

**AMENDED MELIADINE
SECURITY MANAGEMENT AGREEMENT**

Effective this 5th day November, 2024

Between:

**KIVALLIQ INUIT ASSOCIATION
(KIA)**

and

**AGNICO EAGLE MINES LIMITED
(the Proponent)**

and

HIS MAJESTY THE KING IN RIGHT OF CANADA
as represented by the Minister of Northern Affairs (the "Minister" or "Canada")

(each a "Party" and collectively, the "Parties")

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WHEREAS:

- A.** The Proponent has been issued Project Certificate No. 006 and Type A Water Licence 2AM-MEL1631 (Water Licence) to proceed with its Meliadine project (inclusive of all amendments, the "Meliadine Project") situated in the Kivalliq Region of Nunavut and the Proponent, KIA and the Minister entered into a Security Management Agreement on February 17, 2016, in respect of the Type A Water Licence;
- B.** The Proponent applied to the Nunavut Water Board (NWB) for an amendment to its Water Licence to amend the Meliadine Project to increase effluent discharge criteria, increase authorized water use, modify waste rock facilities, and build access roads, laydown areas and a pipeline to Melvin Bay, as described in the application filed by the Proponent with the NWB on August 27, 2020 and additional materials filed through the NWB process;
- C.** The Proponent applied to the NWB for a further amendment to its Water Licence to amend the Meliadine Project to add completion of water licensing for open pit mining of F Zone, Wesmeg, Pump, and Discovery deposits; waste rock storage facilities at Pump, F Zone, and Discovery; completion of previously approved 2014 fuel tank farm capacity at the Rankin Inlet fuel farm; an increase of operational water use; completion of contact water infrastructure and dewatering of lakes and ponds to support mining at Pump, F Zone, Wesmeg, and Discovery, as described in the application filed by the Proponent with the NWB on January 26, 2024 and additional materials filed through the NWB process;
- D.** KIA, as the fee simple owner of Inuit Owned Lands on which the Meliadine Project is situated, has rights, powers, functions and authorities in relation to the surface of those lands, as set forth in the Nunavut Agreement and under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA);
- E.** KIA holds and manages Inuit Owned Lands, and exercises its rights, powers, functions and authorities, for the benefit of Inuit;
- F.** The Minister has rights, powers, functions and authorities in relation to land and water management throughout Nunavut as set forth in the laws of Canada, including the *Department of Crown-Indigenous Relations and Northern Affairs Act*, the Nunavut Agreement, and the NWNSRTA;
- G.** The Minister's rights, powers, functions and authorities, including the right to hold and use security required by the NWB, shall not be fettered in any way, by agreement or otherwise;
- H.** The NWNSRTA gives the NWB the authority to require the Proponent to furnish and maintain security with the Minister in accordance with section 76;
- I.** KIA, as a condition of granting a Production Lease for the Meliadine Project, requires the Proponent to post security relating to the environment, operation, abandonment and reclamation of the Meliadine Project;
- J.** Both land and water impacts are an integral part of the Proponent's reclamation plan and reclamation cost estimate and are considered together holistically by the NWB when it

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requires the Proponent to furnish and maintain security under the Water Licence pursuant to subsection 76(1) of the NWNSRTA;

- K. This Agreement is intended to be an arrangement as contemplated by subsection 76.1(1) of the NWNSRTA for the purpose of, amongst other things, to avoid double bonding or over bonding and to establish clarity and cooperation on the use of security by both KIA and Canada, including the process for reimbursing KIA for its costs as permitted by paragraph 76.1(1)(a) of the NWNSRTA;
- L. The NWB must, in accordance with subsection 76.1(3) of the NWNSRTA, take this Agreement into account when it determines the amount of security required to be furnished and maintained by the Proponent;
- M. The Parties recognize that security furnished by the Proponent and maintained with the Minister and KIA needs to be applied reasonably such that there is adequate security to ensure the environmentally responsible operation, shutdown, interim care, maintenance and reclamation of the Meliadine Project and that neither the Minister nor KIA shall not be under-secured with respect to the costs of those activities; and
- N. The Proponent, KIA, and the Minister wish to amend the Security Management Agreement to include the Meliadine Amendment Proposal.

NOW THEREFORE, the Parties agree as follows:

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ARTICLE 1

APPLICATION

This Agreement applies with respect to the Proponent's Meliadine Project and amends and replaces the Meliadine Security Management Agreement dated February 17, 2016.

ARTICLE 2

PROPOSAL TO THE NWB

During the Proponent's application to the NWB for a Water Licence for the Meliadine Project, and the Proponent's application to amend its Water Licence, the Proponent was required to propose the following, as approved by KIA and the Minister, to the NWB:

- (a) a reclamation plan that includes a reclamation cost estimate of measures to prevent, counteract, mitigate and remedy adverse effects on persons, property and the environment;
- (b) to furnish and maintain security of a specified amount, form and nature and subject to specified conditions sufficient to provide for the reclamation cost estimate with respect to land and water;
- (c) to furnish and maintain 50% of the Global Security Amount (as set out under the Water Licence in Part C: Conditions Applying to Security and Schedule C: Security Schedule Milestones of the Water Licence, in the column titled "Global Security Amount") with the Minister and the other 50% with KIA;
- (d) that the NWB takes into account this Agreement, pursuant to subsection 76.1(3) of the NWNSRTA, when it determines the amount of security required to be furnished and maintained with the Minister;
- (e) that the Proponent will not perform work in respect of which security has not been furnished and maintained;
- (f) that the Proponent will provide evidence to the NWB and the Minister, within 10 days after furnishing security with KIA, showing the amount, form, nature and conditions of the security and that it has been received by KIA;
- (g) that the Proponent will provide evidence to the NWB and to KIA, within 10 days after furnishing security to the Minister, showing the amount, form, nature and conditions of the security and that it has been received by the Minister; and
- (h) the periodic review of security, taking into account any material changes to the Meliadine Project or the risk of environmental damage, and the adjustment of the amount of security as a result of such reviews.

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ARTICLE 3

AGREEMENT SUBJECT TO LICENCE CONDITIONS

If the NWB does not impose licence conditions that provide for the matters referred to in Article 2 and that are acceptable to KIA and the Minister, this Agreement shall cease to be binding on the Parties.

ARTICLE 4

PROTECTION FROM OVER-BONDING

KIA shall not require the Proponent to furnish or maintain additional security that duplicates security furnished and maintained by the Proponent with the Minister pursuant to the water licence, and with KIA, pursuant to this Agreement.

ARTICLE 5

OBLIGATION TO FURNISH SECURITY

- (1) The Proponent shall furnish and maintain security in with the Minister in accordance with the Water Licence and furnish and maintain security with KIA in accordance with the Production Lease for the Meliadine Project.
- (2) The Parties agree that: KIA may, apply security it holds exclusively:
 - (a) To reimburse itself for costs incurred by KIA to implement measures to prevent, counteract, mitigate or remedy any adverse effects on persons, property or the environment, or to complete any work required under the reclamation plan, including, without limitation, any site investigation, risk management and any post-remedial studies, investigations and monitoring and one half of the cost of the report referred to in Article 7 below; and
 - (b) to reimburse His Majesty in right of Canada for costs referred to in subsection 76(2) of the NWNSRTA.
- (3) The Parties agree that the Minister may apply security he holds for the purposes referred to in subsection 76(2) and paragraph 76.1(1)(a) of the NWNSRTA which may include, as the case may be, reimbursing KIA for costs incurred by KIA referred to in paragraph 5(2)(a) above and His Majesty in right of Canada for half of the cost of the report referred to in Article 7 below.

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ARTICLE 6

FORM OF SECURITY

The Parties agree that security held by KIA and Canada shall be held in a form of security that is in accordance with subsection 76(1) of the NWNSRTA and the *Nunavut Waters Regulations*, as such provisions may be amended, replaced or repealed from time to time (or such other equivalent legislation as provided for in the course of implementing the Nunavut Lands and Resources Agreement signed January 18, 2024. If KIA intends to change the form of security held under the Production Lease KIA will inform the Minister as soon as practicable.

ARTICLE 7

REPORT REQUIRED

- (1) KIA shall notify the Minister within a reasonable period prior to incurring costs referred to in paragraph 5(2)(a) that are below three million Canadian Dollars (\$3,000,000.00), including:
 - (a) accounting of the amount used; and
 - (b) reason for use.
- (2) The Minister and KIA shall commission, before KIA incurs costs referred to in paragraph 5(2)(a) that exceed three million Canadian Dollars (\$3,000,000.00) to implement measures with respect to an event, a jointly designated person to make a report, within a specified time, which includes:
 - (a) a description of the circumstances and the recommended measures and project manager;
 - (b) an assessment of the likelihood that the recommended measures will achieve the intended goal, meet regulatory standards and, if applicable, meet the reclamation plan referred to in the licence;
 - (c) the schedule for completion of the recommended measures; and
 - (d) an assessment of the costs of the recommended measures using industry best practices on procurement.
- (3) KIA, the Proponent, and the Minister shall provide the designated person with the information necessary to make the report in a timely manner.
- (4) KIA and the Minister shall share the report with the Proponent.

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- (5) KIA and the Minister shall each pay half the costs of the report.
- (6) For greater clarity, the costs for the report referred to at paragraph 7(2) above shall be drawn from the Global Security Amount.

ARTICLE 8

OBLIGATION TO REIMBURSE CANADA

If Canada undertakes any work contemplated under subsection 76(2) – noting specifically the work considered under subsections 87(4) and 89(1), it will do so at its own cost. Upon completing the work, Canada will report on the work and costs to KIA and KIA will as soon as practicable draw down the security held under its Production Lease and reimburse Canada 50% of Canada's costs. Canada will likewise reimburse itself 50% of the costs from security held under the Water Licence.

ARTICLE 9

OBLIGATION TO REIMBURSE KIA

If KIA undertakes any work contemplated under Article 5 and the Production Lease it will do so at its own cost. If the obligations under Articles 5 and 7 are met, upon completing the work, KIA will report on the work and costs to Canada and Canada will as soon as practicable draw down the security held under the Water Licence and reimburse KIA 50% of KIA's costs. KIA will likewise reimburse itself 50% of the costs from security held under the Production Lease.

ARTICLE 10

ACCOUNTS

Both KIA and Canada will each keep detailed accounts of costs spent under the production lease or water licence that require reimbursement from security and any security drawn from the Production Lease or Water Licence respectively. These accounts will be made available to any Party upon request.

ARTICLE 11

AMENDMENT AND REVIEW

The Parties may, as considered in paragraph 76.1(1)(b), undertake periodic review of the security through the NWB process and as set out in the Water Licence, including by taking into account any material changes to the undertaking or the risk of environmental damage, and the adjustment of the amount of the security as a result of the review.

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ARTICLE 12

NOTICES AND COMMUNICATION

Any notice to be given or communication made to a Party pursuant to this Agreement shall be in writing and shall be considered to have been effectively given or made if delivered to such Party:

- (a) by hand delivery, either to the individual designated below, or to an individual having apparent authority to accept deliveries on behalf of such Party at its address set out below; or
- (b) by electronic mail, at or to the applicable electronic mail addresses set out below or at, or to, such other electronic mail address for a Party as such Party may from time to time designate to the other Parties in the same manner.

To Canada:

Crown-Indigenous Relations and Northern Affairs Canada
Manager of Water Resources – Nunavut Region
918 NUNAVUT DR
Iqaluit, Nunavut X0A 3H0
Canada
Floor 1

To KIA:

Kivalliq Inuit Association
Executive Director
32-4 Sivulliq Ave.
P.O. Box 340
Rankin Inlet, NU X0C 0G0

To the Proponent:

Agnico Eagle Mines Limited
Director, Permitting & Regulatory Affairs
CC: General Counsel
145 King Street East, Suite 400, Toronto ON, M5C 2Y7

A notice or communication shall be considered to have been received:

- (a) if hand delivered: during business hours on a Business Day, delivered to the individual designated above, or to an individual having apparent authority to accept deliveries on behalf of that Party at its address set out above, and if not delivered during business hours, upon the commencement of business on the next Business Day; or
- (b) if sent by electronic mail: on the day of delivery, if that day is a Business Day and the electronic mail was delivered to the recipient prior to 5:00 p.m. local time in the place of receipt, and otherwise, on the next Business Day.

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ARTICLE 13

BINDING

This Agreement enures to the benefit of, and is binding upon, the Parties their heirs, successors, and assigns.

ARTICLE 14

TERMINATION

KIA or the Minister may terminate this Agreement, for any reason either deems fit, upon not less than 90 days' notice in writing given to the other Parties and the NWB.

Upon termination during the life of the Meliadine Project, before remediation is complete and relinquishment of the site, KIA and the Minister may each require additional security from the Proponent (following the processes established by the Production Lease, the Water Licence and the NWNSTRA and its regulations), which together with security furnished and maintained pursuant to this Agreement, shall be held by KIA in accordance with the Production Lease between KIA and the Proponent, and by the Minister in accordance with the NWNSRTA.

ARTICLE 15

GOVERNING LAW

This Agreement is governed by and construed in accordance with the Laws of Nunavut and the Laws of Canada applicable in Nunavut.


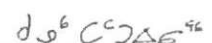
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ARTICLE 16

IMPLEMENTATION

Representatives of KIA, the Minister, and the Proponent shall meet in person or by any electronic means to discuss any issues with respect to the interpretation, implementation or enforcement of the Agreement, including its financial administration, the notification protocols and the coordination of any mitigating or remedial measure to be undertaken by both KIA and the Minister, including the procurement of third-party contractors.

KIVALLIQ INUIT ASSOCIATION

Signature

Title: President

Signed this 25 day
of November, 2024.

KIVALLIQ INUIT ASSOCIATION



Signature

Title: COO

Signed this 25 day
of November, 2024.

**HIS MAJESTY THE KING IN RIGHT OF
CANADA** as represented by the Minister of
Northern Affairs



Signature

Title: ADM Northern Affairs
CIRNAC

Signed this 9th day
of December, 2024.

AGNICO EAGLE MINES LIMITED



Signature

Title: VICE PRESIDENT NUNAVUT

Signed this 21 day
of Nov, 2024.