August 23, 2020

Subject: Presence of a Fuel Tank in Meliadine Lake | Action Plan update – Report 5

Agnico Eagle would like to provide an update regarding the presence of a fuel tank in Meliadine Lake. This report follows the **Report 4** provided on August 22. All actions on the field are completed by helicopter support. The **Appendix 1** presents the Proposed Action Plan to extract the fuel tank from Meliadine Lake. In addition, an investigation report will follow within about 1 week of the extraction completion with recommendations.

Here is the review of today's actions and the next steps we are planning:

On August 23:

- The divers proceeded with a third dive to reassess the tank and surrounding ground conditions:
  - Environmental booms around the tank were re-anchored to form a shape that will allow the sleigh uprighting and all other manipulations that will follow. These booms will be displaced as the pulling is going forward.
  - Pins were installed on the side of the sleigh to optimize the lateral friction at the pivot point during the uplifting.
  - Cables were attached at specific points of the tank and the sleigh to optimize the pulling during the uplifting operation.
  - The overall condition of the fuel tank has not changed.
  - The bottom of the lake does not show anything problematic that could prevent its extraction (mostly sand and some boulders). As mentioned earlier, the tank is laying on its side and needs to be pivoted first to bring it to its normal position (skids at the bottom).
  - The divers took a lot of photos and videos.
- In preparation for the uplifting, a 4,500-liter water container was filled on the shore. Straps were attached to it and the chain bloc was installed. The cable linking it to the cables on the side of the submerged tank was attached to it and a slight tension was applied.
- A lot of environmental and pulling equipment were transported by helicopter in preparation for the extraction of the fuel tank.
- The action plan has been firmed up to make it as simple and safe as possible. It has been reviewed on August 23 and will formally be presented by Monday August 24.

Next steps in the coming days:

- Finalize the preparation by moving a drill rig, and what is left of the winching equipment and of the emptying material on site.
- Presenting formally the action plan by Monday August 24.
- The movement of the fuel tank is currently scheduled to take place possibly on Tuesday (August 25) or Wednesday (August 26).

Kind Regards,
Denis Vaillancourt
Exploration Manager Canada

Appendix 1 – Proposed Action Plan

This Appendix is presenting the Proposed Action Plan to extract the fuel tank from Meliadine Lake. The following steps were achieved to obtain the Proposed Action Plan:

- **Preparation of the Proposed Action Plan**. The Proposed Action Plan has been developed in collaboration with the Agnico Eagle Canadian Exploration Team, the drilling contractor, the diving contractor, members of the corporate team, some additional experts and members of the Meliadine Mine team who are providing logistic support and assistance. This project is driven by the Agnico Eagle Canadian Exploration Team. Denis Vaillancourt, Exploration Manager Canada, is the responsible for this project.
- **Risk Evaluation**. All key phases of this Proposed Action Plan have been thoroughly assessed to be as simple, robust and safe for both people, environment and the surrounding community. The main objective was to proceed all along in a slow and coordinated fashion and allow sufficient time for proper preparation and thorough risk evaluation. For all phases, a Job Hazard Assessment has been completed.
- **Transportation of equipment and people to the fuel tank location**. All people and equipment to prepare the extraction work are transported by helicopter. A small boat has been used. No direct transportation of goods and people on the tundra has taken place and is expected until next winter. No contact with community members is allowed.
- **Background information**. The background information was provided in the Spill Report (2020-08-18_MEL_Potential Reportable Event.pdf sent by email 20-08-18) and in Reports 1 to 4. The Proposed Action Plan covers the main activities associated to the physical extraction of the fuel tank and the measures put in place to protect people, environment and the surrounding community while these activities take place.
- **Status of the fuel tank**. Based on the available information, the tank is laying on its side at approximately 60 m from the shoreline. The configuration of the tank is provided in *Figure 1*. *Figure 2* shows a photo of the fuel tank in the lake. *Figure 3* shows the location of the fuel tank in Meliadine Lake. It should be noted that this location corresponds to a small bay of Meliadine Lake. The fuel tank is bolted on a sleigh mounted on two skids.
- **Water sampling program and visual observations**. As mentioned in an earlier Report, a detailed waster sampling program was conducted rapidly after the identification of this issue (*Figure 4*). The collected water samples have been sent to a certified laboratory. The first results are expected to become available around August 27. The shoreline in the area has also been walked twice and no evidences of contamination have been identified along the shoreline. The boat that circulated to collect the water samples did not find any evidence of contamination either.
- **Installation of booms around the fuel tank**. While there was no evidence of contamination on the surface of the water around the fuel tank, a series of booms were nevertheless installed to contain any potential contamination.
- **Condition and content of the fuel tank**. The divers have been able to observe that the fuel tank does not appear to show signs of significant damage currently. This tank is a robust double wall tank designed to sustain significant impact. Two out of three caps on top were nevertheless missing (and have been replaced and sealed on August 22 with new Aluminum caps and Teflon on the threads). The content of the tank, as observed by the divers and their camera, does not seem to indicate the presence of fuel inside the fuel tank. The fuel tank appears to be essentially filled with water. This water is nevertheless considered as contaminated water and will be treated as such (sampling on it will be conducted after it is removed from the fuel tank). According to preliminary results from the investigation (to be formally provided a later date), the drilling contractor seems to suggest that the fuel tank was forgotten essentially empty of fuel on the ice surface during one of 2018-2019 exploration drilling campaign.

Figure 1. Fuel tank configuration. Two of the three caps were missing

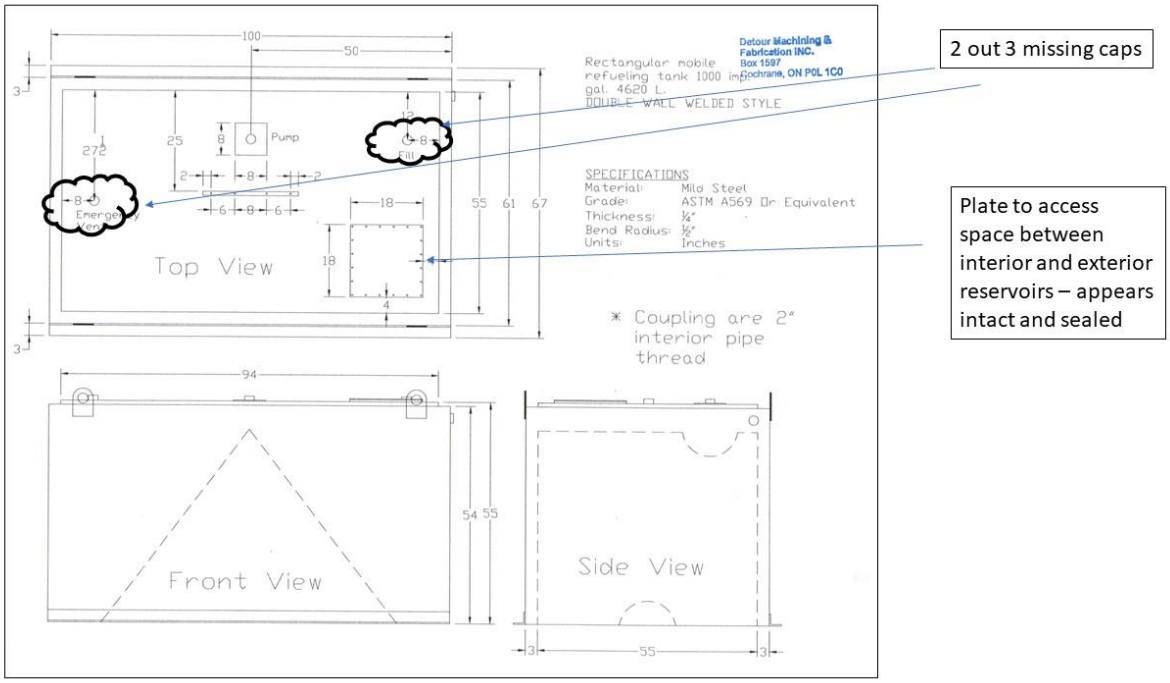


Figure 2. Picture of the fuel tank in the lake

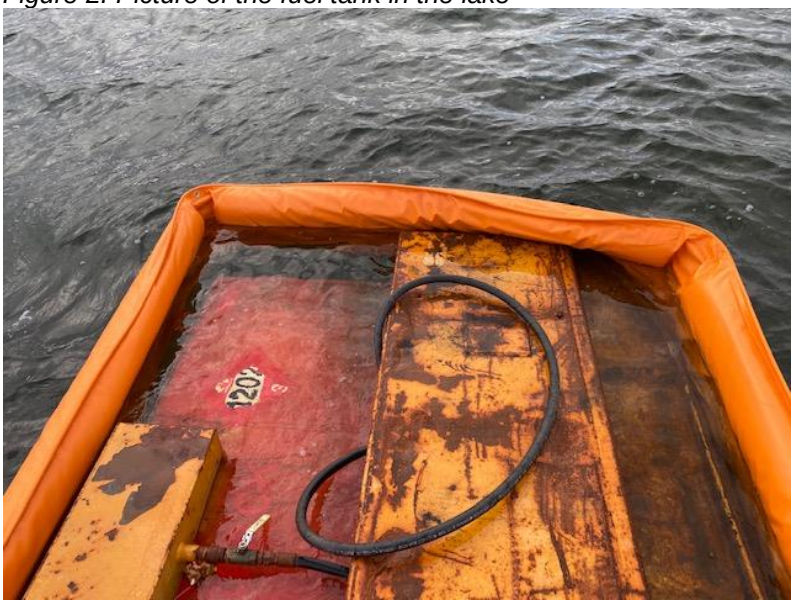


Figure 3. Location of the fuel tank in Meliadine Lake

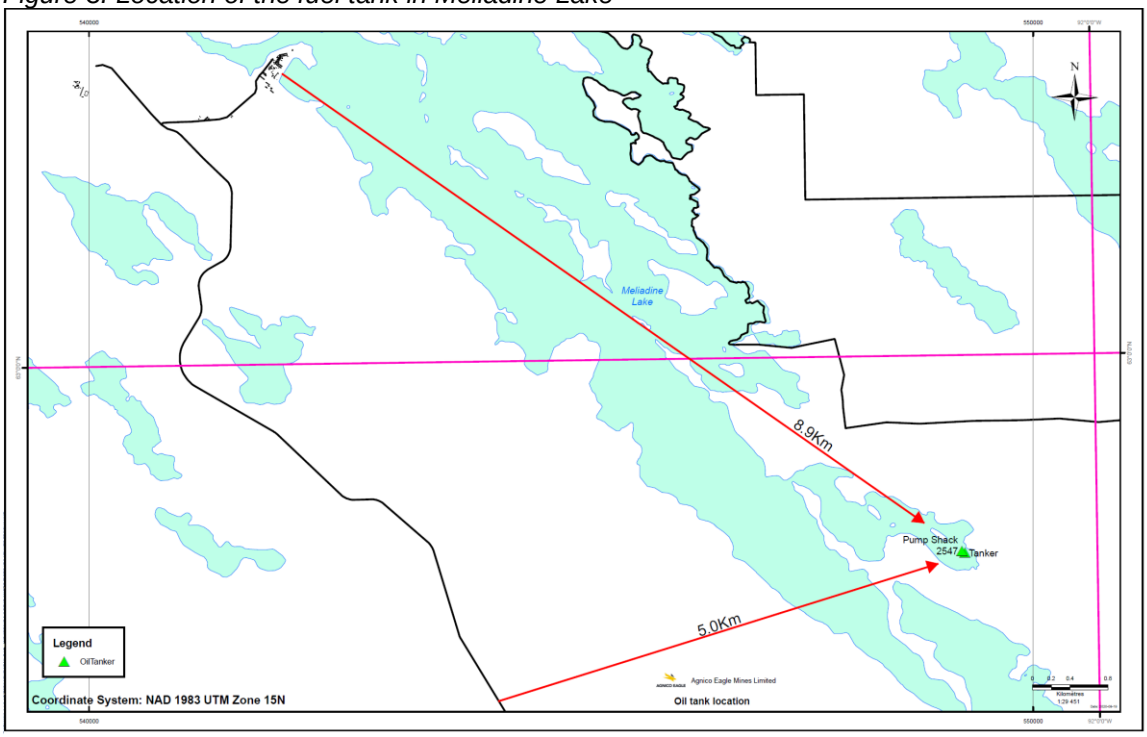
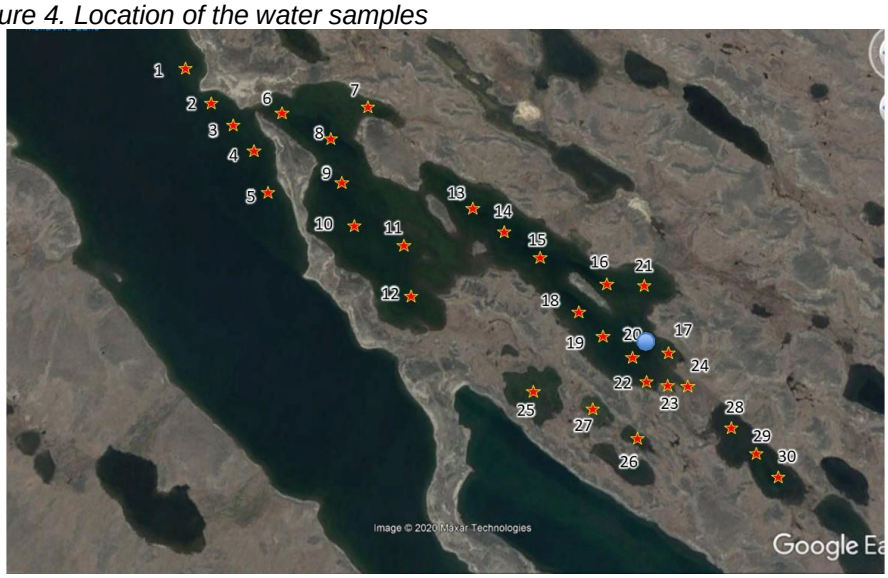


Figure 4. Location of the water samples



Action Plan in 4 Phases

The following describes the details of the Proposed Action Plan and is divided in 4 main phases. Each phase is detailed in sub-tasks. The main intent of the Proposed Action Plan is to extract the fuel tank from Meliadine Lake, empty its content and leave it in a secure location to be brought to Exploration Camp during the upcoming winter. All actions will take place by helicopter.

PHASE 1 – UPRIGHTING OF THE TANK WITH THE DIVERS

The first phase is to tilt and bring back the fuel tank to its normal position, which is upward on its skids. Due to the possibility of a leak during this operation, it was decided to hold on this operation until the pulling from the lake happens.
Floating matting and booms will be repositioned to make sure they contain and collect any potential contamination and do not hinder the work.

Preparation

- Install barricades & signs in a 100m radius to limit access of possible observers around the site to prevent any incidents.
- Sling with the helicopter on the shore an empty 4,500-liter water reservoir to store fresh water during drilling activities to act as counterweight when filled with water for the tilting operation. This reservoir is considered clean and will be emptied when the tilting operation is completed. ***Completed***
- Attach a cable for the chain block to the upper part of the sleigh and bring the cable to the shore. This cable will be used to tilt the fuel tank. ***Completed***
- Anchor the booms and the mats with cables so they remain away from the fuel tank during the tilting operation. They will form more or less a circle and will be away from the tank during the operation. ***Completed***
- Videotape all the operation and take a lot of pictures.

Operation

- Attach the cable to the chain block on the water reservoir on shore and tight it slightly. ***Completed***
- Anchor 2-3 metal pins in front of the skid to help stabilize the pivot point during the pull. ***Completed***
- Attach balloons to the fuel tank bottom hook and inflate them to increase buoyancy (filled with air from the diver's reservoirs). A second layer of balloons can be added to help lifting the fuel reservoir a little more. With the balloons, the tank should lift +-30cm. Divers get away.
- Nobody in 100m radius except the operator.
- Tighten the cable with the chain block, pulling until the top of the tank is moving forwardly. Normally the tank will fall upright easily. Loosen the cable then.
- Disinflate and remove the balloons.
- Attach all the cables that could be needed for the pulling operation.

Figure 5. View from the shore

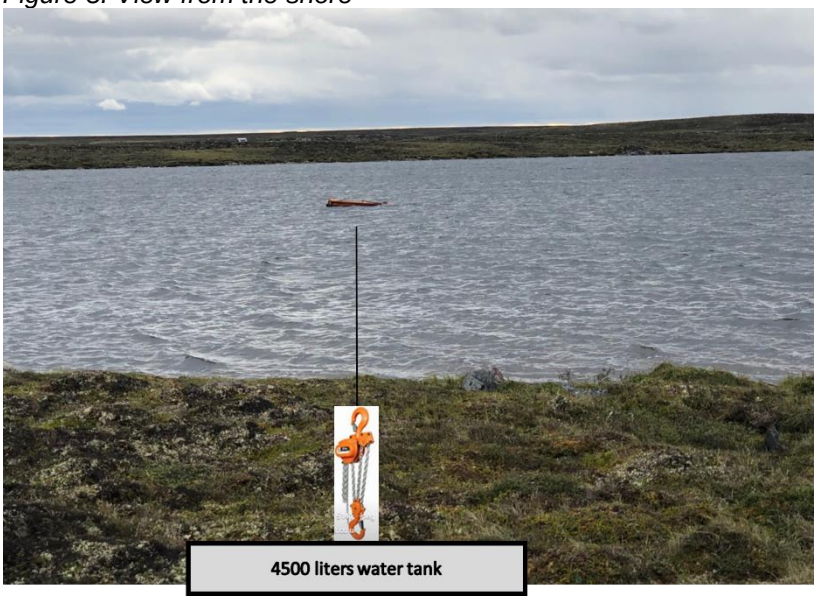
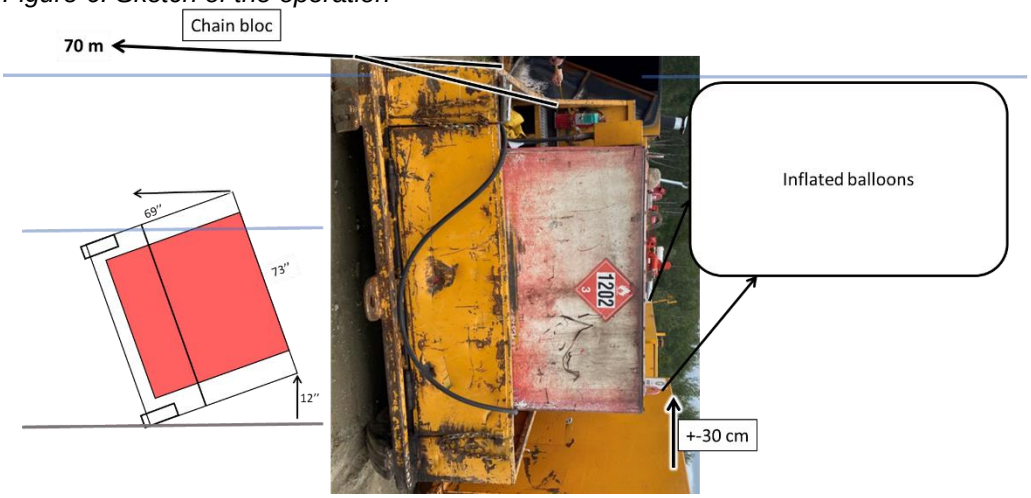


Figure 6. Sketch of the operation



PHASE 2 – PULLING THE TANK TO THE SHORE

During this operation, the only people allowed within the 100m radius will be the two operators. Balloons, cables and hydraulic hitch may be used to help if a boulder is blocking the path of the sleigh. If so, the tension on the cable would be decreased if any task is needed besides the pulling.

Preparation

- The best path to be used to pull the tank has been determined by the divers and is indicated by the buoys. ***Completed***
- A series of picket to be implanted for the location of the drill. ***Completed***
- Buoys are indicating the location of boulders and the pathway to follow. Divers confirm that the bottom of the lake for the proposed pathway is a sand and gravel with some small boulders. ***Completed***
- A small drill rig with its supporting equipment will be moved by helicopter on the shoreline. This drill rig will be used to drill a HQ hole to serve as an anchoring system for the winch used to pull the fuel tank. The hole will be drilled at a dip of 45 degrees toward the lake. The hole will be drilled at least 1.5 m into bedrock. To increase the stiffness of the anchor system, a NQ core barrel and a BQ will be inserted in the HQ rods. The couplings of the rods include in the anchoring system will be disaligned to optimize its strength. The anchoring system will then correspond to 3 layers of steel rods and will provide a very stiff anchoring system.
- A ramp made of steel rods will be used to allow the sleigh to reach the tundra.

Operation

The operators will be two senior superintendents of the drilling contractor in Nunavut. The divers are the persons that will attach the cables.

- The right cable will be used to rotate the sleigh, so its front points will be properly aligned.
- The cable attached to the tong will be pulled and the sleigh will be moving forward toward the winch attached to the anchoring system.
- The tension will be monitored. The pulling will continue until the tank is at the shore or the tension seems a little high. As soon as the top of the tank will be sufficiently out of water (minimum 0.5 m), the pumping operation to transfer the fuel tank to drums on the shore will begin (using the boat).
- Pumping operation will aim at emptying the full content of the fuel tank. The collected drums will be airlifted to camp before being sent to the south.
- When the emptying of the fuel tank will be completed, the final pulling operation of the empty fuel tank will proceed.

Figure 7. Plan view of the operation

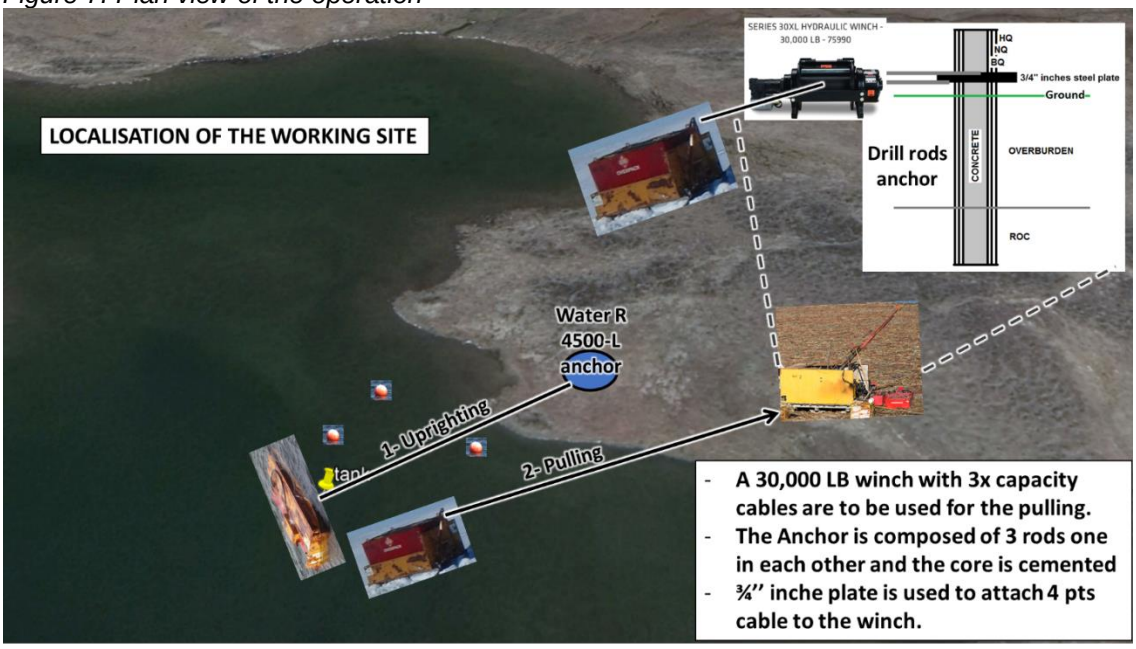


Figure 8. View of the shoreline where the fuel tank is located. The diver's equipment is along the lake.

PHASE 3 – PUMPING THE TANK

A boat can be used if the tank is not directly accessible by the shore to install the pump.
The drums are flown back to the camp to be stored in a seacan.

Preparation

- Install containment berm and spill kit beside the drill site, 25 empty 205 liters drums are transported nearby. Ensure the length of hose is sufficient and its integrity is adequate.

Operation

- Have a look inside the tank if we can see fuel floating on the water.
- Install the pump on the tank. Get some drums ready to be filled. One person at the tank with the pump, one at the drums with constant communication (visual, radio).
- Start the pumping. Water samples will be taken from the last filled drum, and analysis results will be available approximately 1 week later.
- When at least 4 drums are filled and capped, roll them in a net to be picked up by the helicopter. Two persons should be available at the drop zone to receive the net, empty it and roll the drums on a pallet. Straps should be installed to secure the load.
- Continue the pumping until the pump is breathing air then stop.
- Pack everything up.
- Get to the final phase of the pulling.

PHASE 4 – PACKING THE TANK FOR THE WINTER

Preparation

- Install containment berm on the ground on the tundra in front of the drill where the tank will be stored.
- Install a ramp to climb the sleigh on the tundra and into the berm.
- Put some pallets inside the berm so the sleigh will not get stuck to the berm during the winter.

Operation

- The cable attached to the tong is pulled and the sleigh is moving forward towards the drill.
- The tension will be monitored. As soon as the tank sleigh is inside the berm detach all the cables.
- Pack everything up. Move the drill back to its original setup.
- Cover the tank with a tarp for the winter.
- Take pictures.
- When the pulling operation is completed, proceed to another round of water sampling similar to the one done earlier and starting from the fuel tank location and move downstream.
- Pickup all booms and mattings.
- Leave only one buoy for the original location of the fuel tank.
- Conclude the investigation report.