



November 16, 2017

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**Re: Agnico Eagle Mines – Meliadine Division Action Plan to Improve the Exploration Site  
STP effluent quality**

Dear Ms. Wilson,

In response to your concern, Agnico Eagle is providing the summary of the mitigation measures taken in 2017 as well as the future measures planned to improve the quality of effluent from the sewage treatment plant (STP) at the exploration camp.

The STP was put in service in 2010; where several modifications were implemented gradually to accommodate for the rising population at the exploration camp. At present, the STP is comprised of two BIODISK and two BIONEST sewage treatment units, working in parallel; the effluent from the units is treated with UV and ozone before its discharge into the environment. Agnico Eagle is monitoring the quality of the effluent by collecting and sending for analysis samples of the effluent every week. As the result of this monitoring campaign, in 2017 Agnico detected several instances of exceedance of the effluent limits, set forth in the water licence 2BB-MEL1424; all those instances were reported to the GN and investigated.

To identify the underlying causes of the effluent limit exceedances, in Q2 2017, Agnico hired two dedicated water treatment technicians to look over the daily operation and maintenance activities. In addition, in June 2017, Agnico retained a third party engineering firm (Hatch). Consultants from Hatch visited the site between July 3<sup>rd</sup> and July 6<sup>th</sup> 2017, inspected the STP, and provided Agnico with recommendations on how to improve the effluent quality. Based on the report by Hatch (issued on September 1<sup>st</sup> 2017) and internal expertise, Agnico began planning for implementation of the main key recommendations provided by the Hatch report. Agnico commits to implement the following upgrades by end

of 2017. In the event of any delays, the plant will not be started up until the upgrades have been completed.

1. Install a primary screen at the feed;
2. Install an oil filter at the influent of the primary oil and grease source to the system;
3. Addition of a jet mixer between the equalisation tanks to ensure raw water homogeneity;
4. Install a mixer in the mixing tank;
5. Improve functionality of the grease trap (daily dosing of chemicals and mechanical modifications).

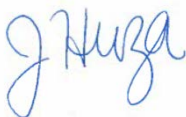
In addition to the above-mentioned medium term action items, due to the occurrence of two consecutive faecal coliform exceedances at Mel-07, the following additional short-term action items are being undertaken:

1. Suspend the discharge of water into the environment on November 15, 2017; all sewage water, produced at the exploration camp, is trucked to the main camp to be processed by the main STP until the above-mentioned improvements have been implemented and that the STP can be confirmed through water quality sampling to produce a compliant effluent;
2. Complete an extensive cleaning and preventative maintenance of the system prior to start-up, including desludge and loop cleaning.

Agnico Eagle is committed to the protection of the environment and is determined to implement the outlined action plan in a timely manner. Until the operation of the STP is not improved, all sewage from the exploration camp will continue to be processed at the main camp STP.

Should you have any questions, comments or suggestions, please do not hesitate to contact me.

Sincerely,



Jessica Huza, General Supervisor Environment - Meliadine