



August 20, 2020

Subject: Presence of a Fuel Tank in Meliadine Lake | Action update

Agnico Eagle would like to provide you with a quick update of the actions taken in regards to the situation above.

As you know, on August 18th, 2020, Agnico Eagle Mines was informed by Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) that a fuel tank had been observed in Meliadine Lake, between the main camp and a drilling area approximately 60 meters from the shore. The fuel tank of 4,400 litres is a certified double wall reservoir mounted on a sled and resting in shallow water. Given the fairly shallow depth at this location, the fuel tank and the reservoir are partially submerged.

Following the identification of this issue, an investigation was immediately launched. It appears from the first information available that the fuel tank was unintentionally left behind by one of our drilling contractors after a 2019 drilling campaign.

Actions are currently underway to determine if any material has leaked from the tank. There is no immediate evidence of a spill. This type of fuel tank is known to be particularly robust and offers a high level of protection against impact. An helicopter survey, shore surveys and water sampling are currently being conducted. Divers have also been called in to help assess the situation. Options to remove the fuel tank from the lake in a safe and secure manner are being reviewed and evaluated.

On August 20:

- The team of divers arrived on site and is planning its first dive in the coming days to assess the condition of the tank.
- A review of the information from the post-drilling inspection is underway. The available information is being collected and reviewed.
- A fly-over in helicopter was conducted to look at the fuel tank general condition and another walk along the shoreline was conducted to assess if any signs of contamination were visible. Nothing special was again visible.
- Some scenarios/options to remove the fuel reservoir from the lake are being developed and reviewed by a team involving some Agnico Eagle representatives and the drilling contractor owning the fuel tank. It was decided to move slowly and to develop a robust and safe action plan to make sure the operation is safe and does not result in an aggravation of the situation. The action plan will be presented formally when it is completed for comments possibly early next week.

Next steps in the coming days:

- August 21st - Divers to go in the lake to assess the tank condition and surrounding environment
- Continue to develop an action plan to remove the reservoir from the lake and a schedule of implementation to be presented for comments. All key steps will require a formal Job Hazard Assessment (JHA) to make sure works are done in a safe manner.
- Continue the investigation to better understand the exact circumstances of this incident. Our existing processes, including the post-drilling inspection process, are being thoroughly audited and corrective measures will be implemented to improve our processes and prevent this, or any similar situation, from re-occurring in the future

.We will provide further updates as more information becomes available.

Kind Regards,

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Exploration Manager Canada