

November 3, 2016

Karen Kharatyan
Acting Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

RE: Addendum to the Water Management Plan and Borrow Pits and Quarries Management Plan

Dear Mr. Kharatyan,

On September 14, 2016, Agnico Eagle sourced construction material from the Meliadine Esker (Figure 1) approved under quarry permit KVCA07Q08 with the Kivalliq Inuit Association.

During the extraction of Esker material, it was noted the boundaries of the esker had inadvertently encroached 7m beyond the boundary of the quarry lease and the boundary of excavation was within the 31 meters setback of pond H17C. The extent of the material taken in the Meliadine Esker is illustrated on Figure 2 (Actual Berm).

Agnico Eagle proposes to undertake immediate corrective measures consistent with Part D, Item 20, of our current Water Licence 2AM-MEL1631 to minimize and mitigate potential impacts to ponds H17A, B and C. The scope of the water licence contemplated the drainage of ponds, which is highlighted in footnote 1.¹

The approved Water Management Plan (2015) Table 4.1 proposed dewatering of Lake H17. In addition, section 4.4.1 of the Plan stated that the balance of the water ponds listed in Table 4.1 may be dewatered during the open water season or the pond may be displaced by the placement of fills. If dewatering is required, the water will be pumped to CP1. During winter season, the ice within the ponds will be removed and deposited into CP1 before the construction of site infrastructure.

Agnico Eagle reviewed the existing Plan to determine the mitigation and corrective measures to be considered to address the encroachment of the minimum setback. Consistent with Part B, Item 15 of the

¹ Part D, Item 20 states: *The Licensee shall conduct all activities in a manner so as to minimize impacts on Surface Drainage and immediately undertake any corrective measures required in the event of any impacts on Surface Drainage.*

Licence², it was determined that the current plan required some clarification and revision to reflect changes in operations to incorporate design changes and adaptive engineering required and implemented during construction. It was also observed that ponds H17A, B and C were not incorporated to the Plan even though Agnico Eagle assumed that the above-mentioned ponds would be dewatered.

As such, Table 4.1 and Figure 3.1 have been updated to provide clarification in operations. Refer to Appendix A addendum to the Water Management Plan. The approximate water volume to be pumped from ponds H17A, B and C is 15,165 m³ and will not impact CP1 and the water balance.

Agnico Eagle provided a Fisheries Screening Assessment and Offsetting Plan (June 2015) that stated that the waterbodies in watershed H freeze to the bottom for up to 8 months of the year and do not provide overwintering habitat. The Project, as licensed, will affect a limited number of upper Peninsula streams and ponds, which are predominantly ninespine stickleback habitat. These waterbodies do not provide habitat for fish designated as Commercial, Recreational and Aboriginal (CRA) fisheries species and the ninespine stickleback are not considered to be a species supporting the CRA fisheries. Thus, the Project, as planned, is not expected to cause Serious Harm to CRA fisheries and subsequently does not require offsetting. Through information requests and meetings, DFO concluded in the letter *Summary of discussions and Review of Fisheries Screening Assessment and Offsetting Plan – Meliadine Gold Project v. June 2015* dated November 27 2015 that:

“[...] your proposal will not result in serious harm to fish”.

The basis for clarification relates specifically to the sources of esker material for construction purpose. Agnico Eagle consistent with Part B, Item 15 (see footnote 2) has also submitted addendum to the Borrow Pits and Quarries Management Plan, refer to Appendix B. Figure 1-1 have been updated and Table 1-1 has been added to include all currently approved quarries. In addition Section 2.2 was updated to clarify interpretation of the 31 m buffer condition and changes in operations. Further updating of the Borrow Pits and Quarries

² Part B, Item 15 states: *The Licensee shall review the Plans or Manuals referred to in this Licence as required by changes in operation and/or technology and modify the Plans or Manuals accordingly. Revisions to the Plans or Manuals should incorporate design changes and adaptive engineering required and implemented during Construction and on the basis of actual site conditions and monitoring results over the life of the Project, and are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 2, complete with a revisions list detailing where significant content changes are made.*

Management Plan will occur in April 2017 and filed with the regulatory agencies as required under licence or permit.

Agnico Eagle believes this course of action should meet the requirements provided in the Type A Water Licence.

Should you have any questions or require further information, please do not hesitate to contact me.

Best regards,

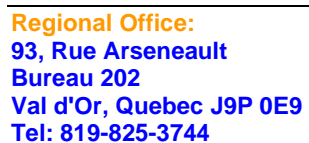


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Environmental Compliance Counselor



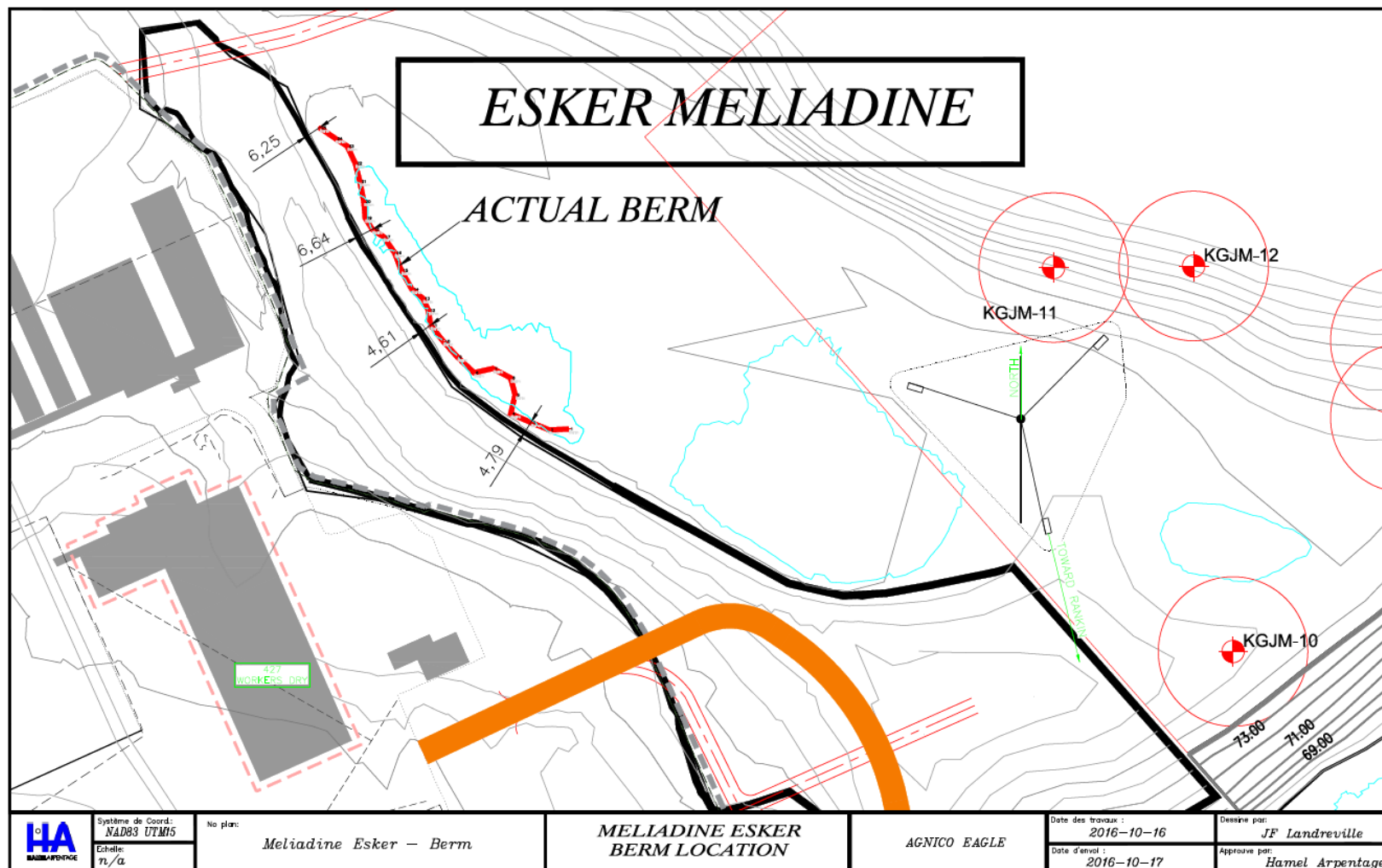
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CC: Luis Manzo – Kivalliq Inuit Association



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Figure 2. Extent of the Meliadine Esker



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APPENDIX A: Water Management Plan Addendum

ADDENDUM



Project Name:	Meliadine Gold Project	
Plan / Version:	Water Management Plan	June 2016, Version 2
NIRB Requirement:	Not applicable	Condition: Not applicable
NWB Requirement:	2AM-MEL1631	Condition: Part B, Item 12
Addendum:	Version 3; October 2016	
Section Change	Specify: Update or New	Details
Figure 3.1	Update	Addition of ponds H17 A, B and C
Table 4.1	Update	Addition of ponds H17 A, B and C

Figure 3.1. Yearly Site layout plan for water management (last quarter of Year -5)

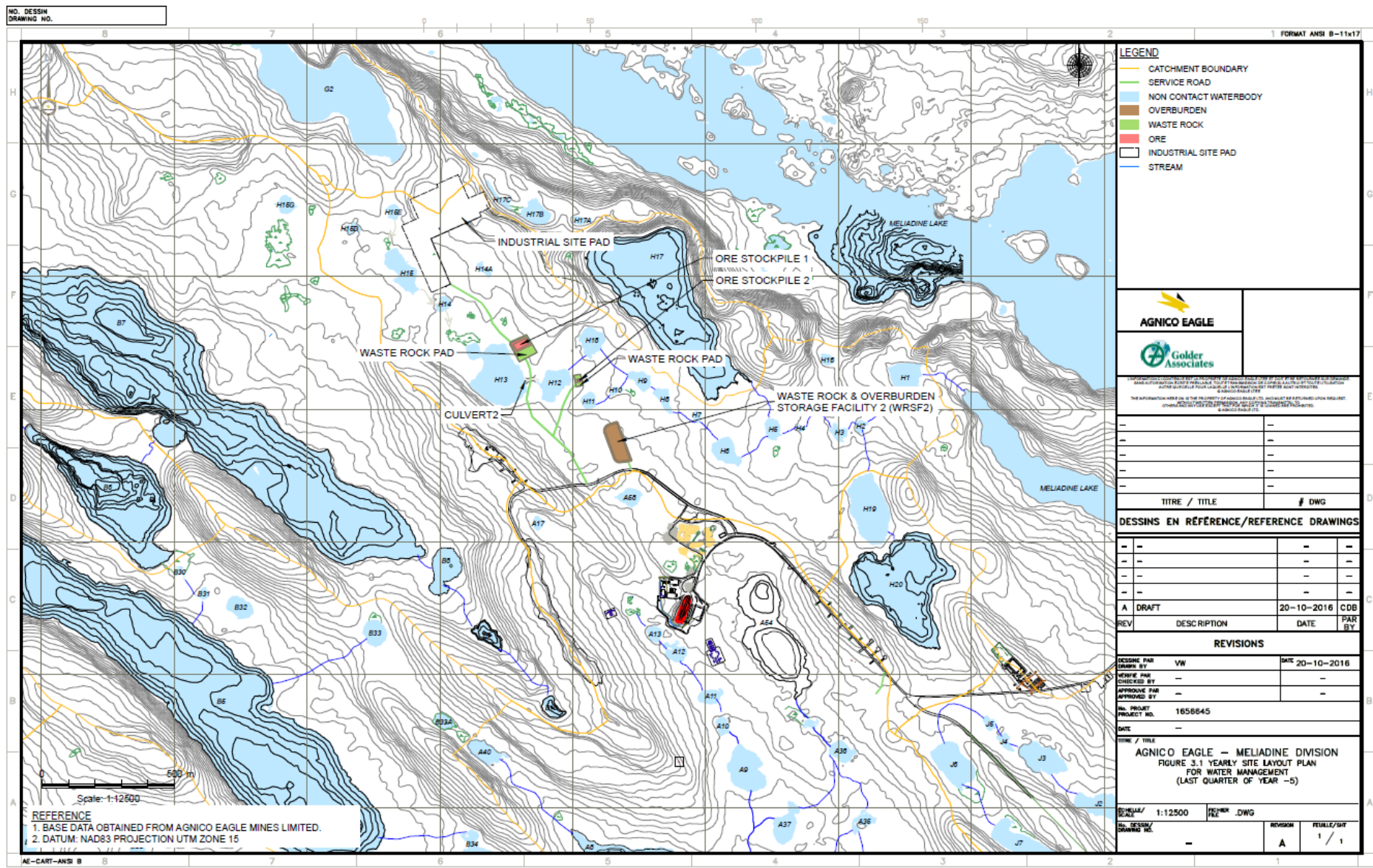




Table 4.1. Inventory of Waterbodies Impacted by Mining Activities

Watershed	Waterbody	Maximum Lake Water Depth, m	Total Area (ha)	Water Volume (m ³)	Notes
A	A9	N/A	0.18	-	Flow regimes impacted by the development of Tiriganiaq Pit 1
	A10	0.67	0.26	-	Ponds removed by development of Tiriganiaq Pit 1
	A11	0.45	0.40	-	
	A12	0.87	0.47	-	Pond drained due to construction of Channel 5
	A13	0.30	0.26	-	
	A17	0.30	0.16	-	Covered by WRSF 1
	A38	N/A	0.05	-	Flow regimes impacted by the development of Tiriganiaq Pit 2
	A39	0.48	0.12	-	Ponds removed by development of Tiriganiaq Pit 2
	A54	1.3	5.99	34,545	Dewatered for CP5
	A58	0.50	0.43	-	Covered by WRSF 2
B	B8	0.8	1.43	-	As part of CP4/D-CP4
	B9	1.40	0.64	-	Covered by WRSF1
	B10	0.8	0.33	-	Ponds removed by development of Tiriganiaq Pit 1
	B28	N/A	0.45	-	As part of CP3/D-CP3
H	H6	0.58	0.75	-	As part of CP1
	H7	0.67	0.11	-	
	H8	0.59	0.38	-	Partially covered by WRSF2 and haul road
	H9	0.40	0.42	-	Partially covered by WRSF2 and OP2
	H10	0.11	0.10	-	Partially covered by WRSF2 and OP2, drained due to construction of Channel1
	H11	0.27	0.28	-	
	H12	0.81	0.97	-	Drained due to construction of Channel1 and partially covered by OP1
	H13	1.04	3.49	-	Drained due to construction of Channel1 and partially covered by industrial pad
	H14A	0.37	0.15	-	Covered by industrial pad
	H15D	0.30	0.15	-	Partially covered by TSF
	H15G	0.40	0.38	-	
	H17	1.70	15.8	195,700	Dewatered for CP1
	H17A	1.50	0.13	1,365	Dewatered for Meliadine Esker
	H17B	1.50	0.69	10,350	Dewatered for Meliadine Esker
	H17C	1.50	0.23	3,450	Dewatered for Meliadine Esker
	H18	0.67	0.74	-	Covered by OP2
	H19	1.40	2.91	16,431	Dewatered for CP6
	H20	1.60	9.58	90,307	Covered by WRSF3
G	-	-	-	-	Runoff diverted by Channel2. No pond will be impacted
“-” indicates that data not available or not applicable  Ponds to be drained  Ponds to be dewatered					

APPENDIX B: Borrow Pits and Quarries Management Plan Addendum

ADDENDUM



AGNICO EAGLE

Project Name:	Meliadine Gold Project	
Plan / Version:	Borrow Pit and Quarries Management Plan	April 2015, Version 4
NIRB Requirement:	Not applicable	Condition: Not applicable
NWB Requirement:	2AM-MEL1631	Condition: Part B, Item 12
Addendum:	Version 5; October 2016	
Section Change	Specify: Update or New	Details
Figure 1-1	Update	Addition of Tiriganiaq, Wesmeg, Meliadine esker and B6 borrow pits.
Table 1-1	New	Table added to present approved borrow pits and quarries.
Section 2.2	Update	Updated to clarify interpretation of the 31 m buffer condition and changes in operations.

Borrow Pits and Quarries Management Plan

Figure 1.1. Location of Borrow Pits and Quarries for the Meliadine Gold Project

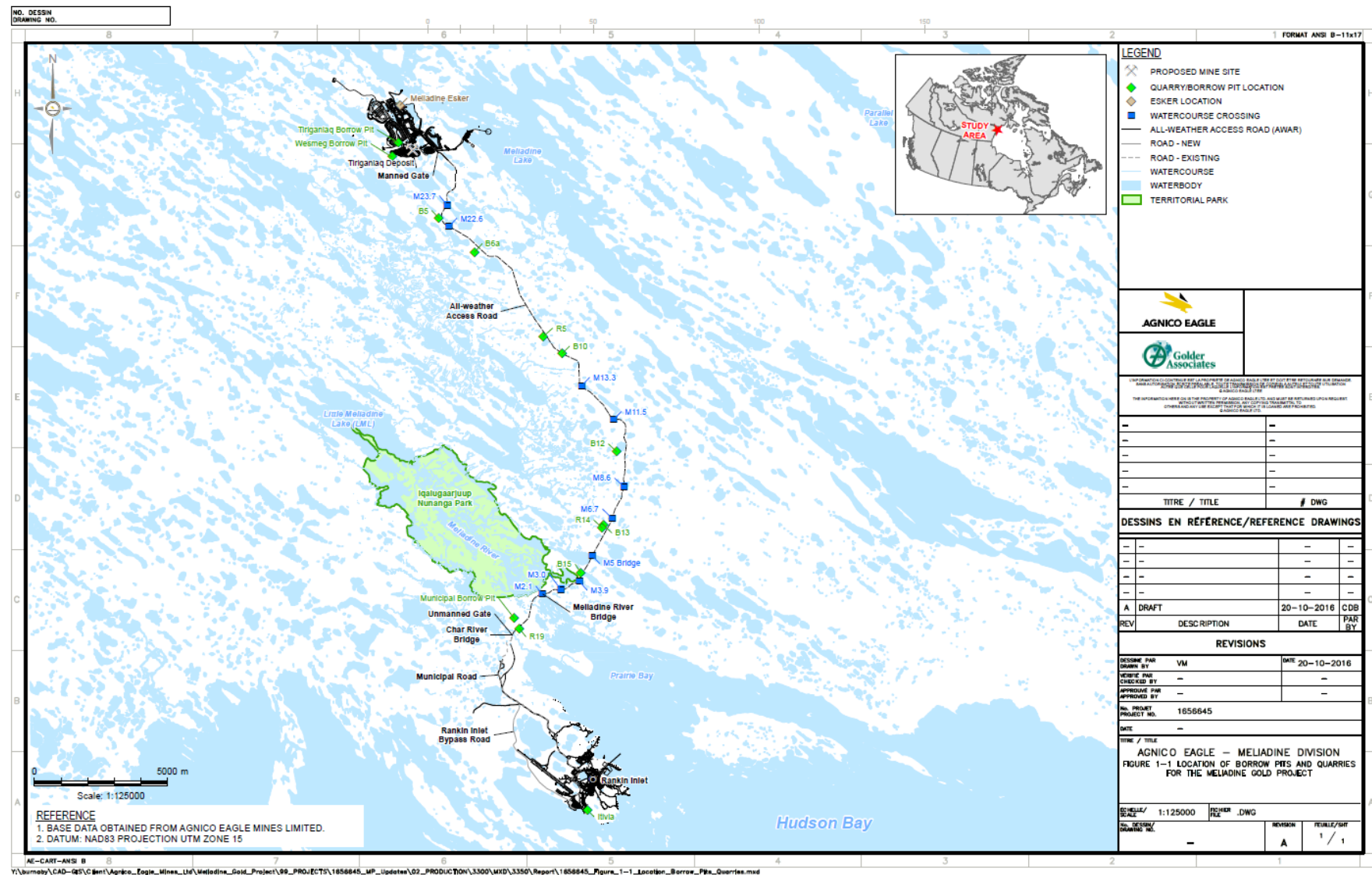


Table 1.1. Approved borrow pits and quarries

KIA Quarry permit	Quarries/borrow pits approved under KIA Permit	Active (Y/N)
KVCA11Q01	B5	Y
	B5A	Y
	B6	Y
	R2	N
	R5	N
	B10	N
	B11A	N
	B12	N
	B13	N
	B15	N
	B15A	N
	R19	N
KVCA07Q08	Tiriganiaq	N
	Westmeg	Y
	Meliadine Esker	Y

Section 2.2

While ARD/ML testing is a measure to avoid using questionable road and pad building materials, water quality monitoring of seeps from quarries and borrow pits provides information on possible impacts on the environment (e.g., water and sediment quality) should the water reach any nearby waterbodies. A buffer of at least 31 m of undisturbed land will be maintained between quarries/borrow pits and waterbodies when practicable. If not possible, Agnico Eagle will seek approval from the Board. Best management practices will prevent direct drainage. However, any significant seeps originating from the borrow pits or rock quarries likely to reach receiving waters will be sampled and analysed for a full suite of water quality parameters. Any problematic water will be directed away from waterbodies, or held if possible. If necessary, silt curtains will be used to control suspended sediments in water seeping from the quarries/borrow pits.