



## **AGNICO-EAGLE MINES LTD. Meadowbank Division**

February 20, 2008

Mr. Mike Vaydik, General Manager,  
NWT & Nunavut Chamber of Mines  
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Canada

### **Reference: Letter of Support – Northern Regulatory Improvement Initiative**

Through this letter Agnico-Eagle Mines Limited wishes to express support for the submission being made by the Working Group established by the NWT & Nunavut Chamber of Mines, the Prospectors and Developers Association of Canada, and the Mining Association of Canada to Mr Neil McCrank, the Special Representative of the Minister of Indian Affairs and Northern Development regarding the Northern Regulatory Improvement Initiative. Agnico-Eagle Mines Limited is a relative “new comer” to the mining industry in Nunavut through its purchase of Cumberland Resources in 2007. Agnico-Eagle Mines Limited is currently developing the Meadowbank gold mine in Nunavut which is scheduled to commence production in late 2009. The Meadowbank Project represents an investment by Agnico-Eagle Mines Limited of over \$500 million dollars in Nunavut thus we have a keen interest in the future evolution of the permitting processes in both the NWT and Nunavut.

While we cannot claim to have any direct experience with the Mackenzie Valley Resource Management Act we have experienced the environmental assessment and permitting process in Nunavut and offer the following observations:

1. There is a high degree of duplication between the environmental assessment and permitting processes in the North.
2. The level of detailed engineering being demanded at the environmental assessment phase of northern mining projects has been increasing significantly. This is contrary to the initial intent of having a separate environmental assessment and permitting phase as envisioned by the legislation establishing the environmental assessment processes in the North. This means that companies are having to complete detailed engineering at an earlier phase in the mine development cycle. It also means that what used to be the subject of the permitting phase is now being covered at the environmental assessment phase creating significant duplication between these two processes, creating a much longer assessment and permitting process and increasing the associated cost of these processes;

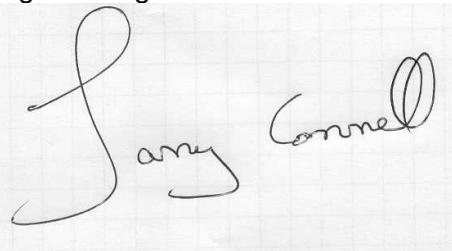
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3. The capacity of the governmental bodies/boards tasked with directing both the environmental assessment and permitting processes is not sufficient to move the processes forward in a timely fashion. This is due both to a lack of funding provided by government to these agencies and more importantly due to a lack of technical capacity at these organizations. These organizations are having a difficult time attracting and retaining technically qualified personnel in our highly competitive employment market. They are challenged by resources and the remote location and high cost of living in the north. It is rare to have the same Board/Agency staff in place at the end of the assessment and permitting process from that at the start of the process. This adds to the time required as new staff have to re-learn what has gone before and often means re-visiting project issues that were previously dealt with.

Agnico-Eagle Mines Limited supports the Working Group in their efforts to aid the Northern Regulatory Improvement Initiative in finding a better way to complete environmental assessment and permitting in the Canadian North. The process needs to be re-visited to remove duplication and to ensure that projects receive appropriate scrutiny in a public manner in a more timely and efficient manner

Regards,  
Agnico-Eagle Mines Ltd.

A handwritten signature in black ink on a light-colored background. The signature reads "Larry Connell". The "L" is a large, flowing cursive letter. "Larry" is written below it in a smaller, cursive script. "Connell" is written to the right of "Larry" in a larger, more formal-looking capital letter script.

Larry Connell, P. Eng.  
Regional Manager of Environment, Social & Government Affairs