

AMARUQ GOLD PROJECT

ANNUAL REPORT: LICENCE 2BE-MEA1318

PRESENTED TO THE NUNAVUT WATER BOARD

FEBRUARY 2015

Contact:

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B2. The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than March 31st of the year following the calendar year being reported which shall contain the following information:

a. A summary report of water use and waste disposal activities;

In 2014, only the Amaruq camp and drilling on the Amaruq property was done under this water licence. The Meadowbank exploration camp was not opened and by the end of 2014, the Meadowbank exploration camp was dismantled to be transported to Amaruq in 2015.

The Licence authorizes the use of a maximum of $269m^3/day$ and we used only an average of $97m^3/day$ for the drilling and an average of $2.6m^3/day$ for the camp.

b. A summary of waste disposal activities including volumes and locations of waste released including but not limited to, greywater and drill cuttings, procedures for disposal thereof, and results of any pre-release monitoring and/or treatment

Solid Waste:

All solid wastes were sorted at work sites and regularly transported to the Meadowbank mine site for proper disposal.

Greywater:

At the Amaruq camp, the grey water coming from the kitchen and the showers was disposed of in a sump dug in the soil.

Sewage:

All the toilet waste was recuperated in bags (Pacto toilets) and disposed of in an incinerator.

Drill Waste

Cuttings: The drill cuttings were disposed of near the drill, in natural topographic depressions located at least 31 meters away from any water body, where there is no risk of runoff.

c. A summary of trenching and drilling operations;

Drilling

146 drill holes all located on IOL were done by Agnico Eagle Mines in 2014. All the drilling was located on the Amaruq property. Drill site reclamation was completed during the program.

Trenches

No trench was dug in 2014.

d. A summary of construction activities or modifications carried out;

The construction of the Amaruq camp started during 2014 and will continue in 2015 with the addition of the trailers (camp) coming from the Meadowbank exploration camp.

e. A list of unauthorized discharges and a summary of follow-up actions taken;

No unauthorized discharge.

f. Any revisions to the Spill Contingency Plan and Abandonment and Restoration Plan, including contact information;

Please see Appendix A for the Spill Contingency Plan Updated on February 2015 and Appendix B for the Closure and Reclamation Plan Updated on January 2015.

g. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;

Drill hole reclamation is completed during the drilling program. The drilling sites are inspected after the drilling to insure that no waste is present and that the casings are removed or cut to ground level.

h. A summary of all information requested and results of the Monitoring Program; and

No information requested. See Part J for the Monitoring Program results.

i. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No details were requested by the Board.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and other purposes.

Months	Drills	Camp	Total
January	0	0	0
February	0	0	0
March	0	0	0
April	41.2	0	41.2
May	94.6	0	94.6
June	0	0	0
July	87	0	87
August	99	0	99
September	114	2.7	116.7
October	145	2.5	147.5
November	0	0	0
December	0	0	0

2. The Licensee shall provide the GPS co-ordinates of all locations where sources of water are utilized for all purposes.

Camp water intake (UTM Nad83, Zone 15): (351597,5;7215626,7)

Water sources for drilling location (UTM Nad83, Zone 14)

X	Υ
603385	7255211
602938	7255643
603562	7256154
602676	7253317
603343	7253679
604059	7253884
604151	7254651
604555	7254303
603520	7254679
606499	7255424
607031	7255565
607180	7254636
606974	7256558
606463	7256778
605825	7254963
606974	7256034
606662	7256317

3. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with camp operations and drilling operations are deposited.

During 2014, all the wastes were brought and managed at the Meadowbank mine site.

6. The Licensee shall obtain representative samples of the water column below any ice, where required under Part F, Item 6 and 7. Monitoring shall include, at a minimum, the following:

Total Suspended Solids

pН

Electrical Conductivity, and

Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and

Trace Arsenic and Mercury

Three holes were drilled on a lake that had water during the winter, but a logistical problem with the sampling material occurred and no samples were taken for these drillings. For 2015, more drilling is planned on the lakes and the sampling material is already on site, so the required monitoring will be conducted.

<u>Appendix A</u> Spill Contingency Plan Updated on February 2015

Appendix B
Closure and Reclamation Plan Updated on January 2015