility for processing,
- to commence a progressive remediation program of existing mine hazards through the development of a monitoring system and through shaft cap assessment with selective cap replacements where needed and prioritized crown pillar testing,
- in the event of positive results, generate an underground NI 43-101 gold resource estimate,
- surface mapping and limited overburden stripping for mapping purposes.

The advancement of each phase of the program will be based on exploratory success and can be terminated at any time. It is understood that the proponent intends to apply for a 21-year lease at the end of phase three, assuming a positive economic outcome of gold resource returns and that the terms of the ELO are satisfied.

Additional details of the project are provided in the Project Definition included as Attachment A.

CLASS EA SCREENING

The proposed activities are subject to the Ministry of Mines Class Environmental Assessment (EA) Process, as prescribed in the *Class Environmental Assessment for Activities of the Ministry of Northern Development and Mines under the Mining Act* (amended 2018). The undertaking has been screened as a Category B undertaking with low potential for environmental effects.

ENVIRONMENTAL EFFECTS AND PROPOSED MITIGATION MEASURES

The Ministry of Mines is seeking input on the undertaking and proposed mitigation measures. Several environmental effects associated with the undertaking have been identified during the Class EA screening process. A summary of negative environmental effects and proposed mitigation measures are provided below in Table 1.

Table 1 - Environmental Effects and Mitigation measures

Criteria	Description of Environmental Effect	Proposed Mitigation Measure
Noise and Vibrations	<p>Evening and overnight activities may impact municipal noise bylaw issues. There is the potential for noise disturbances to residential areas.</p> <p>The proposed activities are situated near residential areas. There is the potential for temporary vibrations due to increased vehicular traffic and drilling activities.</p>	Noise levels will be monitored and shields and/or barriers implemented around equipment, as required.
Air Quality/ Emissions	<p>There is the potential for dust generated from drilling equipment and emissions from equipment.</p> <p>There is the potential for greenhouse gas emissions from vehicles and equipment.</p>	<p>Water or an appropriate dust suppression will be utilized as needed.</p> <p>The unnecessary idling of construction vehicles will not be permitted.</p>
Fish and other aquatic species or habitat	<p>There is the potential to affect water quality due to drilling activities and effluent. It is anticipated that discharge will be minimal and contain insignificant suspended solids.</p>	<p>A poly-filter system will be used to filter rock cuttings from effluent waters. Filtered water will be discharged into the Town of Kirkland Lake storm sewers.</p> <p>Silt barriers will be utilized as needed.</p> <p>The Department of Fisheries & Oceans will be consulted should any activity affect fish habitat</p>

Terrestrial species or habitat/ Migratory bird species	<p>Impacts to terrestrial habitat are considered low, as proposed exploration area is restricted to land predominantly impacted by human activities.</p> <p>Tree/vegetation removal is required which has the potential to impact migratory birds and/or habitat.</p> <p>According to the proponent, bat habitat is not expected to be impacted by the proposed exploration activities</p>	Tree/vegetation removal activities will preferentially be completed outside of the migratory bird active period which is from approximately mid-April to late-August.
Groundwater and Surface Water Quality/ Quantity	<p>There is the potential for leaks and spills.</p> <p>The exploration activities are not expected to impact groundwater quality or quantity.</p> <p>According to the proponent, there is the potential to affect surface water quality due to drilling discharge.</p>	<p>Should a spill occur, regardless of its severity, the Ministry of Environment, Conservation and Parks will be immediately notified through the Ontario Spill Action Centre (1-800-268-6060).</p> <p>Effluent management plans may be required.</p> <p>A poly-filter system will be used to filter rock cuttings from effluent waters. Filtered water will be discharged into the Town of Kirkland Lake storm sewers.</p> <p>Silt barriers will be utilized as needed.</p>
Soils – contaminants, sedimentation, and erosion.	<p>There is the potential to negatively impact soil quality through spills and sedimentation.</p> <p>According to the proponent, there is the potential for erosion from overburden stripping activities.</p>	<p>Should a spill occur, regardless of its severity, the Ministry of Environment, Conservation and Parks will be immediately notified through the Ontario Spill Action Centre (1-800-268-6060).</p> <p>Effluent management plans may be required.</p> <p>A poly-filter system will be used to filter rock cuttings from effluent waters. Filtered water will be discharged into the Town of Kirkland Lake storm sewers.</p> <p>Silt barriers and erosion control measures will be utilized as needed.</p>
Generation of Waste	There is the potential to generate waste from drill cuttings and domestic garbage.	The handling, management, and disposal of waste will be completed in accordance with applicable health and safety and environmental legislation.

<p>Archaeological Resources, Built Heritage, and Cultural Heritage Landscapes</p>	<p>The entire area has not been completely intensively disturbed. MCM recommended that a Stage 1 archaeological assessment, at a minimum, be undertaken by an archaeologist licensed under the Ontario Heritage Act.</p> <p>The MNRF indicated that the lands near Gull Lake exhibit potential for the identification of cultural heritage resources. If archaeological resources are found then work must stop and the Ministry of Tourism, Culture & Sport should be contacted immediately.</p> <p>The site is associated with the history of gold mining in the Kirkland Lake area and has the potential for built heritage resources and cultural heritage landscapes.</p>	<p>At a minimum, a Stage 1 Archaeological Assessment will be completed to confirm if the site has archaeological potential.</p> <p>A Cultural Heritage Evaluation Report will be completed by a qualified person prior to initiating the work.</p> <p>The proponent has indicated that a partnership will be made with the local historic society to maintain use of built heritage resources at the site.</p>
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NEXT STEPS

The Ministry of Mines will be moving forward with the Class Environmental Assessment Process. It is the responsibility of Agnico Eagle Mines Limited to complete any supporting studies, permits and other authorization needed prior to commencing the work.