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AGNICO EAGLE

WHALE TAIL PIT PRE-DEVELOPMENT TYPE B WATER LICENCE

Main Application Supporting Document

Submitted to:
Nunavut Water Board
P.O. Box 119
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EXECUTIVE SUMMARY

On June 30, 2016 Agnico Eagle Mines Limited (Agnico Eagle) filed amendment applications to the Nunavut Impact Review Board (NIRB) and Nunavut Water Board (NWB) for development of the Whale Tail Pit and Haul Road Project (the Project). A joint coordinated review of the Final Environmental Impact Statement (FEIS) and Type A Water Licence Application are ongoing pending final ministerial approval. Project development scheduling and implementation in Nunavut is dependent upon and restricted by the seasonal sea lift to support mobilization of supplies and equipment. Proponents may have to wait up to a year to receive a Type A Water Licence before starting construction of a Project under review by NIRB and NWB; this additional time can have a significant impact on the overall project schedule.

The regulatory framework provided in the Nunavut Land Claims Agreement (NLCA) and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA or Act) allows for interim, short-term approvals for water uses related to exploration or development work for a proposal under development impact review. The NIRB allows for approvals or licenses to be issued for development activities prior to the completion of a Review if the activity falls within a list of project types normally exempt from the requirement for Screening or if in the judgement of the NIRB the activity may proceed without such a Review. The NWB is not restricted from issuing an interim, short-term period water license for development work related to the Project provided the scope of works being considered for development works are being considered by the NIRB as part of the review of the Project.

Agnico Eagle has identified the following specific pre-development (site preparation) activities that may be beneficial in accelerating the overall Project schedule:

- construction of a pad for the permanent camp;
- start of work on concrete foundations;
- construction of necessary service roads to undertake the other pre-development activities;
  - road between Quarry 2 and Waste Rock Storage Facility (WRSF)
  - a road and one culvert between exploration camp and proposed Nemo freshwater intake
  - temporary bridge crossing
  - a road between exploration area and new road between Quarry 2 and the WRSF
  - upgrade/widen Whale Tail Pit haul road from 6.5 m wide to 9.5 m plus bypasses.
- quarrying at Quarry 2
- construction of the waste rock berm;
- construct Mammoth Channel crossing in March 2018; and
- pre-delivery of material (i.e., equipment, material, and fuel).

By implementing a pre-development permitting approach Agnico Eagle, and the Project, could yield substantial scheduling gains considering the short construction season in the Arctic. The securing of an exception from NIRB and a Type B Pre-development Water Licence would allow construction, site preparation, and mobilization work

to be initiated, while awaiting the Project Certificate and Type A Water Licence. Of utmost importance to the Project, it would allow for a full open water season of construction, allowing for production in 2019 and reducing the gap between the closure of Meadowbank and start of Whale Tail Pit operations. This is a similar approach to pre-development work previously approved at the Meadowbank and the Meliadine mines.

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ᔫᓂ 2016-ᒥᑦ ᐊᒃᓅᑯᒃᑯᑦ ᑐᓂᓯᓚᐅᖅᑐᑦ ᐋᖅᑭᒋᐊᖅᓯᓂᕐᒧᑦ ᑐᒃᓯᕋᐅᑎᒥᒃ ᐊᕙᑎᓕᕆᔨᒃᑯᓐᓄᑦ ᐊᒻᒪᓗ ᓄᓇᕗᒻᒥ ᐃᒪᓕᕆᔨᒃᑯᓐᓄᑦ Whale Tail ᓄᓇᒥᑦ ᐃᓗᑦᑐᖅᓯᒪᔪᕐᒥᑦ ᐱᕙᓪᓕᐊᓂᕐᒧᑦ ᐊᒻᒪᓗ ᐅᓯᑲᑦᑕᓂᕐᒧᑦ ᐊᑉᕐᑯᑎᒧᑦ ᐱᓕᕆᐊᕐᒥᑦ (ᐱᓕᕆᐊᖅ). ᐱᓕᕆᖃᑎᖃᕐᓂᒃᑯᑦ ᕿᒥᕐᕈᓂᖅ ᑭᖑᓪᓕᖅᐹᖅ ᐊᕙᑎᒥᒃ ᐊᒃᑐᖅᓯᓂᕐᒧᑦ ᑎᑎᖅᑲᒥᒃ ᐊᒻᒪᓗ Type A ᐃᒪᕐᒧᑦ ᓚᐃᓴᓐᓯᒧᑦ ᑐᒃᓯᕋᐅᑎᒥᒃ ᑲᔪᓯᔪᑦ ᐅᑕᖅᑭᐸᓗᑎᒃ ᑭᖑᓪᓕᖅᐹᒃᑯᑦ ᒥᓂᔅᑕᒧᑦ ᓈᒻᒪᒋᔭᐅᓂᕐᒧᑦ ᐱᓕᕆᐊᖅ. ᐱᓕᕆᐊᕐᒥᑦ ᐱᕙᓪᓕᐊᓂᖅ ᖃᖓᒃᑰᓕᕆᓂᖅ ᐊᒻᒪᓗ ᐊᑐᓕᖅᑎᑕᐅᓂᖓ ᓄᓇᕗᒻᒥᑦ ᐊᑐᖅᑐᖅ ᐊᒻᒪᓗ ᑭᒡᓕᖃᖅᓗᓂ ᓯᑲᐅᒃᑰᖅᑐᓂᒃ ᐊᐅᓚᓐᓂᕐᒧᑦ ᐱᕐᑯᑏᑦ. ᐱᓕᕆᐊᓖᓪᓕᑦ ᐅᑕᖅᑭᑐᐃᓐᓇᕆᐊᖃᖅᑐᑦ ᐅᑭᐅᒥᑦ ᐊᑕᐅᓯᕐᒥᑦ Type A ᐃᒪᕐᒧᑦ ᓚᐃᓴᓐᓯᒥᒃ ᓴᓇᕙᓪᓕᐊᓂᐊᕌᖅᑎᓪᓗᒥᑦ ᐱᓕᕆᐊᕐᒥᑦ ᕿᒥᕐᕈᔭᐅᔪᒥᒃ ᐊᕙᑎᓕᕆᔨᒃᑯᓐᓄᑦ ᐊᒻᒪᓗ ᓄᓇᕗᒻᒥ ᐃᓕᓕᕆᔨᒃᑯᓐᓄᑦ: ᑖᓐᓇ ᐱᕕᒃᓴᓂᕐᒥᒃ ᐃᓚᓯᓂᐅᔪᖅ ᐊᖏᔪᒥᒃ ᐊᒃᑐᖅᓯᓂᖃᖅᑐᖅ ᑕᒪᐃᓐᓅᖓᔪᒥᒃ ᐱᓕᕆᐊᑉ ᖃᖓᒃᑯᕋᔅᓂᖓᓂᒃ.

ᒪᓕᒐᓕᕆᓂᐅᔪᑦ ᑐᓂᔾᔪᑦ ᓄᓇᕗᑖᕐᓂᕐᒧᑦ ᐊᖏᖃᑎᕖᒍᑎᒥᑦ ᐊᒻᒪᓗ ᓄᓇᕗᒻᒥ ᐃᒪᐃᑦ ᐊᒻᒪᓗ ᖁᖓᓂᑦ ᐱᔪᖕᓇᐅᑎᓕᕆᓂᕐᒧᑦ ᐱᕐᑯᔅ–ᒥᑦ ᐱᔪᖕᓇᖅᑎᑦᑎᓚᐅᒃᑲᒃᑐᑦ, ᓇᐃᑦᑐᒥᒃ ᓈᒻᒪᒋᔭᐅᔪᓂᒃ ᐃᒪᕐᒥᒃ ᐊᑐᕐᓂᕐᒧᑦ ᕿᓂᖅᓴᐃᓂᕐᒨᖓᔪᓄᑦ ᐅᕝᕙᓘᓐᓃᑦ ᐱᕙᓪᓕᐊᓂᕐᒧᑦ ᑐᒃᓯᕋᐅᑕᐅᔪᒧᑦ ᒪᓕᒃᓗᒍ ᐱᕙᓪᓕᐊᓂᕐᒥᑦ ᐊᒃᑐᖅᓯᓂᕐᒧᑦ ᕿᒥᕐᕈᓂᖅ. ᐊᕙᑎᓕᕆᔨᒃᑯᑦ ᓈᒻᒪᒃᓴᕈᓐᓇᖅᑎᑦᑎᔪᑦ ᐅᕝᕙᓘᓐᓃᑦ ᓚᐃᓴᓐᓯᓂᒃ ᑐᓂᔭᐅᑎᑦᑎᓗᑎᒃ ᖃᓄᐃᓕᐅᕆᐊᕈᓐᓇᕐᓂᕐᒧᑦ ᐱᐊᓂᖕᓂᐋᖅᑎᓪᓗᒍ ᕿᒥᕐᕈᔭᐅᓂᖓ ᖃᓄᐃᓕᐅᕐᓂᖅ ᑎᑎᕋᖅᓯᒪᔫᓐᑉᐸᑦ ᐱᓕᕆᐊᑦ ᖃᓄᐃᑦᑑᓂᖏᓐᓄᑦ ᐊᑐᙱᑉᐸᒃᑑᓚᓗᐊᑦ ᐱᔭᕆᐊᖃᕐᓂᐅᔪᒥᑦ ᕿᒥᕐᕈᔭᐅᑎᓪᓗᒋᑦ ᐅᕝᕙᓘᓐᓃᑦ ᐃᓱᒪᒋᔭᐅᒃᐸᑦ ᐊᕙᑎᓕᕆᔨᒃᑯᓐᓄᑦ ᖃᓄᐃᓕᐅᕐᓂᐅᔪᖅ ᑲᔪᓯᔾᔪᓇᕐᓂᖓᓄᑦ ᕿᒥᕐᕈᔭᐅᙱᓪᓗᓂ.

ᓄᓇᕗᒻᒥ ᐃᒪᓕᕆᔨᒃᑯᑦ ᑭᒡᓕᖃᙱᑦᑐᑦ ᑐᓂᓯᓂᕐᒧᑦ ᐱᔪᖕᓇᖅᑎᑦᑎᓚᐅᒃᑲᖕᓂᕐᒥᒃ, ᓇᐃᑦᑐᒥᒃ ᐊᑐᖅᑕᐅᓂᐊᖅᑐᒥᒃ ᐃᒪᕐᒧᑦ ᓚᐃᓴᓐᓯᒥᒃ ᐱᓕᕆᕙᓪᓕᐊᓂᕐᒧᑦ ᐱᔾᔪᑎᒃᑲᖅᑐᒥᒃ ᐱᓕᕆᐊᕐᒧᑦ ᖃᓄᐃᓕᐅᕐᓂᐊᕐᓂᐅᔪᓄᑦ ᑐᕌᖓᔪᑦ ᐱᓕᕆᕙᓪᓕᐊᓂᕐᒧᑦ ᐃᓱᒪᒃᓴᖅᓯᐅᕈᑎᒋᔭᐅᔪᑦ ᐊᕙᑎᓕᕆᔨᒃᑯᓐᓄᑦ ᐃᓚᒋᔭᐅᐸᓗᓂ ᐱᓕᕆᐊᕐᒥᒃ ᕿᒥᕐᕈᓂᕐᒧᑦ.

ᐊᒃᓅᑯᒃᑯᑦ ᐃᓕᑕᖅᓯᓚᐅᖅᑐᑦ ᐅᑯᓂᙵᑦ ᐱᔾᔪᑎᒃᑕᖅᑐᓂᒃ ᐱᓕᕆᕙᓪᓕᐊᓂᐊᓵᖅᑎᓪᓗᒋᑦ (ᐃᓂᐅᔪᒥᒃ ᐸᕐᓇᐃᓂᖅ) ᐃᑲᔪᐃᓂᖃᕈᓐᓇᖅᑐᑦ ᐱᒋᐊᖅᑎᑦᑎᓂᕐᒧᑦ ᖃᖓᒃᑰᖓᓂᐊᕐᓂᕆᔭᐅᔪᒥᒃ.

- ᓴᓇᔭᐅᓂᖓ ᑐᙵᕕᒃ ᓄᓇᓕᐊᓖᕆᔭᐅᖏᓐᓇᕐᓂᐊᖅᑐᒥᑦ;
- ᕿᕐᑯᓕᖅᑐᐃᕙᓪᓕᐊᓗᓂ ᑐᙵᕕᒃᓴᓂᒃ;
- ᓴᓇᔭᐅᓗᑎᒃ ᐊᐸᕐᑯᑏᑦ ᐊᓯᖏᓐᓂᒃ ᐱᕙᓪᓕᐊᒋᐋᓵᕐᓂᕐᒧᑦ ᖃᓄᐃᓕᐅᕐᓂᐅᔪᓄᑦ;
  - ᐊᐸᕐᑯᑎᒥᒃ ᐊᑯᓐᓂᖏᓐᓂᑦ ᓄᓇᒥᑦ ᐃᓗᑦᑐᖅᓯᒪᔫᐸ 2 ᐊᒻᒪᓗ ᐊᒃᑕᑰᖅᑕᐅᔪᑦ ᐅᔭᖅᑲᓄᑦ ᑐᖅᑯᖅᓯᓯᒪᕝᕕᐅᐸ
  - ᐊᐸᕐᑯᑎᒥᒃ ᐊᒻᒪᓗ ᐊᑕᐅᓯᕐᒥᒃ ᓱᐸᓗᓕᖕᒥᑦ ᐊᑯᓐᓂᖏᓐᓂᑦ ᕿᓂᖅᓴᐃᓂᕐᒧᑦ ᓄᓇᓕᐊᓖᐸ ᐊᒻᒪᓗ ᓃᔫ ᐃᒪᑦᑎᐊᕙᖕᒥᑦ ᐱᕝᕕᐅᓂᐊᖅᑐᖅ ᑕᓯᐅᐸ
  - ᐃᑳᕈᑎᐅᓚᐅᐱᓛᒃᑐᖅ
  - ᐊᐸᕐᑯᑎ ᐊᑯᓐᓂᖏᓐᓂᑦ ᕿᓂᖅᓴᐅᕝᕕᐅᔫᐸ ᐃᓂᖓᓂᑦ ᐊᒻᒪᓗ ᓄᑖᖅ ᐊᐸᕐᑯᑎ ᐊᑯᓐᓂᖏᓐᓂᑦ ᐃᓗᑦᑐᖅᓯᒪᔫᐸ 2 ᐊᒻᒪᓗ ᐊᒃᑕᑰᖅᑕᐅᔪᑦ ᐅᔭᖅᑲᓄᑦ ᑐᖅᑯᖅᓯᓯᒪᕝᕕᐅᐸ
  - ᓄᑖᙳᖅᑎᕐᓗᒍ/ᓯᓕᒃᓯᒋᐊᕐᓗᒍ Whale Tail ᓄᓇᒥᑦ ᐃᓗᑦᑐᖅᓯᒪᔪᕐᒥᑦ ᐅᓯᑲᑦᑕᓂᕐᒧᑦ ᐊᐸᕐᑯᑎ 6.5–ᒦᑕᒥᑦ 9.5-ᒦᑕᒧᑦ ᐃᓚᐅᓗᑎᒃ ᐊᓯᖏᑦ ᐊᐸᕐᑯᑏᑦ.
- ᐲᔭᐃᓂᖅ ᓄᓇᒥᑦ ᐃᓗᑦᑐᖅᓯᒪᔪᖅ 2–ᒥᑦ
- ᓴᓇᔭᐅᓂᖓ ᐊᒃᑕᑰᖅᑕᐅᔪᓄᑦ ᐅᔭᖅᑲᓄᑦ ᐊᕙᓗ;
- Mammoth–ᒥᑦ ᓱᐸᓗᒥᑦ ᐃᑳᕈᑎᓕᐅᕐᓗᓂ ᒫᑦᓯ 2018–ᒥᑦ; ᐊᒻᒪᓗ
- ᐱᕐᑯᑎᓂᒃ ᐊᒃᔭᖅᑕᐅᓂᐊᖅᑐᓕᐅᕐᓗᓂ (ᓲᕐᓗ ᐱᕐᑯᑏᑦ, ᐊᑐᖅᑕᐅᓂᐊᖅᑐᑦ, ᐊᒻᒪᓗ ᐅᖅᓯᐊᓗᒃ).

ᐊᑐᓕᓪᓗᓂ ᐱᓯᓕᐊᓂᐊᖏᖅᑎᓕᒋᑦ ᐱᔨᖏᓇᖅᑎᑕᐅᓂᕆᖓᓚᐅᒋᑦ ᐊᒻᒪᓂᔪᒃᓴᒃ, ᐊᒻᒪᓗᓗ ᐱᓕᕆᐊᖅ, ᐱᔨᖏᓇᖅᑐᑦ ᐊᖏᕐᕕᐅᑦ ᖃᖏᑐᒃᔨᖏᕐᕕᓂᒃ ᐱᕆᐅᔨᖏᓇᖅᑐᓂᒃ ᓇᐃᑦᑐᓂᐊᖏᑎᑎᓕᔪᒍ ᐊᐱᕐᓇᖅᑐᓂᖅ ᐅᑭᐅᖅᑕᖅᑐᒋᑦ ᐊᑐᓂ ᐅᑭᐅᖏᓚᕐᓂᑦ. ᓇᓗᓇᐃᖅᓯᓂᐊᕐᓗᓂ ᐊᑐᙵᕐᓂᐅᔪᒃ ᐊᐸᑎᓕᕆᔨᒃᓯᓂᑦ ᐊᒻᒪᓗ Type B ᐱᐸᓪᓕᐊᓂᐊᖏᑎᑎᓕᔪᒍ ᐃᒪᐃᒧᑦ ᓕᐃᕆᔨᒍ ᐱᓇᒋᐊᕐᓂᖅᑎᑎᕐᕕᖅ, ᐃᓂᖏᕆᐅᔪᒃ ᐱᓕᕆᐊᖅᓯᐸᓪᓕᐊᓂᕐᒥᒃ, ᐊᒻᒪᓗ ᐊᐅᓪᓚᕆᑎᑕᑐᓗᓂ ᐱᓕᕆᐊᖅᕆᐊᖏᓂᕐᒥᒃ, ᐅᑕᖅᑭᕆᐅᑎᓪᓕᔪᒍ ᐱᓕᕆᐊᖅᒧᑦ ᓇᓗᓇᐃᔨᑎ ᐊᒻᒪᓗ Type A ᐃᒪᐃᒧᑦ ᓕᐃᕆᔨᓯ. ᐱᖏᒪᐅᓂᕆᓚᖓ ᐱᓕᕆᐊᖅᒧᑦ, ᐊᔨᖓᑎᑎᑕᑎᓇᖅᑐᖅ ᐊᐅᕆᐅᑎᓪᓕᔪᒍ ᐊᐱᖅᑐᓂᒃ ᐊᒻᒪᓗ ᐱᑎᐊᖅᑎᓪᓕᔪᒍ 2019-ᒥᑦ ᐊᒻᒪᓗ ᒥᐅᓯᐊᖅᑎᑎᓵᓕᔪᒍ ᐱᑕᖃᖓᓯᓂᐅᔪᒃ ᐅᐅᔨᐊᖅᐸᓪᓕᔪᒍ ᐊᐱᖅᑎᓄᓇᖅᑐᖅ ᐊᒻᒪᓗ ᐱᑎᐊᖅᑎᓪᓕᔪᒍ Whale Tail ᓄᓇᒥᑦ ᐃᓗᓪᑐᖅᓭᓐᓇᕆᑦ ᐊᐅᓪᓚᖅᑎᑎᓂᓕᓂᒃ. ᑕᑫᓇ ᐊᐖᕐᓴᒃ ᐊᑐᑕᐅᔪᖅ ᐱᓕᕆᐊᖅᓯᐸᓪᓕᔪᒍ ᓄᓚᒋᑦᓴᐅᓯᐅᑐᑦᑐᓂᒃ ᐊᐱᖅᑎᓄᓇᖅᑐᖅᑐᓂᒃ.

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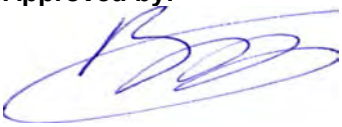
DOCUMENT CONTROL

Version	Date	Section	Page	Revision
1	July/2017	All	All	Comprehensive Type B Pre-development Application

Prepared by:
Agnico Eagle Mine Limited and Golder Associates Ltd.

Approved by:



Ryan Vanengen, MSc. – Amaruq Permitting Lead

Agnico Eagle Mines: Meadowbank Division

ABBREVIATIONS, ACRONYMS, AND UNITS

Agnico Eagle	Agnico Eagle Mines Limited
AEAR	Amaruq Exploration Access Road
AER	Alberta Energy Regulator
AESRD	Alberta Environment and Sustainable Resource Development
ARD	Acid Rock Drainage
AWAR	All-weather Access Road
CAC	Criteria Air Contaminant
CDWQG	Canadian Drinking Water Quality Guidelines
dBA	decibel
DFO	Fisheries and Oceans Canada
EA	Environmental Assessment
EPMP	Environmental Protection and Monitoring Plan
FEIS	Final Environmental Impact Statement
GDP	Gross Domestic Product
IDS	Interdisciplinary System
IIBA	Inuit Impact Benefit Agreement
IOL	Inuit Owned Land
KivIA	Kivalliq Inuit Association
km	kilometre
km^2	square kilometre
LSA	Local Study Area
m	metre
m^3	cubic metre
ML	Metal Leaching
Mt	million tonne
NIRB	Nunavut Impact Review Board
NLCA	Nunavut Land Claims Agreement
NPC	Nunavut Planning Commission
NTI	Nunavut Tunngavik Inc.
NWB	Nunavut Water Board
NWNSRTA	*Nunavut Waters and Nunavut Surface Rights Tribunal Act*
Project	Whale Tail Pit and Haul Road Project
RSA	Regional Study Area
TSF	Tailings Storage Facility
TSS	Total Suspended Solids
WRSF	Waste Rock Storage Facility
WWTS	Wastewater Treatment System

1.0 INTRODUCTION

Agnico Eagle Mines Limited – Meadowbank Division (Agnico Eagle) is proposing to develop Whale Tail Pit, a satellite deposit located on the Amaruq property, to continue mine operations and milling at Meadowbank Mine. The Amaruq property is a 408 square kilometre (km^2) site located on Inuit Owned Land (IOL) approximately 150 kilometres (km) north of the hamlet of Baker Lake and approximately 50 km northwest of Meadowbank Mine in the Kivalliq Region of Nunavut (Figure 1.1). The right to explore and extract minerals from the property was acquired by Agnico Eagle in April 2013 subject to a mineral exploration agreement with Nunavut Tunngavik Incorporated (NTI). The deposit will be mined as an open pit (i.e., Whale Tail Pit), and ore will be hauled by truck to the approved infrastructure at Meadowbank Mine for milling.

The Whale Tail Pit Project (the Project) facilities will consist of a personnel camp (i.e., Main Camp), power plant, heli-pad, maintenance shop, tank farm, a waste rock storage facility (WRSF), an ore stockpiling facility, an attenuation pond, a water and sewage collection and treatment system, haul roads, access roads, water management infrastructure (e.g., collection ponds, channels, dikes, dams, and culverts), and the Whale Tail Pit (Figure 1.2). As a result of development, Agnico Eagle is also proposing to expand the width of the existing exploration access road to a haul road (herein referred to as a Haul Road) to accommodate increased traffic rates and haul trucks. No new infrastructure is required at the existing Meadowbank Mine to support the development of the Project.

An initial amount of approximately 8.3 million tonnes (Mt) of ore will be mined from one open pit (i.e., Whale Tail Pit) and processed over a three to four year mine life. Ore from Whale Tail Pit will be segregated by grade then crushed on-site after which it will be transported to Meadowbank Mine for milling. The mill rate will be approximately 9,000 to 12,000 tonnes per day.

Agnico Eagle proposes to process the Whale Tail ore and dispose of the tailings slurry at the existing Meadowbank Mine Tailings Storage Facility (TSF), which is authorized under the current Project Certificate and Type A Water Licence. The mine operation will generate approximately 8.3 Mt of tailings, 46.7 Mt of mine waste rock, and 5.8 Mt of overburden soil, with very limited organic material. Tailings produced from processing of Whale Tail ore will be accommodated within the existing footprint of the TSF. More specifically, tailings will be stored within the current footprint of the south cell TSF and by building an internal structure in the north cell TSF. Neither the footprint of the facility nor the chemical nature of the tailings and process water are expected to significantly change from current operations. Whale Tail tailings will require the same long-term environmental control mechanisms as are currently approved for Meadowbank.

Approximately 2.5 Mt of waste rock will be used for construction activities such as roads, pads, and water management facilities (i.e., dike, berm, rip rap, etc.). The remaining waste rock and overburden material will be hauled to the Whale Tail WRSF, which is located northwest of the Whale Tail Pit. A second, temporary overburden storage pad for staging purposes is located west of the Whale Tail Lake. Waste rock and overburden will be co-disposed together in one of the two piles constituting the storage facility.

The Project will be supported using the existing transportation requirements, relying on marine transportation for most supplies, aircraft for supplies and transportation of employees, and the gold ore produced at the Meadowbank Mill. The Meadowbank All-weather Access Road (AWAR) will continue to provide supplies transported from the existing Baker Lake marshalling facilities to the Meadowbank Mine. The current operational components include marshalling facilities in Baker Lake and the 110 km AWAR between Baker Lake and Meadowbank Mine. Agnico

Eagle is proposing to upgrade the previously permitted 64.1 km Amaruq Exploration Access Road (AEAR) to a Haul Road to support the development of Whale Tail Pit and to enable hauling needed between the Whale Tail Pit and the Meadowbank Mill. No changes are proposed for the Meadowbank AWAR to Baker Lake.

Construction of the Whale Tail Pit site will begin as soon as approval and permits are received (anticipated for early 2018) and ultimately have full production in 2019. The operational phase will span three to four years, from Year 1 (2019) to Year 4 (2022). Mining activities are currently expected to end in Year 3 (2021) and ore processing is expected to end during Year 4 (2022). Closure will occur from Year 4 (2022) to Year 11 (2029) after the completion of mining and will include removal of the non-essential site infrastructure and flooding of the mined-out open pit, as well as reestablishment of the natural Whale Tail Lake water level. By extending the life of mine at Meadowbank, Agnico Eagle will progressively close portions of Meadowbank Mine while operating.

In June 2016 Agnico Eagle filed applications to the Nunavut Impact Review Board (NIRB) and Nunavut Water Board (NWB) for development of the Project. A joint coordinated review of the Final Environmental Impact Statement (FEIS) and Type A Water Licence Application are ongoing pending final ministerial approval. Project development scheduling and implementation in Nunavut is dependent upon and restricted by the seasonal sea lift to support mobilization of supplies and equipment. Proponents may have to wait up to a year to receive a Type A Water Licence before starting construction of a Project under review by NIRB and NWB; this additional time can have a significant impact on the overall Project schedule.

The regulatory framework provided in the Nunavut Land Claims Agreement (NLCA) and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA or Act) allows for interim, short-term approvals for water uses related to exploration or development work for a proposal under development impact review. The NIRB allows for approvals or licenses to be issued for development activities prior to the completion of a Review if the activity falls within a list of project types normally exempt from the requirement for Screening or if in the judgement of the NIRB the activity may proceed without such a Review (NIRB 2012). Following a NIRB exemption, the NWB is not restricted from issuing an interim, short-term period water license for development work related to the Project. As such Agnico Eagle is submitting a Type B application (the Application) for pre-development activities for Whale Tail Pit and Haul Road. For a full description of proposed pre-development works refer to Section 1.5.

Whale Tail Pit

Meadowbank Mine to Whale Tail (71.5 km)

Vault Pit

Baker Lake to Meadowbank Mine (107.5 km)

Baker Lake

Pipedream Lake

Tehek Lake

Schultz Lake

Baker Lake

7012 7014 7001 7009 7013 7016 7912

560000 580000 600000 620000 640000 660000 680000 700000 720000

7260000 7240000 7220000 7200000 7180000 7160000 7140000

N

LEGEND

- COMMUNITY
- PROPOSED HAUL ROAD
- ALL WEATHER ROAD
- WHALE TAIL PIT
- MEADOWBANK OPERATION AND INFRASTRUCTURE
- CLAIM BOUNDARY
- WATERCOURSE
- WATERBODY

REFERENCE

1. HAUL ROAD OBTAINED FROM AGNICO EAGLE MINES LIMITED. 2015-10-14 FROM 6103-117-230-200_R0.dwg
2. CLAIM BOUNDARIES OBTAINED FROM AGNICO EAGLE MINES LIMITED.
3. WATERCOURSE AND WATERBODY DATA OBTAINED FROM CANVEC © DEPARTMENT OF NATURAL RESOURCES CANADA. ALL RIGHTS RESERVED.
4. INSET MAP DATA OBTAINED FROM ESRI.

DATUM: NAD 83 CSRS PROJECTION: UTM ZONE 14

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KILOMETRES

PROJECT

AGNICO EAGLE MINES LIMITED:
MEADOWBANK DIVISION
WHALE TAIL PIT PROJECT

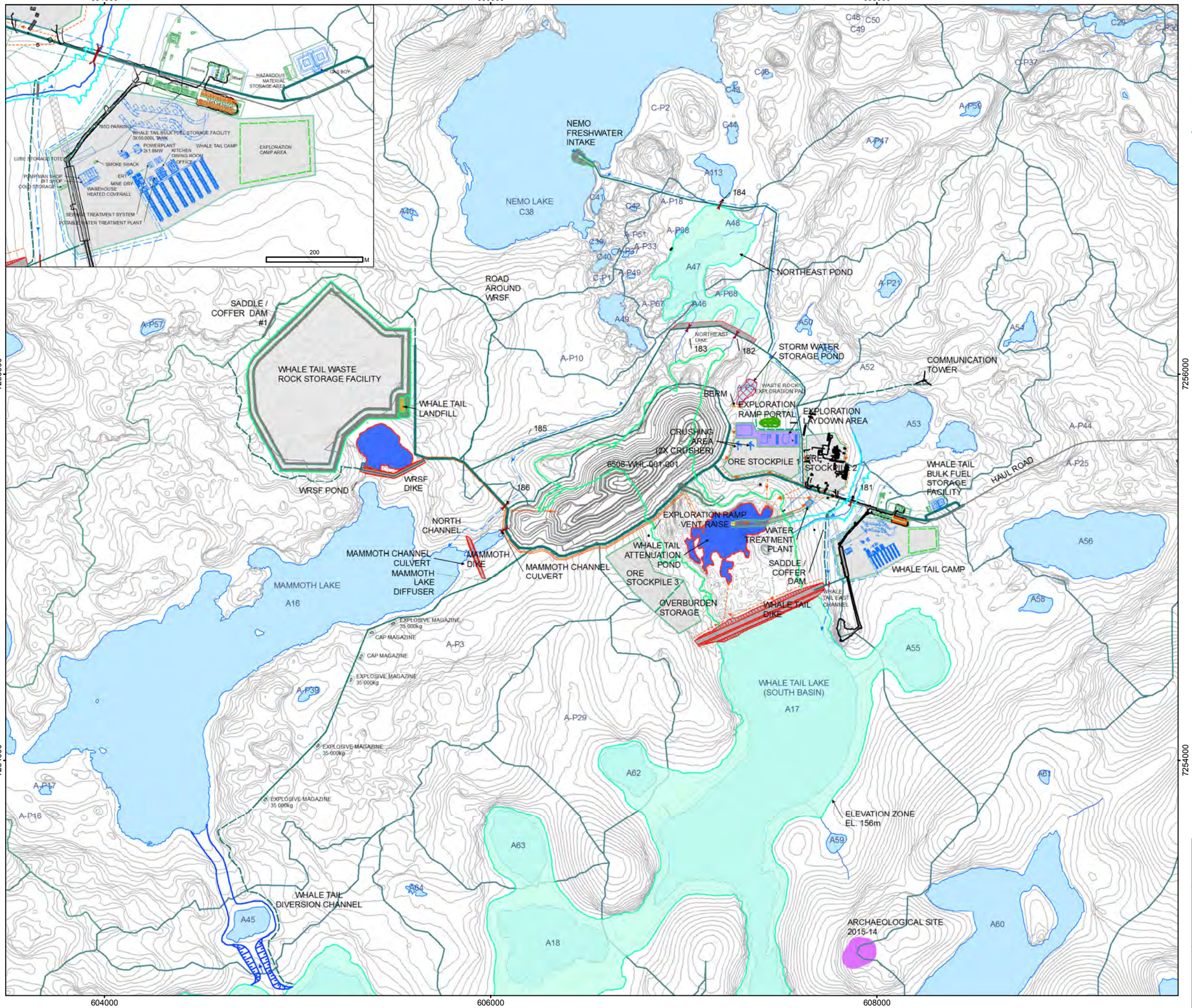
TITLE

PROJECT LOCATION AND CLAIM BOUNDARIES

Golder Associates

PROJECT		1658927	FILE No.	
DESIGN	JR	24 Mar. 2016	SCALE AS SHOWN	REV. 0
GIS	CDB	24 Mar. 2016		
CHECK	JR	09 May 2016	**FIGURE 1.1**	
REVIEW	LY	09 May 2016		

Y:\burnaby\CAD-GIS\Client\Agnico_Eagle_Mines_Ltd\Whale_Tail\99_PROJECTS\1658927_RegulatorySupport\02_PRODUCTION\5000\MXD\Report\1658927_FIG_1.1_PROJECT_LOCATION.mxd



LEGEND

- FINAL WHALE TAIL WASTE ROCK STORAGE FACILITY
- WHALE TAIL LAKE (SOUTH BASIN) FLOODED LIMIT (WATER LEVEL 156.0m)
- NATURAL WATERSHED
- DIKE
- POND/SUMP
- ARCHAEOLOGICAL SITE
- ROAD
- TEMPORARY ROAD
- DIVERSION CHANNEL
- COLLECTION CHANNEL
- CULVERT
- INTAKE WATER PIPE
- CONTACT WATER PIPE
- FRESHWATER PIPE
- WATERCOURSE
- WATERBODY

REFERENCE

1. INFRASTRUCTURE OBTAINED FROM AGNICO EAGLE MINES LIMITED FROM 6108-600-210-002_R2(2019)s.dwg.
2. WATERCOURSE AND WATERBODY DATA OBTAINED FROM PHOTOSAT
DATUM: NAD 83 CSRS PROJECTION: UTM ZONE 14

400 0 400
METRES

PROJECT
AGNICO EAGLE MINES LIMITED:
MEADOWBANK DIVISION
WHALE TAIL PIT PROJECT

TITLE
SITE LAYOUT FOR TYPE A WATER LICENSE APPLICATION

Golder Associates

PROJECT		1658927	FILE No.	
DESIGN	JR	24 Mar. 2016	SCALE AS SHOWN	REV. 0
GIS	CDB	05 May 2016	**FIGURE 1.2**	
CHECK	JR	09 May 2016		
REVIEW	LY	09 May 2016		

Y:\burnaby\CAD-GIS\Client\Agnico_Eagle_Mines_Ltd\Whale_Tail\99_PROJECTS\1658927_RegulatorySupport\02_PRODUCTION\5000\MXD\Report\1658927_FIG_1.2_SITE_LAYOUT.mxd

1.1 Applicant Information

Agnico Eagle Mines Limited (NYSE:AEM, TSX:AEM) ("Agnico Eagle" or the "Company"), is a Canadian publicly traded mining company listed on the Toronto and New York Stock Exchange, trading symbol AEM, with head offices in Toronto, Ontario.

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Its nine mines are located in Canada, Finland, and Mexico, with exploration and development activities in each of these regions as well as in the United States. Agnico Eagle began exploring for minerals in Canada in 1953 and has been active in the Kivalliq Region since 1990. Agnico Eagle owns and operates the Meadowbank Mine, which is located 70 km directly north of Baker Lake and approximately 50 km southeast of the Amaruq property. In addition, Agnico Eagle owns mineral exploration and production rights to the Meliadine Gold Project, which is located approximately 25 km north of Rankin Inlet, and 80 km southwest of Chesterfield Inlet.

Agnico Eagle is a senior mining company with a proven reputation for sustainability and economic success in Nunavut. Its' success is based on grass roots exploration and recognizing the potential in the areas it explores like the North. Agnico Eagle holds 100 % interest in the Amaruq (formerly IVR project) property located approximately 63 km northwest of the existing Meadowbank Mine. Agnico Eagle is the sole owner of the Project. A copy of the Certificate of Incorporation/Corporate Registration is included in Appendix A.

A link to Agnico Eagle's audited financial statements are provided in Appendix B, and are available on-line at: https://s21.q4cdn.com/374334112/files/doc_downloads/agnico_downloads/financial_information/2016March-AACFS.pdf

The people who work for and with Agnico Eagle in advancing the Project are listed below:

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Environmental Superintendent	Jamie Quesnel, Environment Superintendent – Nunavut Operations Baker Lake, Nunavut, Canada, X0C 0A0 Ph : 819-759-3555 (ext.6838) Email: Jamie.quesnel@agnicoeagle.com

1.2 Whale Tail Pit Project Summary

Provided below is a summary of the overall Project. Refer to Section 3.0 for specific information related to pre-development works and for Project components.

Location
■ Amaruq property is located approximately 50 km northwest of the Meadowbank Mine site. ■ Meadowbank Mine site located in the Kivalliq Region of Nunavut at approximately 70 km north of the community of Baker Lake.
Life of Mine
■ Whale Tail Pit is a satellite deposit located on the Amaruq property to be mined over a three to four year period. It will take 2 years to construct the facilities necessary to support mining and once mining has concluded, Agnico Eagle proposes to actively reclaim the facilities over a 3 year period. Post-closure monitoring is planned until 2038. ■ Meadowbank Mine began construction in 2008 and has been in commercial operation since 2009.
Mineral Claims
■ The proposed Whale Tail Pit and associated infrastructure is to be constructed on Inuit Owned Land leased by Agnico Eagle from the Kivalliq Inuit Association (KivlA).
Production
■ Open pit mining will occur in only one pit, Whale Tail Pit. ■ 8,279,144 Mt of ore will be mined. ■ The total gold resource for the Whale Tail Pit will extend the Life of Mine of the Meadowbank Mine.
Waste Rock
■ A total of 46.1 Mt of waste rock and 5.6 Mt of overburden will come from mining Whale Tail Pit. The waste rock and overburden will be trucked to the Waste Rock Storage Facility. Non-potentially acid generating and non-metal leaching waste rock and overburden will also be used as construction material.
Processing
■ Ore processing, handling, treatment, and disposal will continue at the Meadowbank Mill. ■ Tailings will be stored in the existing approved Tailings Storage Facility at Meadowbank Mine.
Transport
■ Transportation to site (marine barging, airstrip, and transportation along the AWAR), housing, and handling will remain the same as authorized under the current Project Certificate for Meadowbank Mine. ■ There will not be an airstrip at the site.
Roads
■ The Project is designed to operate as a satellite of the main Meadowbank facilities, and will be accessed by the approved 64.1 km exploration access road, which will be upgraded to accommodate haul trucks and increased traffic. ■ Upgrade of the exploration access road will include widening from the current 6.5 meters (m) width to 9.5 m width. ■ The 110 km AWAR between Baker Lake and the Meadowbank Mine will continue to be used.
Re-Supply
■ Marine supply via open water seasonal shipping to Baker Lake and transported via Meadowbank AWAR and exploration access road to site.

Water Intake
■ Freshwater is currently taken from Whale Tail Lake (under licence 2BB-MEA1318) but is to be taken from Nemo Lake upon issuance of the Type A Licence.
Wastewater Discharge Location
■ A discharge diffuser will be located in Mammoth Lake.
Quantity of Water Required
■ In total, 118,625 cubic meters (m^3)/year will be required during operations from Nemo Lake, with 241 m^3/day required for freshwater use and 84 m^3/day required for potable water use. ■ Approximately 48 m^3/day of freshwater will be required during construction. ■ Approximately 17,520 m^3/year will be required during closure from Whale Tail Lake, based on a requirement of 48 m^3/day of freshwater.
Environment
■ Baseline studies completed including terrestrial, atmospheric, freshwater, and cultural environments.
Socio-Economics
■ Construction employment up to 500 person per year, during dewatering. Agnico Eagle capital investment estimated at approximately 233 M dollars. ■ Operational employment on average up to 931 persons per year over three to four year period (rotational work basis with approximately 50% on site at any given point in time).
Traditional Use
■ Inuit Qaujimajatuqangit information collected through series of workshops conducted in 2005, 2014, and 2016. ■ Inuit Qaujimajatuqangit integrated into the environmental impact statement and provided input on development of mitigation and monitoring plans.
Closure and Reclamation
■ Objective of closure is a physically and chemically stable project footprint for the long-term protection of the environment and people of Nunavut. ■ Most closure activities will occur over a 3 year period with passive closure to be maintained until all water management infrastructure is breached/removed after which a period of post-closure will be observed to confirm physical and chemical stability.

Proposed Whale Tail Pit Project (overall Project) Facilities:

- personnel camp
- power plant
- heli-pad
- maintenance shop
- tank farm
- waste rock storage facility
- ore stockpiling facility
- attenuation pond
- water and sewage collection and treatment system
- site access/service roads
- water management infrastructure
- Whale Tail Pit waste rock storage facilities

1.3 Whale Tail Pit and Haul Road Mine Plan Schedule

Mine development activities will occur in four phases: pre-development, construction, operations, and closure, with additional monitoring and mitigation continuing into post-closure.

Pre-development is defined as any construction activities as defined in Section 1.5 but specific to activities allowed under the provision of the NLCA Article 13, Section 13.5.5 or the NWNSRTA. This phase will commence after receipt of the NIRB Final Hearing Report on the new Type A Application (2AM WTP ----) or earlier (if possible), through a NIRB exception under Section 12.10.2 of the NLCA, a Type B Pre-development Water Licence from the NWB, and the land use permit from the KivIA.

Construction is defined as any activities undertaken for the purposes of establishing or constructing components, infrastructure, and facilities required for development of a mine. Full mine site construction will commence following receipt of a Type A Water Licence from the NWB and Land Use Permit from the KivIA. Construction is proposed to take approximately one year.

Operations is defined as the period that the Process Plant is operating and producing a commodity (i.e., gold). The mine is expected to reach full production in 2019 and be complete by 2021.

Closure (Abandonment, Reclamation, and Closure) **and Post-Closure** is defined as an Operator ceasing operations at a facility without the intent of resuming mining activities. The expectation will be that the site will be reclaimed and post-closure monitoring will continue until it can be demonstrated that the mine site is both chemically and physically stable.

1.4 Existing Site Infrastructure to Support Pre-Development Work

Existing site infrastructure is regulated by the NWB under water licenses:

- Water Licence 8BC-AEA1525 AEAR (expires December 31, 2025);
- Water Licence 2BB-MEA1318 Meadowbank Advanced Exploration Project (previously 2BE-MEA1318) (expires March 06, 2018); and
- Water Licence 2AM-MEA1525 Meadowbank Mine Renewed Type A Licence (expires July 22, 2025).

For additional information on existing water licenses held by Agnico Eagle refer to Section 2.3.1.

To improve economics for the Project, Agnico Eagle has minimized Project footprint, reduced potential impacts to the environment, and reduced infrastructure requiring reclamation by using as much as possible, the existing Meadowbank Mine infrastructure and current infrastructure on site at Amaruq to support exploration and bulk sampling. Ongoing exploration is an essential component to supporting a long-term mining operation through the identification of potential future reserves. Current infrastructure on-site that is pre-existing or approved is as follows:

- Treatment and disposal of grey water and sewage via two Kodiak Bionest Wastewater Treatment Systems (WWTS) at Amaruq, which will be upgraded to an Advanced Membrane bioreactor (MBR);
- Power generation via three Gensets (85% capacity = 510kW);
- Fuel Storage in double walled envirotanks totalling 1,760,000 L (diesel, Jet B, and gasoline);

- All-weather roads;
- Freshwater pumped from Whale Lake (12-35 m^3/day);
- 1 Esker Borrow Pit and Quarry 1;
- Amaruq on-site incinerators; and
- Amaruq exploration camp.

The current Amaruq exploration camp can accommodate 140 people and is located 50 km northwest of Meadowbank Mine. On November 9, 2015, Agnico Eagle obtained approval to construct the 64.1 km-long AEAR containing 11 bridges, and 28 corrugated round culverts linking the Amaruq site to the Meadowbank Mine. Widening of this road is requested as a component of pre-development activities, recognizing that this road will be an integral part of the transportation infrastructure required to pre-deliver material such as haul trucks and construction material.

1.5 Pre-Development Works Summary

Agnico Eagle is requesting a Type B Water Licence to allow for the construction of infrastructure and/or to undertake the following site preparation activities (Figure 1.3) in support of future development of the Project:

- construction of a pad for the permanent camp;
- start of work on concrete foundations;
- construction of necessary service roads to undertake the other pre-development activities;
  - road between Quarry 2 and WRSF
  - a road and one culvert between exploration camp and proposed Nemo freshwater intake
  - temporary bridge crossing
  - a road between exploration area and new road between Quarry 2 and the WRSF
  - upgrade/widen Whale Tail Pit haul road from 6.5 m wide to 9.5 m plus bypasses.
- quarrying at Quarry 2;
- construction of the waste rock berm;
- construct Mammoth Channel crossing in March 2018; and
- pre-delivery of material (i.e., equipment, material, and fuel).

604000
606000
608000
7256000
7254000

N

A10
A39
A41
A42
A11
A40
NEMO LAKE
C38
C41
C42
A-P18
184
C48
C50
C49
C46
C43
C-P2
C44
C-P37
A-P59
A-P47
A113
A48
A-P31
A-P51
A-P38
C39
A-P37
A-P33
C40
A-P49
C-P1
A47
A-P21
A-P68
A-P67
A46
A49
A50
A54
A-P57
A12
WASTE ROCK BERM
A-P10
A51
A52
A-P52
A-P5
A53
A13
A14
HAUL ROAD
MAMMOTH CHANNEL
TEMPORARY BRIDGE
QUARRY 2
WHALE TAIL CAMP
A15
MAMMOTH LAKE
A16
A58
A-P3
WHALE TAIL LAKE
A55
A-P39
A-P29
A17
A62
A61
A-P47
A43
A-P16
A63
A59
A64
A45
A18
A60
ARCHAEOLOGICAL SITE
2015 - 14
A-P45

LEGEND

- BRIDGE
- ROAD
- TEMPORARY ROAD
- CULVERT
- QUARRY
- ARCHAEOLOGICAL SITE
- WATERBODY
- WATERCOURSE

REFERENCE

1. INFRASTRUCTURE OBTAINED FROM AGNICO EAGLE MINES LIMITED FROM 6108-600-210-001_R2(2018)s.dwg.
2. WATERCOURSE AND WATERBODY DATA OBTAINED FROM PHOTOSAT
DATUM: NAD 83 CSRS PROJECTION: UTM ZONE 14

400 0 400
METRES

PROJECT
AGNICO EAGLE

AGNICO EAGLE MINES LIMITED:
MEADOWBANK DIVISION
WHALE TAIL PIT PROJECT

TITLE

PRE-DEVELOPMENT GENERAL SITE LAYOUT FOR TYPE B WATER LICENSE APPLICATION

Golder Associates

PROJECT	1658927		FILE No.	
DESIGN	JR	29 May 2017	SCALE AS SHOWN	REV. 0
GIS	CDB	06 Jul. 2017		
CHECK	JR	12 Jul. 2017		
REVIEW	LY	12 Jul. 2017		

FIGURE 1.3

Y:\burnaby\CAD-GIS\Client\Agnico_Eagle_Mines_Ltd\Whale_Tail\99_PROJECTS\1658927_RegulatorySupport\02_PRODUCTION\5000\MXD\Report\1658927_5000_5010_FIG_1.3_PRE_DEVELOPMENT_GENERAL_SITE_LAYOUT.mxd

1.6 Pre-Development Works Schedule

Agnico Eagle estimates that pre-development work could be initiated as early as November 2017. By implementing a pre-development permitting approach Agnico Eagle, and the Project, could yield substantial scheduling gains considering the very short construction season in the Arctic each year. The securing of a Type B Pre-development Water Licence would allow construction, site preparation, and mobilization work to begin at the end of 2017 and ramp up in Q1 of 2018, with completion of most of these activities in Q2 of 2018 following of issuance of the NIRB final hearing decision report, and Project Certificate, while awaiting the Type A Water Licence. A more detailed schedule is presented in Table 1.1.

Table 1.1: Work Schedule for Pre-development

Year	Activity	Additional Details
November 2017 to June 2018	Construction of Laydown area	Construction of a pad, which under pre-development will be used as laydown area for pre-delivery of material (the future site of the permanent camp)
	Exploration Access Road Expansion	Expansion of the exploration access road to a haul road to ensure the safe pre-delivery of material (such as Vault Pit 777 haul trucks). Permanent and used for the development of the overall Project
	Construction of Service Roads	Construction of service roads around the Whale Tail Pit site. Semi-permanent and permanent through the life of the overall Project
February to June 2018	Pre-delivery of Material	Haul truck delivery, construction material and equipment. Temporary activity
	Quarrying at Quarry 2	For completion of service roads and construction of the waste rock berm. Semi-permanent activity
	Temporary Bridge	Construct the Mammoth Crossing Temporary Bridge in March and April 2018, prior to freshet
	Construction of the waste rock berm	For storage of overburden and quarry stripping material, which will be permanent and part of the overall Project

2.0 LEGISLATIVE AND REGULATORY REQUIREMENTS

In accordance with the NWNSRTA and Nunavut Water Regulations, Agnico Eagle is permitted to submit a Type B Water Licence Application to the NWB to undertake pre-development works in support of eventual mining of the Project under a Type A Water Licence (currently under review by the NWB). Note: pre-development works as authorized under the NLCA (s. 12.10.1 and 13.5.5) or the NWNSRTA (s. 39(2)) for the purpose of this Application includes: site preparation, pre-development works, and development works in advance of a Type A Water Licence.

Exceptions under the NLCA are as follows:

Exceptions
12.10.2 Notwithstanding Section 12.10.1, where a project proposal has been referred for review pursuant to Part 5 or 6, approvals or licences for exploration or development activities related to that project may be issued if:

(a) the activity falls within Schedule 12-1; or
(b) the activity can, in the judgement of NIRB, proceed without such a review.

13.5.5 Notwithstanding Section 12.10.1, the NWB [Nunavut Water Board] shall not be precluded from issuing interim, short-term approvals for water uses related to exploration or developmental work for a proposal under development impact review.

The FEIS and Type A Water Licence are currently under consideration by the NIRB and NWB, respectively. The Project is subject to the land and resource management processes established by the NLCA and more recently clarified in the *Nunavut Planning and Project Assessment Act.* Additional provisions of the NLCA apply with regard to the nature and interests in the land with respect to IOL (surface and subsurface) and Inuit Water Rights, and GN Commissioner's land use.

This Type B Water Licence Application has been prepared in accordance with the NLCA, the NWNSRTA, and the Nunavut Water Regulations, but also takes into account the detailed guidance provided by the NWB in *Guide 4 – Completing and Submitting a Water Licence Application for a New Licence* (NWB 2010a) and the *Supplemental Information Guide for Mineral Exploration/Remote Camp* (SIG-MM1 Guide) (NWB 2010b) modified to accommodate pre-development works (i.e., addition of monitoring section) and the guidance provided by NIRB in the *Draft* Guide to Exceptions from the Review Process (NIRB 2012). A copy of the concordance assessment is provided in Attachment D.

In preparing the Type B Water Licence Application, Agnico Eagle is required to satisfy the NWB minimum information requirements as follows:

Table 2.1: Nunavut Water Board Application Checklist

	Requirement	Concordance
✓	General Water Licence Application	Type A General Application Form refer to Attachment A
✓	Supplemental Information Guidelines	Type A Concordance Assessment Attachment D
✓	Executive Summary	Main Application Document
✓	Translated Executive Summary	Main Application Document
✓	Application Fee	The application fee required by Regulation (s.11) will be paid by credit card upon confirmation of receipt of the application.
✓	Water Use Fee	No water use requested by this Application. Water Use fees paid to the RIA.

For a full listing of regulatory permits, authorization, or licences for the Project development refer to Appendix C.

2.1 Nunavut Planning Commission

The Project is entirely within the Kivalliq (Keewatin) Region of Nunavut and therefore is subject to confirmation of conformity determination to the Keewatin Regional Land Use Plan. The authority of the Nunavut Planning Commission (NPC) is provided under Article 11 of the NLCA and more recently clarified by the *Nunavut Planning and Project Assessment Act*.

Project related positive conformity determination include:

- NPC File #148297 Whale Tail Pit Project – Meadowbank Division on June 17, 2016 (Refer to FEIS, Volume 0, Attachment C);
- winter road determination (NIRB 11 EN010) on March 9, 2011;
- exploration camp and associated activities (i.e., drilling) renewal on multiple permits on October 21, 2015; and
- exploration access road for multiple permits on July 17, 2015.

The NPC on June 17, 2016 referred the Project to the NIRB for screening.

2.2 Nunavut Impact Review Board

The Project is subject to environmental and socio-economic impact assessment determination by the NIRB under Article 12 of the NLCA and more recently subject to the *Nunavut Planning and Project Assessment Act* legislative requirements. The screening determination issued by NIRB and subsequent ministerial direction response, as well as timelines and processes proposed by the NIRB and NWB in review of the Project, and current status of the Project in the review process are available from the NIRB registry. Please refer to the following link: http://www.nirb.ca/portal/pdash/pdash.php?lang=en&appid=124683.

There are limited circumstances where NIRB may determine development activities can be allowed to proceed while a related project is undergoing review and one of those circumstances is when permits, licenses, or approvals are required to facilitate the limited transport and storage of equipment and materials related to a project

undergoing Review, in the recognition of the seasonal constraints imposed by the arctic conditions of the Nunavut Settlement Area.

The pre-development activities proposed are considered appropriate for an exception for the following reasons:

- pre-development activities outlined in this application do not impede the NIRB from carrying out its broader environmental assessment (EA) function under the NLCA;
- pre-development activities have not been explicitly included within the scope of a Minister's referral for Review;
- pre-development activities do not fetter the Minister's ultimate decision-making authority with respond to the Overall Project, currently under review; and
- approval of exceptions does not affect the Board's ultimate determination regarding whether the Overall Project under review should proceed.

If the Overall Project under review does not proceed Agnico Eagle will removal all materials and infrastructure associated with the pre-development activities as outlined in Appendix G – Closure and Reclamation Strategy and Security Estimate for the Pre-development works.

2.3 Nunavut Water Board

Agnico Eagle has operated within Nunavut since early 2008, and has accumulated eight years of operating experience under the Nunavut regulatory environment, primarily at its Meadowbank Mine near Baker Lake and Meliadine Mine currently under construction outside Rankin Inlet. From this experience, Agnico Eagle has developed the personnel and management systems required to understand, track, monitor, and report on its environmental performance against the regulatory requirements contained within its operating authorizations, permits, licenses, leases, as well as in the applicable Acts and Regulations in Nunavut. Agnico Eagle believes that it has demonstrated openness, transparency, and a history of being able to adaptively manage its operations to meet its regulatory obligations and requirements in Nunavut. Agnico Eagle further believes that it has demonstrated good faith in meeting all of its regulatory requirements at Meadowbank, Meliadine, and other various exploration sites.

This section focuses on current active water licenses issued to Agnico Eagle, Agnico Eagle's future needs, and the recent regulatory history related to this Application. Refer to Table 2.2 which summarizes the Project's regulatory history.

2.3.1 Existing Water Licences

Agnico Eagle currently holds a Type A Licence 2AM-MEA1525 for the mining and milling for Meadowbank Mine, as well as a Type B Licence 2BB-MEA1318 for advanced exploration activities on the Amaruq property and Type B Licence 8BC-AEA1525 for construction, operations, and decommissioning of the AEAR to support surface and underground advanced exploration.

For the purpose of the Type A application currently before the NWB, Agnico Eagle is requesting an Type A Water Licence to include mining of the Whale Tail Pit (2AM WTP ----) and supporting infrastructure and requests that the 8BC-AEA1525 water licence requirements be incorporated into Type A water licence upon issuance. Agnico Eagle will retain the 2BB-MEA1318 water licence for ongoing exploration activities.

Based on the progress of the construction of the AEAR, for this application, Agnico Eagle has assumed that the exploration access road will be completed upon issuance of this Type B Water Licence and thus requests that the same terms, conditions and mitigation measures of licence 8BC-AEA1525 applicable to the haul road upgrade be incorporated into this Type B water Licence upon issuance.

All current licences are in good standing with no compliance issues identified.

Table 2.2: Historical Water Licensing Activity for Project Operations

Licence Number	WL Type	Date of Issuance	Licensee (Company)	Effective Date	Expiry Date	Version	Location
NWB2MEA0507	Type B (Exploration)	22 June 1998	Cumberland Resources Ltd.	-	Renewed several times until 31 October 2007	Original	
		27 July 2007	Agnico Eagle Mines Limited	27 July 2007	31 October 2007	July 27, 2007 amalgamation of companies Cumberland into Agnico Eagle Mines Limited.	
2BE-MEA0813	Type B (Exploration)	13 February 2008	Agnico Eagle Mines Limited		28 February 2013	Renewal (2012)	
2BE-MEA1318	Type B (Exploration)	7 March 2013	Agnico Eagle Mines Limited		6 March 2018	Renewal (2013)	
			Agnico Eagle Mines Limited	31 July 2014	6 March 2018	Amendment 1	Exploration area expanded to include IVR (now referred to as Amaruq)
			Agnico Eagle Mines Limited	27 February 2015	6 March 2018	Amendment 2	Increase water use for drilling; installation WWTS at IVR (Amaruq); Develop and operate quarries, construction road to quarries; extension exploration boundaries
			Agnico Eagle Mines Limited	27 January 2016	6 March 2018	Amendment 3	Diamond drilling on lakes based on barge; water use; additional WWTS; modification monitoring stations, installation full tanks; increase camp capacity
2BB-MEA-1318 (previously 2BE-MEA1318)	Type B (Advanced Exploration)		Agnico Eagle Mines Limited	1 December 2016	6 March 2018	Amendment 4	Underground Development and Underground Exploration Drilling and associated advanced exploration infrastructure (i.e. waste rock/ore storage)
8BC-AEA1525	Type B (Misc. Construction)	9 November 2015	Agnico Eagle Mines Limited	9 November 2015	31 December 2025	Original	Construction, operation, decommissioning of Amaruq Exploration Access Road

Table 2.3: Existing Agnico Eagle Water Licenses for the Project

Licence No.:	**2BB-MEA1318**
Project Name:	Meadowbank Advanced Exploration Project
Purpose:	Direct water use and deposit of waste
Date Expiry:	March 6, 2018
Location	approximately 70-125 km north of the Hamlet of Baker Lake within the Kivalliq Region, Nunavut
Scope:	prospecting geological mapping geophysical surveys diamond and reverse circulation drilling trenching and quarrying bulk sampling water crossings installation during road construction operation of Storm-water Management Pond development/construction of portal/ramp services and operations pads storage of waste rock and ore on pads fuel storage laydown/garage/office/warehouse area for the rump at Amaruq (IVR) Camp
Licence No.:	**8BC-AEA1525**
Project Name:	Amaruq Exploration Access Road
Purpose:	Direct water use and deposit of waste
Date Expiry:	December 31, 2025
Location:	64.1 km long access road between the Amaruq exploration project site and the Meadowbank Mine site.
Scope:	Use of water and disposal of waste during construction, operation and decommissioning of a 64.1 km long by 6.5 m wide all-weather road between Meadowbank site and Amaruq Exploration site, including installation of water crossings (bridges, and corrugated and localized drainage culverts).

2.4 Nature of Interest in the Land and Water

Under the NLCA enacted in 1993, the mineral rights for about 2% of the territory have been transferred from Canada to the Inuit. The Designated Inuit Organization under the NLCA is NTI; it negotiates terms and conditions for those blocks that are not under federal jurisdiction. The Whale Tail deposit is located on IOL with the surface rights managed by the KivIA and the sub-surface mineral rights managed by NTI. Surface rights for IOL are vested in the KivIA, which administers the access and management of the lands for the benefit of the Inuit of the region. Access to and use of surface lands requires an Inuit Land Use permit, licence, or commercial lease issued by the KivIA.

The exploration and mineral development rights for the Amaruq property are 100% owned by Agnico Eagle under an agreement from NTI, and are currently in good standing.

2.4.1 Inuit Owned Land and Inuit Water Rights

The 408 km^2 Amaruq property is located on IOL, and the rights to explore and develop mineral resources were acquired by Agnico Eagle in 2013 subject to a mineral exploration agreement with NTI. The surface ownership of the land is held by the KivIA. Land and environmental management in this area are generally governed by the provisions of the NLCA.

The proposed Whale Tail Pit and associated infrastructure is to be constructed on IOL leased by Agnico Eagle from the KivIA. In addition, quarry permits will be sought from the KivIA as needed. A list of current quarry permits held by Agnico Eagle are provided in Appendix C. The Project meets the definition of a “Major Development Project” under Article 26, Section 26.1.1(b) and subsequently the Project is included in the Whale Tail Inuit Impact Benefits Agreement (IIBA) signed on June 13, 2017.

The Project will require the authorization and consent of the KivIA for development, construction, operations, and closure of the Mine and its related facilities. For the Type A Application (Agnico Eagle 2016f), Agnico Eagle will require approvals in the form of land use leases, production lease, an Inuit Impact and Benefit Agreement, a Water Compensation Agreement, and other forms of approvals, permits, and authorizations for construction, development, operations, and closure of the Project.

2.4.2 Crown Land

Nunavut mining and exploration activities are regulated by Indigenous and Northern Affairs Canada (INAC). This federal department ensures compliance with the Canada Mining Regulations across the territory. There are three main types of mineral interests under the Canada Mining Regulations: a mineral claim, a prospecting permit, and a mineral lease (also referred to as mining lease). Surface rights on Crown Land are vested in the federal government and administered/managed by INAC. Access to and use of these surface lands requires a land use permit, licence, or commercial lease issued by the INAC. A summary of land tenure which may be associate with the Project is provided in Table 2.4.

Table 2.4: Land Tenure Summary

Property	Land[a]			Total (km^2)
	IOL (km^2)	Crown (km^2)	Commissioner (km^2)	
Meadowbank	231.26	73.95	-	305.21
Amaruq property	408	-	-	408
Baker Lake marshalling area	-	-	5.79	
Haul Road (between Meadowbank and Whale Tail site)	0.13	0.28	-	0.41
All-weather Access Road (Baker Lake to Meadowbank)	1.40	1.98	0.21	3.59

[a] Numbers have been rounded to two decimal places.
km^2 = square kilometres.

2.4.3 Existing or Other User Water Rights

Presently, there are no properties adjacent to the proposed Whale Tail Pit and Haul Road that have any influence on the Project. No trap lines have been identified within or directly adjacent to the proposed Mine footprint. No third party or individuals have been identified, or have come forward as existing or other water users with rights that might be impacted by the Project. Agnico Eagle knows of no other water rights that must be secured for the Project.

2.4.4 Other Authorizations

2.4.4.1 Fisheries and Oceans Canada

The *Fisheries Act* requires that projects avoid causing serious harm to fish unless authorized by the Minister of Fisheries and Oceans Canada (DFO). This applies to work being conducted in or near waterbodies that support fish that are part of or that support a commercial, recreational, or Aboriginal fishery. To protect fish and fish habitat, efforts should be made to avoid, mitigate, and/or offset harm.

For the AEAR, Agnico Eagle submitted a proponent self-assessment and request for review to DFO. Through a Letter of Advice, DFO approved construction of the road as designed, without the need for issuing an Authorization under the *Fisheries Act*.

Agnico Eagle has included a proponent self-assessment of the proposed Mammoth channel crossing (i.e., temporary bridge across the watercourse between Whale Tail Lake and Mammoth Lake which outlines existing conditions and predicted effects. Refer to Appendix H.

Fisheries protection and pollution prevention measures for the Project are subject to the requirements of the *Fisheries Act* s.35, which states that no person shall carry on any work, undertaking, or activity that results in serious harm to fish that are part of a commercial, recreational, or Aboriginal fishery, or to fish species that support such a fishery.

Agnico Eagle has conducted three years' of aquatic baseline studies for the Project, and will work together with DFO to seek a *Fisheries Act* Authorization during the review/regulatory phase of this Project.

No serious harm is expected during pre-development, however there will be serious harm to fish habitat as a result of the Whale Tail Pit Project during both the operations and post-closure phases. Accepted methods of habitat enhancement and habitat creation will be used, to offset the serious harm that will occur. The final offsetting plan

has been prepared with input from local stakeholders and the DFO. Pre-development activities are not expected to cause serious harm to fish that are part of commercial, recreational, or Aboriginal fisheries, or to fish that support the commercial, recreational, or Aboriginal fisheries. Therefore, it is not anticipated that an authorization will be required under the *Fisheries Act* for the proposed pre-development activities undertakings, works, or activities.

Agnico Eagle will follow DFO measures to avoid causing harm to fish and fish habitat (formerly "operational statements") with respect to project planning, erosion and sediment control and shoreline stabilization for proposed water works for pre-development activities.

2.4.4.2 Transport Canada

The Project may be subject to the *Navigation Protection Act*. Agnico Eagle met with Transport Canada to explore the implications of applying the *Navigation Protection Act* to the Project. The *Navigation Protection Act* which came into force on 1 April 2014, is the result of the 2012 amendments made to the *Navigable Waters Protection Act*.

Along the current alignment of the Haul Road, none of the water crossings are located on Transport Canada's schedule of navigable waters. Eleven watercourses are considered to be potential migration routes and/or potentially provide spawning or nursery habitat for large-bodied or small-bodied fish. Pre-development activities are not anticipated to require approval from Transport Canada under the *Navigation Protection Act*.

At this time, Agnico Eagle does not believe that the small lakes, ponds, and streams within the Project's footprint on the Whale Tail site are navigable waterbodies. Agnico Eagle will work with Transport Canada to confirm this to ensure compliance with the *Navigation Protection Act*.

2.5 Consultation

Public consultation and engagement is a legal requirement in Nunavut, an industry best practice, and an important corporate commitment. Effective public consultation and engagement helps ensure that community members are informed and knowledgeable about proposed projects, that community support for those projects is more readily obtained, and sustainable development goals are achieved. A key goal of Agnico Eagle's public consultation and engagement program has been to ensure the Company obtains a "social licence to operate", by securing the support of a majority of residents from potentially impacted local communities.

To obtain this goal, a number of process goals have been followed:

- identification and prioritization of communities and community stakeholder groups;
- developing an understanding of key community and stakeholder views regarding the Project;
- addressing community and stakeholder issues and expectations;
- identifying current and historical patterns of land- and resource-use;
- identifying valued components (VCs);
- determining criteria for evaluating the significance of potential impacts;
- deciding upon mitigating measures;
- formulating compensation packages;

- identifying and implementing monitoring measures, including post-project audits; and
- continuous improvement.

Since operation of the Meadowbank Mine began, Agnico Eagle has continued public consultation by meeting with employees local employees that live throughout the Kivalliq, meeting in the community and local stakeholders, and regulatory agencies routinely which has allowed a better general understanding of the rights, interests, values, aspirations, and concerns of the potentially affected stakeholders, with particular reference to the local population. Through this continued consultation Agnico Eagle has developed an operational culture that recognizes and respects these relevant interests in the planning and executing processes. A record of consultation including government engagement is provided in the FEIS Volume 2, Table 2-H (Agnico Eagle 2016f). Additional consultation material has been provided to the NIRB in Technical Hearing Commitment #27, submitted on June 22, 2017. Agnico Eagle has and will continue to engage with the KivIA and other stakeholders.

3.0 PRE-DEVELOPMENT WORKS

Agnico Eagle confirms they will submit to the NWB for review prior to construction, construction drawings stamped by an Engineer for any engineered facilities proposed for pre-development. Although Agnico Eagle understands that approval of the construction and operation of the Whale Tail Dike will be permitted under the pending Type A water license (2AM WTP----) and required authorizations. To avoid administrative delays, under the Type B Pre-development License Agnico Eagle, respectfully requests that the NWB approve the final design of the Whale Tail Dike (which does not constitute approval to construction), rather than delaying construction by up to 30 days after receipt of the pending Type A 2AM WTP ---- . In addition, within 90 days of completion of any structure designed to contain, divert, and retain waters and/or waste, or at least thirty days prior to the expiry of the Licence, whichever date comes first, a Construction Summary Report prepared by an Engineer that includes as-built plans and drawings, documentation of field decisions that deviated from the original plans and any data used to support the decisions will be submitted to the NWB for review.

Proposed mining activities for pre-development will include:

- construction of a pad for the permanent camp;
- start of work on concrete foundations;
- construction of necessary service roads to undertake the other pre-development activities;
  - road between Quarry 2 and WRSF
  - a road and one culvert between exploration camp and proposed Nemo freshwater intake
  - temporary bridge crossing
  - a road between exploration area and new road between Quarry 2 and the WRSF
  - upgrade/widen Whale Tail Pit haul road from 6.5 m wide to 9.5 m plus bypasses.
- quarrying at Quarry 2;
- construction of the waste rock berm;
- construct Mammoth Channel crossing in March 2018; and
- pre-delivery of material (i.e., equipment, material, and fuel).

Refer to Figure 1.3 for general site location of all proposed pre-development infrastructure.

3.1 Quarrying

3.1.1 Quarrying at Quarry 2

The south western portion Whale Tail Pit is overlain by quarry material defined as Quarry 2 (see Figure 1.3). During pre-development activities, approximately 1.01 Mt of material will be excavated from Quarry 2, 0.9 Mt of which will be used as construction material the permanent camp pad (used for storing pre-delivery material), service roads, and waste rock berm (see Table 3.1 [Agnico Eagle 2016f]). During pre-development, pit design and geotechnical stability for Quarry 2 will be monitored using the same best practices currently applied at Meadowbank Mine under license 2BB-MEA1318. An addendum to the Quarry Management Plan is attached in Appendix E for approval under this Type B Licence. Any overburden or waste rock material classified as non-PAG/non-metal leaching (non-ML) will be used for construction, stockpiled within the footprint of the quarry, or left in place. If not feasible, it will be stored on the north side of the waste rock berm. It has been assumed that runoff and seepage from the waste rock berm will be suitable for direct discharge to the environment. Any overburden and waste rock material identified as potentially acid generating and/or metal leaching, will be disposed of in the existing exploration waste rock pad. The exploration waste rock pad is not covered in this application as it is covered under the approved Type B Water Licence for advance exploration activities (2BB-MEA1318). Agnico Eagle will use the same equipment already on-site that is currently in use for the Meadowbank operations, with the addition of specialized long-distance haul trucks (Agnico Eagle 2016f). Explosives management and blasting practices will be consistent with practices in place for Meadowbank Mine (Agnico Eagle 2016f). For additional information on explosives production and storage, refer to Section 3.3.5.1.

Table 3.1: Projected Waste Rock Tonnages Used for Pre-development

Period	Waste Rock and Overburden Excavated (t)	Waste Rock Used for Pad Construction (t)	Waste Rock Used for Road Construction (t)	Waste Rock and Overburden Stored in Whale Tail WRSF (t)
November 2017 to September 2018	1 011 755	869 335	103 658	38 762

3.1.2 Borrow Pits and Quarry Sites for Road Development

Construction of the AEAR utilized a series of quarry sites from which road construction material is sourced (the 6.5 m wide exploration road is currently under construction). The approved and leased quarries will be expanded (first by depth, and if needed in width) to obtain material for Haul Road construction. The sequence of steps follows that for waste rock from the Amaruq Road Management Plan (Agnico Eagle 2017) and Meadowbank Mine Vault Pit (Agnico Eagle 2016f).

While acid rock drainage (ARD) /metal leaching (ML) testing has been conducted as a measure to avoid using reactive road building materials; if sufficient water volume accumulates in the borrow sources, water quality monitoring of seeps from borrow pits will be conducted to provide information on possible impacts on the environment should the water reach any nearby waterbodies. A buffer of at least 31 m of undisturbed land will be maintained between borrow pits and waterbodies, and best management practices will prevent direct drainage away from the quarry sites. However, any significant seeps originating from the borrow pits that are likely to reach receiving waters will be sampled and analyzed 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 borrow pits. Although erosion is not expected to originate from

water flow from borrow pits, any evidence of erosion will be repaired by placing rip rap over the affected area, and measures will be taken to reduce the velocity of the water with, for example, silt curtains (Agnico Eagle 2016f).

3.2 Mine Infrastructure

For the location of mine-site infrastructure proposed to be constructed during the pre-development phase, please refer to Figure 1.3.

3.2.1 Overburden and Waste Rock Disposal

The waste rock that will be excavated during pre-development activities from Quarry 2 will be used for the construction of the waste rock berm, the infrastructures pad, and the access roads (Table 3-1). Any remaining waste rock and overburden material will be hauled to the Whale Tail WRSF, which is located northwest of the pit area as shown on Figure 1.3. A summary of the geochemical properties of the overburden and waste rock including a summary of waste rock for use as construction material is provided in the Whale Tail Pit Waste Rock Storage Facility Management Plan (Agnico Eagle 2017b) and detailed geochemical properties are presented in Volume 5, Appendix 5-E of the FEIS (Agnico Eagle 2016f).

Overburden will mainly be produced during the construction phase of the Project. Waste rock will be produced during both construction and operations (refer to Table 3.1). Waste rock and overburden will be co-disposed together in one of the two piles constituting the storage facility. These piles have the potential to merge into one at the end of the life of mine (Agnico Eagle 2016f).

3.3 Access, Mobilization, and Accommodation

3.3.1 Haul Roads, All-Weather Roads, Site Access/Service Roads, and Winter Roads

The current operational components include marshalling facilities in Baker Lake and the 110 km AWAR between Baker Lake and the Meadowbank Mine. In 2015, Agnico Eagle received approval to construct a 64.1 km long exploration access road from Vault to the Amaruq exploration camp site in support of exploration activities (8BC-AEA1525). Agnico Eagle is proposing to upgrade this exploration road to a haul road to support the development of Whale Tail. The Haul Road widening/upgrade is required for safe transport and pre-delivery of materials. No changes are proposed for the Meadowbank Mine haul roads, Meadowbank AWAR to Baker Lake (Agnico Eagle 2016f).

The proposed upgrade of the exploration road entails widening from the current 6.5 m width to 9.5 m width, plus haul road bypasses. Road surfacing will be constructed using waste rock or aggregates from the quarry sites and esker material already permitted and leased under 8BC-AEA1525. Typical cross-sections of the upgraded road based on underlying ground conditions are provided in Appendix D. The bridges were designed at the exploration stage to accommodate potential for use of the exploration road as a haul road. Culverts will be extended to allow for adequate drainage. The bridges and culverts for the access road have been screened by NIRB (Agnico Eagle 2015c) and approved by the NWB (8BC – AEA1525) and DFO (11-HCAA-CA7-006 Letter of Advice – Amaruq Exploration Road March 14, 2016) for construction Agnico Eagle submitted the Whale Tail Pit Haul Road Management Plan with the Type A Application (June 2016) and this plan has been included without modifications in support of this Type B Application for consideration.

Site access/service roads to be constructed during pre-development activities are identified in Figure 1.3. These roads will be constructed from non ARD/ML waste rock from quarry 2 and will provide access to various locations within the Amaruq site.

3.3.2 Culverts

For the purposes of this pre-development application, only 1 new culvert, identified as Culvert 184, will be constructed along site access/service roads (all other culverts will be installed as needed during operations or as per existing Type B exploration camp trail approvals). Culverts 182 and 183 were previously approved for construction under the 2BB – MEA1318. During culvert construction, Agnico Eagle will conform with all of the applicable DFO Operational Statements (i.e., bridge maintenance, clear span bridges, culvert maintenance, and ice bridge) for protecting fish and fish habitat in constructing and operating the proposed crossings. Agnico Eagle will construct in accordance with DFO and Environment Canada guidance and will put in place sediment and erosion control measures that are implemented prior to the start of work and maintained during the work phase to prevent entry of sediment into the water or the movement of re-suspended sediment into the stream crossings.

On-site standard culverts will be installed similar to haul roads within the Meadowbank Mine site. Typical cross-section and profile for culverts is provided in Appendix D.

3.3.3 Mammoth Channel Crossing

Agnico Eagle is proposing the construction of a crossing between Mammoth and Whale Tail lakes as shown on Figure 1.3 to facilitate ongoing exploration activities and connect the pre-development quarry and associated activities to the WRSF during the pre-construction phase. Within the Type A Water Licence Application (June 2016)

The temporary bridge is planned to be constructed in April 2018 prior to freshet and is expected to be used for pre-development activities during the open water season from June to October 2018. Its use may depend on the receipt of permits and the completion of the proposed dewatering and fishout of the North Basin of Whale Tail Lake and may extend for use by exploration. An ice road crossing is proposed to be used in the winter of 2018 and 2019 (Appendix H).

The following description of the proposed bridge is based on drawings prepared by WSG provided in Appendix D. The bridge will consist of two spans of 28 m, supported by abutments on each bank and a center pier. The center pier will be constructed of gabions filled with 100 to 200 mm rip rap which enclose an area filled with 300 to 500 mm crushed stone. The central pier will occupy an area of approximately 71 m^2 (Appendix H).

During construction, Agnico Eagle will conform with all of the applicable DFO Operational Statements (i.e., bridge maintenance, clear span bridges, culvert maintenance, and ice bridge) for protecting fish and fish habitat in constructing and operating the proposed crossing.

3.3.4 Explosives Production and Storage Sites

The existing emulsion plant located near the Meadowbank Mine will be maintained with deliveries on an as need basis during operations. The exploration access road will be used to truck explosives between Meadowbank Mine and the Whale Tail site, with minimal amounts of explosives to be stored at the Whale Tail Pit site. Explosives truck(s) will be based at the emulsion plant at Meadowbank Mine. The location of general infrastructure for the management of explosives at the Whale Tail site are shown on Figure 1.2-1 of the FEIS (Agnico Eagle 2016f).

For the purposes of this Type B Application, any use, production and storage of explosives, will be undertaken in conjunction with the existing Type B water license 2BB-MEA1318; please refer to the Temporary Powder Magazine and Temporary Detonator Magazine shown on Figure 1.3 as the proposed temporary location for explosives under the Type B pre-development license.

The Whale Tail site will primarily use emulsion based explosives during construction and operations to minimize the use of ammonium nitrate/fuel oil (ANFO).

The explosives storage facilities will be safely located away from vulnerable facilities, as stipulated by the federal and territorial *Explosives Use Act* and *Regulations*. The minimum setback distances between the proposed explosives storage facilities and the other mine site facilities will be governed by the *Quantity-Distance Principles User's Manual,* as published by the Explosives Branch of Natural Resources Canada. Use of these setback distances will ensure that the location of these proposed facilities meet all federal and territorial regulations regarding safe siting of such facilities. Agnico Eagle has also taken into account for stoppage of exploration road closures due to caribou migration and weather by appropriately sizing the on-site ore storage stockpile both at the Whale Tail Pit site and at Meadowbank Mine (Agnico Eagle 2016f).

Fuel and raw materials for manufacturing explosives will continue to be supplied to Meadowbank Mine using the approved shipping routes (Agnico Eagle 2016f).

3.4 Water Use

3.4.1 Direct Use

During pre-development activities, Agnico Eagle does not propose any direct use of water for domestic or other purposes. Under the 2BB-MEA1318 advanced exploration water licence, water for domestic or other purpose is sourced from Whale Tail Lake is authorized to a maximum of 299m^3 per day. Personnel required for pre-development works during construction will be housed in the existing exploration camp, where freshwater use for potable domestic use is projected at a maximum of 84 m^3/day, based on a 350 people camp capacity, using both the existing Exploration Camp and additional 210 units and a nominal consumption of 240 litres per day per person (L/day/person). (Agnico Eagle 2017a). The current Type B advanced exploration water licence 2BB-MEA1518 also authorizes 5-7 m^3 per day for portal and decline development. Any increased water use can be met within the 299m^3/day allowed under 2BB-MEA1318. Agnico Eagle proposed during pre-development to manage operations on site to limit drilling as needed in order to remain within the allotted maximum of 299 m^3 per day. Water usages during pre-development activities include: potable use and drilling water.

Freshwater will be sourced from Whale Tail Lake for pre-development activities; the freshwater intake location is shown in Figure 1.3. Agnico Eagle will endeavor to minimize the amount of freshwater required for the Project, where possible.

If needed, water for dust suppression will be sourced from and within quantities currently authorized under licence 8BC-AEA1525.

3.4.2 Indirect Use

Water management structures (water retention dikes/berms and diversion channels) will be constructed as needed to contain and manage the contact water from the areas potentially affected by pre-development. The water management infrastructure construction associated with pre-development activities includes piping and pump preparation for dewatering related to the roads and permanent pads.

Piping and pump preparation is proposed from the shoreline of the intake locations from both Mammoth and Nemo Lake to their respective water treatment plants. Proposed piping and pump locations can be seen in Figure 1.3.

During construction, to the extent practical, turbid water originating from the quarry will be temporary stored in the Whale Tail WRSF Pond or in an approved storage facility in the Type BB (i.e., A-P5) (Agnico Eagle 2016f).

Actiflo Clarifier, having an approximate hydraulic capacity of 2,000 m^3/h, will eventually be used to remove the suspended solids during the proposed dewatering of Whale Tail Lake following issuance of Type A Licence. Water will be treated to meet the discharge criteria and pumped to the receiving environment (Mammoth Lake) via the discharge pipeline and the submerged diffuser (Agnico Eagle 2016f). Although water treatment is not proposed for this Type B Licence Application, the transportation/mobilization for the water treatment facility (along with required pumps and piping) is considered.

3.5 Waste Disposal

3.5.1 Waste (Domestic and Hazardous) Management

All hazardous waste will be properly shipped to approved disposal facilities in the south. All organic material from the Whale Tail site will similarly be disposed of using the existing Meadowbank incinerator. Waste oil will be collected and used on-site in waste oil burners (Agnico Eagle 2016f).

All wastes that could attract wildlife, used spill response supplies, and other appropriate wastes will be incinerated in the Amaruq Exploration on-site incinerators. Wastes that cannot be incinerated but that can be landfilled will be disposed of in Meadowbank's approved landfill. Wastes that cannot be incinerated or landfilled will be prepared for shipment to a certified waste management company outside of Nunavut for treatment, recycling and/or disposal (Agnico Eagle 2016g).

3.5.2 Sewage

Agnico Eagle is presently using three Kodiak Bionest WWTS designed to handle both black and grey water and produce effluent in compliance with NWB water license 2BB-MEA1318. During the pre-development license the Bionnest system will continue to be used to meet license limits or will be upgraded to a membrane bioreactor system, to ensure water license discharge limits are met and to ensure a smooth transition from pre-development, to construction and into operations.

3.5.3 Solid Waste

Similar to sewage waste, no solid waste disposal is proposed under this Application. Any wastes generated will be back hauled to an approved waste disposal facility (i.e., stored in seacans or shipped back to the Meadowbank landfill).

All wastes that could attract wildlife, and other appropriate wastes will be incinerated in the Amaruq Exploration on-site incinerators or shipped to the Meadowbank Incinerator. Wastes that cannot be incinerated but that can be

landfilled will be disposed of in Meadowbank's approved landfill. Wastes that cannot be incinerated or landfilled will be prepared for shipment to a certified waste management company outside of Nunavut for treatment, recycling and/or disposal.

Reduce, reuse, and recycle initiatives will be developed at the Project to minimize the quantity of waste incinerated or directed to the landfill. To support this initiative, operating procedures will be developed to maximize the volume of materials that are recycled and/or reused. This will include eliminating the use of disposable materials where possible, and segregating waste destined for reuse and recycle alternatives.

The number of people working on-site, and the activities occurring at the time, has a direct bearing on the volume of waste destined for the proposed landfill and the amount of materials removed from the waste stream for reuse and recycling. Also, purchasing policies that focus on reduced packaging will have a bearing on the volume of waste. Agnico Eagle will report in the Annual Reports to the 2BB-MEA1318 and 2AM-MEA1525, wherever applicable, on the volumes of waste received of as a result of pre-development activities.

4.0 ALTERNATIVES TO THE PROJECT

Agnico Eagle has investigated the option to pursue the pre-development activities or to pursue the "no-go" alternative and wait until the Project Certificate is received. It is anticipated that the Project Certificate will be received with Ministerial Approval in February 2018. The alternative is to wait for the Project Certificate. If delays in approval of the Project Certificate and subsequent NWB Type A occur, there is a potential to delay the construction by the extent of the approval delay and up to approximately one-year due to the seasonal constraints imposed by the arctic conditions of the Project. Any delay in construction will result in layoffs; up to a year delay could result in significant lay-offs of Inuit employees, which is an unacceptable outcome.

Additional smaller scale alternatives were also considered for the Project. Agnico Eagle had originally proposed installation of a culvert at the Mammoth channel crossing. However, based on the evaluated alternative options for this crossing, Agnico Eagle determined that a temporary bridge crossing is a preferred mitigation measure to minimize effects to the fisheries and ensure long-term stability at the crossing during pre-development and construction. Agnico Eagle has included a proponent self-assessment of the proposed temporary bridge across the watercourse between Whale Tail Lake and Mammoth Lake which outlines existing conditions and predicted effects. Refer to Appendix H.

Agnico Eagle continues to conduct exploration activities on the Amaruq property under existing Water Licenses and will continue to do so if the overall Project is allowed to proceed or not allowed to proceed. The pre-development activities outlined in Section 3.0, would continue to support on-going exploration in the area. Appendix G provides the closure and reclamation strategy for pre-development activities if the Project does not proceed. One of the key activities proposed under pre-development is the widening/upgrade of the Exploration Access Road to a Haul Road. The alternative investigated was to leave the road in its' current width. This is possible if pre-delivery of material is not approved. However, the lack of material jeopardizes the project schedule and the road is a key transportation corridor for transportation and pre-delivery of material. As a result, the widening of the road is integral to the pre-development Type B as the safety risk of transporting materials on the 6.5 m AEAR at its current width are significant to the individuals transporting materials and equipment (such as a 777 Haul Truck) to the Project.

5.0 ENVIRONMENTAL SETTING (BASELINE AND EFFECTS) FOR THE PRE-DEVELOPMENT ACTIVITIES

The Meadowbank Mine FEIS (Cumberland 2005a) and the Whale Tail Pit FEIS (Agnico Eagle 2016f) applies an ecosystem-based approach by describing the ecological function of each ecosystem component or VC, indicating the ecological and cultural pathways of the potential impacts that are predicted, and designing mitigation and monitoring plans to address those impacts. In design of the Project, Agnico Eagle considered the potential impacts and assessed trade-offs during planning to minimize impacts early in design. Examples include, but are not limited to: using existing Meadowbank Mine facilities; increasing the road length to avoid sensitive cultural and wildlife sites; containing the Whale Tail Pit operations within a single upper watershed; designing larger saddledams to divert non-contact water or contain contact water; and backflooding and channelling that leverages natural topographic features to create a passive diversion channel, while directing flow within the same small watershed. While these design considerations minimize impacts, they do have trade-offs, such as less water for dilution of effluent and delay in final closure for infrastructure at the Meadowbank Mine.

Baseline programs have been completed for the Meadowbank Mine site, AWAR, Whale Tail Pit Haul Road, and Whale Tail Pit study areas and Agnico Eagle have included data collection for the physical environment (e.g., terrain and soils, permafrost, geochemistry, noise, and surface water quantity and quality), biological environment (e.g., vegetation, terrestrial wildlife and birds, and fish and other aquatic organisms), and the cultural environment (e.g., Inuit Qaujimajatuqangit [IQ], archaeology, and socio-economics) specific for the extension of the Meadowbank Mine through the development, operations, and closure of the Whale Tail Pit. Data collection for the physical, biological and cultural data has been ongoing since prior to construction of the Meadowbank Mine. Baseline data are summarized in a series of baseline reports that are included as supporting documents to the FEIS (Agnico Eagle 2016f) and/or are provided on the NIRB website (NIRB 2015a). It is anticipated that should the Project not go ahead, baseline conditions would remain relatively constant with the existing conditions today; other than those affected by climate change, which is discussed where appropriate in the FEIS.

The methods used in the FEIS are fully described in Volume 3 of the FEIS (Agnico Eagle 2016f). A summary of the physical, biological, and cultural environments and their potential impacts are provided below, while the detailed impact assessments are provided in Volume 4 (Atmospheric Environment), Volume 5 (Terrestrial Environment), Volume 6 (Freshwater Environment), and Volume 7 (Human Environment) of the FEIS (Agnico Eagle 2016f).

In general the approach and methods for analysing, assessing, and determining the significance of environmental impacts included defining and describing these key elements:

- VCs;
- special and temporal boundaries;
- existing conditions;
- pathway analysis;
- residual effects analysis (includes project specific and cumulative effects);
- prediction confidence and uncertainty;

- residual impact classification and determination of significance; and
- monitoring and follow-up (including steps to be taken to fill gaps where applicable).

Effects attributed to Project activities were assessed in conjunction with the full EA for the Project (Agnico Eagle 2016f). Mitigation that applies to the scope of activities in pre-development are provided in Section 6 and stand along the Mitigation and Monitoring Management Plans in the following categories:

- Mine Infrastructure (Section 6.1)
- Water, Domestic Waste, and Operational Infrastructure (Section 6.2)
- Construction and Transportation Infrastructure (Section 6.3)
- Materials Management and Emergency Response (Section 6.4)
- Environmental Protection and Monitoring Plans (EPMP) (Section 6.5 and Appendix F)
- Closure, Reclamation, and Security (Section 6.6 and Appendix G)

A summary of the environmental impacts of the overall Project relevant to pre-development activities is provided below. Contextually, the summary below is provided for mining and full development of the overall Project, with impacts related to pre-development highlighted and encompasses baseline conditions in areas where pre-development activities would occur and impacts from pre-development activities.

5.1 Description of Physical Environment and Summary of Impacts

5.1.1 Terrain, Permafrost, and Soils

The surficial geology of the Local Study Area (LSA) shows strong evidence of glacial activity. The area is dominated by veneers and blankets of till overlying undulating bedrock. Bedrock frequently outcrops in isolated exposures, elevated plateaus and elongated ridges. The southern part of the Whale Tail Pit Haul Road is controlled more by the underlying bedrock than the Whale Tail Pit where thicker till deposits are more common. A large glaciofluvial esker and terrace complex is found in the northeast part of the Whale Tail Pit and extends towards the southeast intersecting at or close to the Haul Road in several areas. Lakes and ponds are abundant throughout the LSA, occupying approximately 16 percent (%) of the area.

The Project is found within the zone of continuous permafrost, meaning that permafrost is found underlying 90 to 100% of the landscape. The depth of permafrost in the Project study area is estimated to be 450 to 550 m depending on proximity to lakes, similar to that estimated for the Meadowbank Mine.

Soils within the LSA are dominated by Cryosols (in particular Turbic Cryosols), which is consistent with the dominant soil type identified for the Meadowbank Mine. Saturated soil layers overlying frozen layers were observed in Turbic and Static Cryosols during the 2015 field survey and were also noted in previous baseline studies. Field results suggest that the mineral soils in the LSA are predominantly acidic to neutral, ranging from pH 5.14 to 6.96, with pH tending to increase with soil depth. Due to their mineralogy, the mineral soils in the Project area are increasingly sensitive to adverse effects due to acid deposition with decreasing baseline pH.

Impact Summary

The existing terrain conditions found within the Project footprint will to some extent dictate the overall Project footprint. For example, the routing of the Haul Road has been selected to minimize the number of water crossings and the availability of borrow material along the route. Where possible, the Haul Road has been located in areas of higher elevation, which tend to have better drainage, minimize the potential for snow drifting and the Haul Road avoids low lying areas with poorer ground conditions.

The potential for permafrost degradation associated with proposed infrastructure will have an effect on Project design. For example, thaw-stable fill materials (with a minimum fill thickness) will be placed overlying the existing terrain to maintain existing permafrost conditions along the Haul Road route and minimize the creation of thaw instabilities.

Climate change predictions suggest that for the Arctic air temperatures are expected to increase by 2050. Permafrost is sensitive to climate change and an increase in air temperature will likely cause natural permafrost degradation. The foundations of the waste rock pile are expected to remain frozen under a long-term warming trend; however, the potential deepening of the active layer will be considered in the design of the waste rock pile and mine infrastructure.

All pre-development activities are within the footprint of the overall Project and no additional impacts are expected from the footprint of pre-development activities. In the event the overall Project is not approved to proceed any pre-development activities not initiated will not proceed and the closure and remediation strategy will be implemented, limiting impacts from the footprint development.

A full summary of potential effects related to terrain, permafrost, and soils is provided in Volume 5, Section 5.3 of the FEIS (Agnico Eagle 2016f).

5.1.2 Air Quality

Background criteria air contaminant (CAC) concentrations are used in the assessment to predict potential changes to regional air quality as a result of Project-related air emissions. The Project will result in emissions to air that could change local or regional air quality. To determine whether Project-related emissions lead to air quality conditions that are consistent with existing Territorial and Federal air quality criteria, maximum predicted concentrations of CACs emitted from the Project must be added to the background concentrations of the CACs in the region. Background concentrations can be established through baseline measurements (Ontario MOE 2009; AESRD 2013), or prescribed by regulators based on regional airsheds (Saskatchewan MOE 2012). The CACs considered for the FEIS (2016f) include the following:

- carbon monoxide;
- oxides of nitrogen;
- sulfur dioxide; and
- particulate matter, including:
  - particulate smaller than 2.5 micrometres in aerodynamic diameter;
  - particulate smaller than 10.0 micrometres in aerodynamic diameter; and

- total suspended particulate matter.

In Nunavut, there are no prescribed background concentrations for CACs when performing air quality predictions for proposed developments. A statistical analysis of publicly available air quality monitoring data in the Western Arctic and background CAC values that were used to predict the changes to regional air quality that may arise from Project-related air emissions was completed to support the assessment.

Impact Summary

Traffic along the proposed Haul Road from the pre-development activities as well as the overall Project (i.e., Haul Road traffic, mining operations at Whale Tail Pit, and the extension of Meadowbank Mill and Camp operations) all have the potential to generate combustion emissions and fugitive dust that can affect air quality and were assessed as primary pathways.

The effects of dust emissions on air quality adjacent to the Haul Road are limited in spatial extent and occur primarily on dry windy days in the summer. These effects are reversible in that dust will no longer affect air quality once pre-development activities are complete, the Whale Tail Pit is decommissioned and the Haul Road becomes inactive.

Similarly, the effects of mining activities at the Whale Tail Pit on regional air quality are limited in spatial extent and occur primarily on dry windy days in summer. These effects are reversible in that emissions will no longer affect air quality once the Whale Tail Pit is decommissioned and the Haul Road become inactive. Similarly, the effects of pre-development activities on regional air quality are limited in spatial extent and occur primarily on dry windy days in summer. These effects are reversible in that emissions will no longer affect air quality once the Whale Tail Pit is decommissioned and the Haul Road become inactive.

Based on monitoring results and the short timeframe of the Project, the spatial and temporal effects of pre-development activities on regional air quality are considered low and reversible.

A full summary of potential effects related to air quality is provided in Volume 4, Section 4.3.3 of the FEIS (Agnico Eagle 2016f).

5.1.3 Noise

Alberta Energy Regulator (AER) Directive 038 specifies that noise impact should be assessed at the most impacted residences (including seasonally or permanently occupied dwellings) located within 1.5 km from the project boundary.

In the absence of residences located within 1.5 km of the proposed Whale Tail Pit and Haul Road, four unoccupied locations were chosen at the distance of about 1.5 km from the proposed Whale Tail Pit and Haul Road to be representative of the baseline noise conditions in the area (R6 to R9). The baseline noise monitoring program for the Project is the continuation of the annual noise surveys for Meadowbank Mine, which have been completed since 2009 at five representative locations surrounding the Meadowbank Mine in support of the Noise Monitoring and Abatement Plan.

The results of the baseline program indicate that the baseline noise levels in the area of the Whale Tail Pit and Haul Road are primarily influenced by natural noise sources, such as wind. The noise levels measured at the four noise monitoring sites varied between 29 A-weighted decibels (dBA) and 39 dBA for daytime, and between 29 dBA and 41 dBA for nighttime.

Impact Summary

Noise and vibration levels associated with construction activities (e.g., Haul Road construction) are anticipated to decay to below existing ambient noise levels, be less than AER Directive 038 permissible sound level limits, and decay to levels below NPC-119 limits at the boundary of the LSA. Therefore pre-development construction activities are also expected to be below NPC-119 limits at the boundary of the LSA.

For activities associated with the Project operations, noise levels are anticipated to be below existing ambient noise levels at the boundary of the Regional Study Area (RSA) and be compliant with AER Directive 038 permissible sound level limits at the boundary of the LSA. Noise and vibration levels associated with blasting during Whale Tail Pit operations will decay to levels below NPC-119 limits at the boundary of the LSA. Noise and vibration associated with blasting will not affect fish spawning or fish habitat.

A full summary of potential effects related to noise and vibration is provided in Volume 4, Section 4.4.3 of the FEIS (Agnico Eagle 2016f).

5.1.4 Surface Water Quantity

The proposed Whale Tail Pit is located in the A watershed (i.e., where Lake A17 [Whale Tail Lake] and Lake A16 [Mammoth Lake] are located), and water management activities are planned in the A watershed, and the C watershed (i.e., where Lake C38 [Nemo Lake] is located); these two watersheds drain into Lake DS1, which drains north to the Meadowbank River. These watersheds comprise an extensive network of lakes, ponds, and interconnecting streams, and have lake water surface fractions (i.e., the ratio of lake surface area to watershed area) of 16% (A watershed) and 23% (C watershed).

Discharges of watercourses in the LSA typically peak in late-May to mid-June from snowmelt, rapidly decline in July, and low discharges prevail until frozen conditions in October to November, with a secondary peak in September from rainfall events. Watercourses in the LSA are frozen over the winter.

Derived long-term mean annual water yield for selected lakes in the LSA vary between 86 millimetres [mm] at Lake C38 (Nemo Lake) to 230 mm at Lake A69. These water yields are similar to regional water yields reported at the Meadowbank Mine (Cumberland 2005b) and that have been found at Meadowbank since operations began in 2010.

Impact Summary

Infrastructure development dewatering, and diversion activities for the overall will result in effects on discharges, water levels, and channel/bank stability in watersheds of the surface water quantity LSA only, including watersheds A, and C, which will vary over the construction, dewatering, operations, and closure phases. The effects are projected to be negligible following the closure phase and are projected to be negligible beyond the LSA at all times. Pre-development activities have minimal impact on surface water quantity, with limited infrastructure development and limited dewatering and any minimal impacts that occur will impact the LSA only.

Effects will result in change of state from baseline conditions for the overall Project, and were assigned magnitude of high. The effects are expected to remain confined to the LSA, and were classified as local. The effects are expected to be reversible following the closure phase and classified as medium-term. The effects will continue over the assessment period and were classified as continuous. The effects are probable and were classified as highly likely. Pre-development activities effects are expected to be low and local and short-term.

A full summary of potential effects related to surface water quantity is provided in Volume 6, Section 6.3.3 of the FEIS (Agnico Eagle 2016f).

5.1.5 Surface Water Quality

The majority of water chemistry constituent concentrations were below the analytical detection limit for samples collected in 2014 and 2015. Constituents that were below the detection limit across all samples included carbonate, hydroxide, nitrite, total cyanide, four total metals (boron, lithium, selenium, and silver), and eight dissolved metals (antimony, bismuth, boron, selenium, silver, thallium, vanadium, and zirconium).

Lakewater pH was circum-neutral (6.4 to 7.6) in all lakes. Nutrient concentrations were low in the lakes with results less than the detection limit in most samples. Metals were below the analytical detection limit in most samples, and when they were detected, concentrations were below the Canadian drinking water quality guidelines (CDWQG) and Canadian water quality guidelines.

Samples were also collected at tributary stations in the Whale Tail Pit study area and Haul Road study area. Nutrient concentrations were low in the tributaries with results less than the detection limit in most samples. Metals were below the analytical detection limit in most samples, and when they were detected, concentrations were below the CDWQG and CWQG, with two exceptions. Aluminum was above the CWQG at two stations (A55-A17 and A5-A4) in August; all other detectable metal concentrations were less than the CWQG and the CDWQG.

Sediments were collected from lakes in the Whale Tail Pit study area and from the reference lakes. Concentrations were generally similar between lakes and concentrations were less than the interim sediment quality and probable effect level guidelines for cadmium, copper, lead, and mercury in all samples

Impact Summary

Overall Project related air emissions have the potential to affect local terrestrial and aquatic ecosystems. The Inuit are concerned about the effects of dust from the Project and how it can change the colour and quality of water as a drinking source and to support the aquatic ecosystem. To address this concern, the potential effects of dust and air emissions deposition were evaluated. The duration of these effects are predicted to be short to medium-term in length, primarily restricted to operations, with some pathways in construction and closure. Based on the results of the air quality predictions for the Project, the use of mitigation the effects of deposition of dust and acidifying air emissions is predicted to have a negligible effect on water quality, and thus a negligible effect on aquatic ecosystems and traditional and non-traditional uses.

Surface water drainage through quarries and transport of blasting residuals and metals directly into watercourses can disturb lakes and affect surface water and sediment quality; however using environmental design features and best practices as described in Table 3-C-6 of the FEIS (Agnico Eagle 2016), water from the quarries, which would be located at least 31 m from the high water mark for any waterbody, should not drain directly to waterbodies and thus there should be negligible effects to water quality and limit disturbance to lakes. Disturbance of lakes was specifically identified as a concern through IQ. Quarries will be inspected on a regular basis to identify any areas of water ponding, particularly during spring freshet. Management of the water in quarries will be managed according to Type 2BB – MEA1318 water management and the Whale Tail Haul Road Management Plan and the Quarry Management Plan (Volume 8 Appendix 8-C.1; Agnico Eagle 2016). If there is noticeable flow from a quarry that could enter a waterbody, a water quality sample will be collected. Samples and results will be reported in the annual NWB report.

To minimize disturbance to watercourses, as deemed feasible, pre-development activities at watercourse crossings will mostly occur during winter when the streams are frozen or are not flowing. If construction or decommissioning activities are required during open water season, then the DFO timing windows for in-water work will be followed. Any equipment used in the stream will be clean and inspected for leaks. These procedures will minimize the potential for erosion, sediment releases, and introduction of contamination. All construction and decommissioning activities will be subject to an erosion and sediment control plan, and best management practices will be used that include standard erosion and sediment control measures (e.g., erosion mats, silt curtains). Through the use of best management practices and monitoring, effects to water and sediment quality are expected to be minor; however, a water quality monitoring will be conducted to observe conditions.

Pre-development activities are not expected to impact water quality, because contact water will be collected and stored until it can be treated and/or it meets discharge criteria. Pre-development activities are also expected to have a negligible effect on water quality due to the limited amount of water related activities planned and that mitigations used for the overall Project are also planned for the pre-development activities.

A full summary of potential effects related to surface water quality is provided in Volume 6, Section 6.4.3 of the FEIS (Agnico Eagle 2016f).

5.2 Description of Biological Environment and Summary of Impacts

5.2.1 Vegetation

Vegetation surveys identified 138 vascular plants in the Project area, of which 107 were identified to species level and 31 were identified to genus level. A total of 61 non-vascular plants (20 bryophytes and 41 lichens) were identified from samples collected during 2015 field surveys. The most common and widespread vascular species found were the northern Labrador-tea (*Rhododendron tomentosum*) and mountain cranberry (*Vaccinium vitis-idea*), which were both observed in 99 of the 128 plots surveyed and present in all ecological land classification types. The overall findings indicate that the majority of the areas surveyed consist of low-diversity vascular plant communities dominated by fewer than 10 species.

A total of 15 ecological land classification units were mapped within the RSA and 13 ecological land classification units in LSA. Existing disturbance accounts for 0.2% of the RSA and is associated with the approved Meadowbank Mine footprint.

Impact Summary

Physical loss of vegetation populations and communities as a result of construction period will remain during the life of the mine. Arctic plant growth rates are limited by short harsh growing conditions; therefore, it is anticipated that once vegetation is removed the loss is considered long-term and continuous until functional habitat is reclaimed during the closure and post-closure phases. The post-closure vegetation communities will differ from the existing vegetation communities due to the effects of disturbance and recolonization, but revegetated areas of the overall Project footprint are expected to be productive and function as wildlife habitat, thus the loss is expected to be reversible. Within the LSA and RSA, these changes to vegetation (wildlife habitat) are small enough that there will be no measureable ecological change.

It is unlikely that there will be permanent changes in vegetation community composition due to the pre-development activities or the overall Project. The effects on vegetation habitat communities due to changes in hydrology would be localized and limited to the LSA. At post-closure, it is expected that hydrology conditions would

return to baseline. Therefore, changes in vegetation communities composition due changes in hydrology are expected to be reversible.

The post-closure vegetation communities will differ from the existing vegetation communities due to the effects of disturbance and recolonization, but revegetated areas of the overall Project footprint are expected to be productive and function as wildlife habitat, thus the loss is expected to be reversible. Within the LSA and RSA, these changes to vegetation (wildlife habitat) are small enough that there will be no measureable ecological change.

The combined evidence concerning vegetation quantity and quality in the LSA and RSA indicates that vegetation would remain self-sustaining and ecologically effective during construction and operations and would continue to function as wildlife habitat. Graminoid and lichen-dominated ecological land classification units that function as high-quality caribou and muskox habitat will continue to be present and well distributed across the landscape. Consequently, incremental effects from the overall Project on vegetation are not considered to be significant on a local and regional scale. The pre-development activities fall within the footprint of the overall Project and are thus not considered significant as vegetation quantity and quality will remain self-sustaining and ecologically effective wildlife habitat.

A full summary of potential effects related to vegetation (wildlife habitat) is provided in Volume 5, Section 5.4 of the FEIS (Agnico Eagle 2016f).

5.2.2 Terrestrial Wildlife and Wildlife Habitat

Caribou

There are five migratory barren-ground caribou herds identified in the Kivalliq including the Beverly, Ahiak, Wager Bay, Lorillard, and Qamanirjuaq herds. Elders have stated that there are no caribou calving grounds identified near the Project area (Volume 7, Appendix 7-A of the FEIS [Agnico Eagle 2016f]). The nearest calving ground to the Project is over 100 km away (Nagy et al. 2011).

Collared caribou from all five herds have used the RSA, although at different frequencies and seasons, depending on their herd ranges. The locations of collared caribou from the Ahiak (2002 to 2015), Beverly (1996 to 2015), Lorillard (1998 to 2015), Qamanirjuaq (1993 to 2015), and Wager Bay (1999 to 2015) herds were obtained from Government of the Northwest Territories and Government of Nunavut to describe seasonal presence of these herds within the Project RSA.

Collard caribou from all five herds spent 0.37% of their total time in the RSA (i.e., the ratio of collar time within the RSA versus outside the RSA). The collar data indicates that the Ahiak, Lorillard, and Wager Bay herds have the greatest likelihood of interacting with the Project, as they were the most frequently recorded herds within the RSA. Collared caribou were most commonly recorded in the Project RSA during the late winter and fall rut.

The RSA appears to be located within a transit corridor during spring and fall migration, predominantly for the Ahiak and Lorillard herds moving between calving and wintering grounds. For spring migration (April to June), areas of high use by collared caribou are more contained (i.e., less spread out), and these corridors are delineated on the way to, and in proximity of, calving grounds outside the RSA. For fall migration (September to November), as animals are migrating to wintering grounds, areas of high use by collared caribou are more widely distributed. None of the herds were recorded crossing the proposed Project Haul Road route during the calving season, and only one caribou was recorded during the post-calving season.

Local Elders report that caribou were hunted throughout the Project RSA during both present and historic times (Volume 7, Section 7.3 of the FEIS [Agnico Eagle 2016f]). August, September, and October have traditionally been the most active harvesting months, likely reflecting higher populations of caribou travelling through the region. Most reported hunting trips have not gone beyond the northern extent of the AWAR, and are focused around Baker Lake and in the Whitehills Lake area.

Muskox

Current muskox populations in Canada are stable to increasing, representing a rebound from overhunting in the early 1900s (Ferguson and Gauthier 1992). During Project baseline studies, 30 muskox were observed and muskox sign was observed in the form of scat and bones.

Predatory Mammals

Arctic Wolf

The Project LSA encompasses several important areas for wolves (Volume 7, Section 7.3 of the FEIS [Agnico Eagle 2016f]). During IQ workshops, participants noted that traditional denning habitat and two movement corridors are known within the study areas; one crosses north of Uiguklik and Tasirjuaraajuk lakes (east/west) and another trends southeast/northwest and passes just south of the Meadowbank Mine (Volume 7, Section 7.3 of the FEIS [Agnico Eagle 2016f]). The presence of wolves and denning sites were confirmed by biologists, as three former den sites and one active den site were found in the RSA during baseline surveys (Volume 5, Appendix 5-C of the FEIS [Agnico Eagle 2016f]).

Grizzly Bear

Grizzly bears are a species of special concern in Canada (COSEWIC 2016). The primary cause of grizzly bear decline has been the fragmentation and destruction of their habitat, as these animals require territories of up to 1,000 km^2 (McLoughlin et al. 2002). Within approximately the last 12 years, local Inuit Elders have noted an increase in the numbers of grizzly bears seen between Baker Lake and the Back River.

Wolverine

Wolverine are a species of special concern in Canada (COSEWIC 2016). Elders indicated that wolverine population appears to be increasing, and they are viewed both as a nuisance animal, due to their ability to access and destroy food caches, and as a greatly respected animal due to their intelligence and strength. In recent years, local Elders have observed wolverine becoming more common within the RSA (Volume 7, Section 7.3 of the FEIS [Agnico Eagle 2016f]).

Raptors

Of the 10 raptor species known to breed in the Kivalliq, five species are expected to occur within the RSA, including: short-eared owl, snowy owl, rough-legged hawk, peregrine falcon, and gyrfalcon. Of these species, peregrine falcon and short-eared owl are listed as special concern in Canada (COSEWIC 2016). Elders have noted that there are more raptors in the vicinity of the RSA as compared with 20 years ago; however, owls are believed to be less common (Volume 5, Section 5.5 of the FEIS [Agnico Eagle 2016f]).

Water Birds

Water birds encompass waterfowl (ducks, geese, and swans) and loons. Baseline studies indicate that there are few water birds in the RSA. Canada goose, snow goose, long-tailed duck, and loons were found to be the most abundant water bird species.

Upland Breeding Birds

Various upland breeding bird species, including horned lark, American pipit, white-crowned sparrow, savannah sparrow, lapland longspur, snow bunting, willow ptarmigan, rock ptarmigan, semi-palmated sandpiper, and American golden-plover, are present within the study areas. None of the upland birds occurring within the study area are listed federally (COSEWIC 2016). The red-necked phalarope is listed federally as a species of special concern (COSEWIC 2016), but has not been observed in the RSA.

Small Mammals

In the Arctic, small mammals are a significant food resource for a variety of predatory mammals and birds. Several species, including Arctic hare, Arctic ground squirrel, and northern collared lemming, were observed during 2014 baseline studies. None of the small mammals within the RSA are considered species at risk (COSEWIC 2016).

Impact Summary

Direct loss and fragmentation of wildlife habitat due to the overall Project footprint are expected to have a measurable effect on caribou and upland birds. Overall, the habitat loss is anticipated to have a moderate effect on wildlife populations in the study area. Specifically for caribou, approximately 2% of the preferred habitat in the LSA will be directly disturbed by the Project, considering both the growing and winter seasons. As this habitat loss is confined to the LSA, it is local in geographic extent. The footprint for the pre-development activities is within the overall Project footprint.

Indirect habitat loss due to sensory disturbance (such as noise and movement) will extend beyond the footprint and have negative effects at the regional level. The impact of indirect habitat loss from sensory disturbance to caribou and upland birds is considered moderate as it is assumed that some degradation of habitat quality or reduced wildlife activity at the LSA scale will occur. Noise created by the overall Project is anticipated to be similar to that caused by the Meadowbank Mine, indicating that sensory disturbance from the overall Project will be similar to that of the Meadowbank Mine. Impacts from sensory disturbance will be continuous throughout the life of the overall Project but are anticipated to be reversed following closure (i.e., medium-term) when dust, noise, and activity are no longer present. Sensory disturbance from pre-development activities will be continuous and short-term and only exist when the activities are occurring and impacts will cease when pre-development activities have ceased.

Caribou may be killed on the Haul Road, due to collisions with vehicles. In the past, adaptive management has reduced the hazard from vehicle collisions by closing the AWAR during peak migrations. The same approach will be applied during pre-development construction and operation on the Haul Road. Despite short residency time within the RSA, the Project is likely to have a negative effect on caribou, by presenting barriers to their migration at a regional scale. Pre-development activities may change caribou routing to select a crossing point. Agnico Eagle has developed a Terrestrial Effects Monitoring Plan (TEMP) that has been developed in consultation with the KivIA, Hunters and Trappers Organization, and the Government of Nunavut. A revised TEMP v4 has been

submitted to the NIRB on July 14, 2017 and will be adhered to during pre-development activities to minimize and negate impacts. .

A full summary of potential effects related to terrestrial wildlife and wildlife habitat is provided in Volume 5, Section 5.5.3 of the FEIS (Agnico Eagle 2016f).

5.2.3 Fish and Other Aquatic Organisms

Haul Road

Three watercourses (at crossing km 16.0, km 23.9, and km 32.3) were classified as rivers (large, flowing open channels) with potential habitat for VCs, such as Arctic Char, and Arctic Grayling. These large rivers provide spawning, rearing, and foraging habitat for small-bodied fish, and provide migratory corridors and various habitat functions for large-bodied fish (e.g., Arctic Char, Arctic Grayling). Watercourse descriptions are provided in Appendix 6-J; Section 3.5 of the FEIS (Agnico Eagle 2016f).

A total of 52 fish were captured using 186 mins of fishing efforts at 11 watercourse crossing locations along the Haul Road alignment. Arctic Char were captured at three watercourses upstream of Pipedream Lake (Tasirjuaraajuk Lake), a lake that supports Arctic char based on IQ (Volume 7, Appendix 7-A of the FEIS [Agnico Eagle 2016f]).

Whale Tail Pit Area

Most streams assessed (*n* = 17) had interstitial flow (i.e., water flowing through the interstitial spaces among boulders and cobbles) at some time during the year. Eight streams had surface flow (i.e., water present above the substrate) year-round. Five streams had ephemeral flows and would likely be dry in late summer. Potential Arctic Grayling spawning habitat (i.e. gravel substrate) was observed at two locations in Stream A63-A18, however, no Arctic Grayling eggs or adults were observed nor collected.

A total of 1,223 fish were captured in lakes and streams in the RSA near the Whale Tail Pit. Six species were captured in total: Lake Trout, Arctic Char, Round Whitefish, Burbot, Slimy Sculpin, and Ninespine Stickleback. In Lake A17 (Whale Tail Lake) and Lake A16 (Mammoth Lake) combined, Ninespine Stickleback was the most abundant species captured, followed by Lake Trout. Arctic Char were captured in Whale Tail Lake, but not in Mammoth Lake. In small lakes overall, Ninespine Stickleback were the most abundant species in the catches.

In streams, Ninespine Stickleback were the most abundant species, followed by Slimy Sculpin. Stream A55-A17, a tributary to Whale Tail Lake, had the highest diversity of fish species (Lake Trout, Arctic Char, Round Whitefish, Slimy Sculpin, and Ninespine Stickleback).

Six major groups of phytoplankton were present in the lakes, which included Cyanophyta (blue-green algae), Chlorophyta (green algae), Chrysophyta (golden-brown algae), Bacillariophyceae (diatoms), Cryptophyta (cryptomonads), and Dinoflagellata. Chrysophytes were observed to be the dominant taxonomic group in terms of density and biomass during both years of sampling.

Overall, rotifers were the most abundant major taxonomic group of zooplankton at most locations in 2015 with the exception of Nemo Lake where Copepods were the most abundant taxa. Cladocerans made up a relatively small proportion of the zooplankton community during the summer months.

Benthic invertebrate abundance and richness were low at most locations sampled in 2014 and 2015. Dominant taxa were primarily chironomids in the subfamilies Chironominae and Tanypodinae and fingernail clams (Sphaeriidae). The highest abundances were observed for Mammoth Lake, which also had the highest within lake spatial variability in abundance.

Qualitative periphyton surveys were done in July and September in the same general locations in each lake. A different area was surveyed in August. Periphyton growth in July was generally considered sparse to moderate with periphyton cover more noticeable at deeper depths. In August, periphyton growth was generally considered low to moderate with green filamentous algae observed at most locations.

Impact Summary

Primary pathway effects from the overall Project will result largely from direct habitat losses from the construction of the Mammoth and Whale Tail dikes, the Whale Tail Pit, the dewatering and fish out of the diked area in Lake A16 (Mammoth Lake) and Lake A17 (Whale Tail Lake), and the flooding of Lake A17 (Whale Tail Lake). These activities do not occur during pre-development.

The Haul Road will be widen/upgrade as part of pre-development activities. Measureable residual effects to VC fish species are not expected from the widening of the Haul Road. The implementation of proven engineering designs and best management practices and polices during construction and operation of the Haul Road are expected to minimize, if not eliminate, any effects to VC fish species, as described in similar EAs in Nunavut (Agnico Eagle 2014). Agnico Eagle will follow recommendations set out in DFO letter of advice for the exploration access road, dated March 14, 2016. Restricted use of the Haul Road is likely to make additional fishing access difficult in the area; residents of Baker Lake already have good access to the RSA across land by snowmobile and ATV and the widening/upgrade of the Haul Road is not expected to change access to fishing areas nor increase access because of its restricted use.

The amount of direct changes to fish habitat and biomass from the overall Project is expected to result in moderate residual effects to Arctic Char, Lake Trout, and Lake Round Whitefish, and the forage species that support the fishery. The effects to the fishery are expected to be moderate. Neglible residual effects are expected related to pre-development activities, given the limited activities related to water management infrastructure.

While there will be some blasting occurring during pre-development activities, Agnico Eagle will follow best practices and applicable guidelines provided by DFO such that there will be no measurable residual effects from blasting on fish health. The use of environmental design features and best practices will any eliminate effects from blasting residues on fish health and habitat quality. Water from the quarries, which would be located at least 31 m from the high water mark for any waterbody, should not drain directly to waterbodies and thus there should be negligible effects to water quality and limit disturbance to lakes. Disturbance of lakes was specifically identified as a concern through IQ. Quarries will be inspected on a regular basis to identify any areas of water ponding, particularly during spring freshet. However, if there is noticeable flow from a quarry that could enter a waterbody, a water quality sample will be collected. Samples will be analyzed for physical parameters, nutrients (i.e., phosphorus and nitrogen), and trace metals.

Release of potential acid generating materials from quarry locations and from road building materials at the watercourse crossings can alter water and sediment quality, affecting fish habitat quality and fish health. All esker samples tested from potential borrow sources show no potential to generate ARD and all release low concentrations of chemicals (within one order of magnitude of the CCME aquatic life criteria). The current waste

rock monitoring program being followed by Agnico Eagle is effective at identifying non PAG waste rock mined at currently operating pits. Details are provided in the Evaluation of the Geochemical Properties of Waste Rock, Ore, Tailing, Overburden and Sediment from the Whale Tail Pit and Road Aggregate Materials. Road and construction materials that are non PAG and non-metal leaching should not cause a change in downstream water and sediment quality, and as such the residual effects on surface water and sediment quality are considered to be negligible (for more information, see Agnico Eagle 2016, Table 3-C-6).

Minimal impacts are expected to fish and fish habitat from pre-development activities as limited activities are related to water management infrastructure. A full summary of potential effects related to fish and fish habitat is provided in Volume 6, Section 6.5.3 of the FEIS (Agnico Eagle 2016f).

5.3 Description of Human Environment and Summary of Impacts

5.3.1 Archaeology

The results of the archaeological baseline studies indicate there are 19 archaeological sites in the vicinity of the LSA. Of these 19 archaeological sites, 15 are located outside the LSA and will not be affected by the Project. Two sites are located greater than 500 m from proposed Project components associated with the Whale Tail Pit. Six sites are located greater than 200 m from Haul Road/borrow source boundaries. Seven sites are located within 100 m of the Haul Road/borrow source boundaries.

Impact Summary

Four sites are located within the Haul Road or borrow source boundaries and potential Project effects are adverse. These sites have been considered in overall Project and pre-development planning, and appropriate mitigation measures will be implemented prior to widening/upgrade of the Haul Road and Whale Tail Pit. With the implementation of appropriate mitigation measures, it is anticipated that there will be no or minimal Project effects to archaeological sites relative to baseline conditions.

A full summary of potential effects related to heritage resources is provided in Volume 7, Section 7.2 of the FEIS (Agnico Eagle 2016f).

5.3.2 Traditional Land and Resource Use

Regional Land Use and Cultural Activities

The Elders of Baker Lake indicated that the Project area was used by local people in the past, including many of their own families, primarily as a travel corridor between Baker Lake and the Back River to access traditional land use sites (Agnico Eagle 2014; 2016a,b,c). The region between Baker Lake and the Meadowbank Mine has been described by Baker Lake Elders as an important transportation corridor leading towards the Back River, and most commonly used to access traditional winter hunting and fishing areas in the past (Cumberland 2005c, Agnico Eagle 2014, 2016a). During these trips, the Inuit relied on a variety of traditional plants for multiple purposes, including for fuel used for fires, bedding, food, and medicine (Mannik 1998; Cumberland 2005c; Bennet and Rowley 2004). To access the Back River, two main travel routes were identified that overlap with the Project area, specifically sections of the Whale Tail Haul Road. Travelling typically occurred during the winter as the frozen lakes facilitated easier access than the rocky uplands.

Traditional land use areas were identified in the region and potentially located near many of the lakes in the Project area, and along the eskers adjacent to the Project footprint, including trails, few camps, cabins, caching sites,

gravesites and other culturally important sites (Volume 7, Appendix 7-A, Figure 3-2 of the FEIS [Agnico Eagle 2016f]). The Elders also explained how sites in the region between Baker Lake and the Back River are spiritual, with several gravesites scattered throughout the region (Cumberland 2005c).

Today, hunting and fishing activities continue to be practiced opportunistically while enroute to other important traditional land use sites (Cumberland 2005c; Agnico Eagle 2014). The subsistence wildlife harvesting of caribou, fox, wolf, and lake trout plays an important role in the contemporary well-being of the Inuit of Baker Lake (Makimowski 2014; Bernauer 2011).

Wildlife and Birds

The Elders and land users of Baker Lake have consistently identified caribou as the most important traditional resource to the community. Fresh caribou meat continues to be cached today during the fall when the temperature is below zero, and the caches are marked with caribou antlers for later retrieval. However, caching has become less successful over the last 10 years due to the increased frequency with which grizzly bears and wolverines are locating and destroying them; therefore, people do not rely on them as frequently (Agnico Eagle 2014, 2016c).

Traditional land use mapped in Interdisciplinary Systems Ltd. (IDS) (1978) indicated that the most frequently used area to hunt caribou was within 10 km of Baker Lake and decreasing further north, with the Meadowbank Mine area considered low usage (between 1 to 32% of hunters reported use of the area). In 2008 Baker Lake hunters reported that they no longer travel as far as they used to hunt caribou, preferring to stay within approximately 40 miles (approx. 64 km) of the community because of caribou availability there (AREVA 2011).

Elders indicated that both cows and calves are frequently seen in the area, and that caribou in general are more abundant now than during the famine times of the 1950s; however, they are less abundant than they were 20 years ago (Agnico eagle 2014). Baker Lake hunters also noted that they did not observe as many caribou around Baker Lake in 2011 than in previous years, (AREVA 2011). Similarly, youth of Baker Lake noted that there are fewer caribou today as a result of the mine site (Agnico Eagle 2016d). Baker Lake community members in Maksimowski (2014) also reported less caribou availability in recent years, and this observation was reiterated by several Elders in 2016, noting that in the past 5 years there appears to be fewer caribou closer to town and east of the community, with greater numbers north of the Meadowbank Mine area (Agnico Eagle 2016a).

In the past, muskox were hunted only when caribou meat was not available, especially during the winter. Elders did not identify muskox as an important source of food during the Kiggavik study (AREVA 2011). Several fur-bearing species were traditionally harvested by the Inuit and provided an important source of fur for clothing and for use in trades (Dana and Anderson 2014). Although trapping activity in the Baker Lake area has decreased in intensity over the years, furbearing animals continue to play an important role in Inuit culture and way of life (Cumberland 2005c). In 2006, 44% of Inuit adults in Baker Lake reported trapping in the previous 12 months (Statistics Canada 2011). Arctic fox are the primary species targeted for trapping, and Arctic wolf and wolverine are taken incidentally during caribou hunting or fox trapping excursions. Trapping activity in the Meadowbank Mine area and Project area was limited in the past, and mostly occurred in areas closer to Baker Lake; however, wolf harvesting has increased in recent years in the Meadowbank Mine area. Elders noted that Arctic foxes are common in the Project area and their numbers fluctuate according to the population cycles of lemming and voles. They also indicated that red foxes are occasionally observed but are not as common in the Baker Lake area as the Arctic fox; however, their population is believed to be increasing (Agnico eagle 2014; Agnico eagle 2015a). Baker Lake land users have repeatedly identified the Project area as an important denning area for Arctic fox, wolves and

potentially wolverines (Cumberland 2005c; Riewe 1992; Agnico Eagle 2014, 2015b, 2016a). The Elders identified an area just north of the Project area that had potential Arctic fox dens. Several areas adjacent to the Project area were identified as providing important habitat for wolves. Wolverines were also noted as a species that was not specifically targeted for harvesting and only taken incidentally while hunting other species (Cumberland 2005c). Baker Lake Elders interviewed in 2008 noted that some people do hunt wolverines, and the best time is during the summer because they are more conspicuous than during the winter when they can disappear in the snow (AREVA 2011). The Elders also indicated that their population appears to be increasing.

Birds are recognized by the Inuit for the important role they play in the ecosystem, and as critical indicators of environmental health (Agnico eagle 2014). Waterfowl provided, and still provide, an important alternate food source for the local people, and are harvested near lakes and rivers close to Baker Lake during spring break-up when large numbers of birds are migrating northward through the area and caribou have moved north to their calving grounds (Agnico eagle 2014; Cumberland 2005c; Mannik 1998). Snow goose, Canada goose, and greater-white fronted goose are the most commonly harvested species. Earlier studies indicated that goose harvesting was not a preferred activity by Baker Lake residents, due to their low populations in the region (Freeman 1976; IDS 1978). Goose hunting coincided with fishing activities (IDS 1978; Riewe 1992; AREVA 2011).

Fish

Fish provide an important secondary source of food after caribou, to the residents of Baker Lake, and fishing is a year round activity that occurs throughout the area (Agnico eagle 2014, 2016d; IDS 1978; NIRB 2015b). In 2006, 77% of Inuit adults in Baker Lake reported fishing in the 12 months prior to the administration of the survey (Statistics Canada 2011), and in 2016, many of youth participating in a focus group for the Project indicated that they fish (Agnico Eagle 2016d).

During the 2014 TK workshop, Baker Lake Elders indicated that fishing occurs in both lakes and rivers, depending on the season and the availability of fish (Agnico eagle 2014). Preferred fishing areas used today include several lakes and rivers close to Baker Lake, and good fishing sites identified near the Project area and used in the past are located to the east of the footprint, including at Nutipilik Lake, Qugiilik Lake and Tahinajuk Lake (Agnico eagle 2014). One Elder noted that although trout are found throughout the region, the lakes near Whale Tail Pit are not commonly fished as there are other preferred lakes (Agnico eagle 2014). Lake trout and Arctic char were identified as preferred fish species harvested for food and Elders commented that these species can be found in several of the lakes located in the Project area.

Vegetation

The results of a survey administered in 2006 showed that 87% of Inuit adults in Baker Lake reported gathering wild plants in the previous 12 months (Statistics Canada 2011). While the Elders indicated that plants were no longer used for traditional medicines during interviews in 2009, they did report that berries continued to be harvested for food or to make jam, including crowberry, blueberry, blackberry, and red berry (AREVA 2011, Agnico eagle 2014). Cloudberries were also used for making tea.

Impact Summary

The Project's residual incremental effects on traditional wildlife harvesting, traditional fishing, traditional plant harvesting and use of culturally important sites are considered to be a combination of effects on the direct

disturbance to preferred traditional land and resource use areas or culturally important sites, the availability of resources, and IQ values related to Traditional Land and Resource Use.

The community's ability to continue to hunt and rely on waterfowl and geese as an alternate source of food will not be significantly affected due to the Project, because preferred harvesting sites are not documented in the Project study areas, and waterfowl and geese will continue to be available for harvesting close to Baker Lake.

It is anticipated that the residual effects of the overall Project on continued opportunities for traditional wildlife harvesting of caribou will be moderate in magnitude and regional in extent, since caribou availability may decrease in certain preferred harvesting areas. However this effect is expected to be limited since the regional area contains high proportions of undisturbed caribou habitat and caribou survival is not expected to be affected due to the overall Project or pre-development activities. Furthermore, IQ suggests that the movement of caribou appear to be dependent on numerous factors, and their distribution is variable in different areas and years. Preferred harvesting areas will still be available, the AWAR (up to km 85) will continue to facilitate access to harvesting locations, and pre-development activities will not present barriers to accessing areas further north of the proposed mine site. Potential adverse effects resulting from barriers to participation in traditional hunting activities will be minimised with rotational employment. The community's ability to continue to practice subsistence activities, and to hunt and rely on caribou as a primary food source will not be significantly affected.

It is anticipated that the residual effects of the pre-development activities on traditional fishing opportunities will be low in magnitude, local in geographic extent, short- term in duration, and reversible. The community's ability to continue to practice traditional fishing will not be significantly affected, since use of the Project area is documented to be limited today and was not identified as a preferred fishing area. Arctic char and lake trout will remain locally and regionally abundant and therefore will still be available for fishing in preferred harvesting sites.

It is anticipated that the residual effects of the pre-development activities on traditional plant harvesting will be low in magnitude, local in geographic extent, short-term in duration, and reversible. The community's ability to continue to harvest traditional plants will not be significantly affected. Preferred traditional plant harvesting areas were not identified in the Project area, and traditional use plants are associated with a range of plant community types that are locally and regionally abundant and will therefore still be available for harvesting.

Access to traditional travel routes that intersect the Project will be maintained through the installation of crossing areas and signage. Through Agnico Eagle's commitment to providing ongoing consultation with the community, and with their direct participation in the implementation of mitigation measures, the community's ability to continue to use culturally important sites in the Project area will be not be significantly affected.

A full summary of potential effects related to traditional land and resource use / IQ is provided in Volume 7, Section 7.3.2 of the FEIS (Agnico Eagle 2016f).

5.3.3 Socio-Economic

Population

Annual population growth of between 2% and 3% per year has seen the population of both the Kivalliq Region and Baker Lake increase. During this same period, the composition of the population changed. The male and non-Inuit populations in Baker Lake grew quicker than the female and Inuit populations, as did the proportional representation of the working-age population. An influx of working age population to the Kivalliq Region and Baker Lake coincides with an increase in the representation of Kivalliq workers at Meadowbank Mine.

Economic Activity and Business Development

The relative proportion of Meadowbank Mine contract expenditures in Nunavut has remained around the 50% mark since the beginning of operations. In 2014, contract expenditures with businesses registered in Baker Lake amounted to $38 million (16% of total contract expenditures), while contract expenditures with businesses registered in other parts of Nunavut totalled $67 million (29% of total contract expenditures). As the only operating mine in the territory, Meadowbank Mine has been a driver of Nunavut Gross Domestic Product (GDP) growth. Meadowbank Mine employment taxes provide an average $30 million per year to the federal government, and $3 million per year to the Government of Nunavut. Property taxes paid to the Government of Nunavut by Agnico Eagle are on average $1.1 million per year. Since 2007, Agnico Eagle has provided $11.8 million to NTI and the KivIA.

Employment

The Kivalliq labour force grew by 360 people (11.1%) between 2006 and 2011. Over a third of this growth (130 people active in the labour force) occurred in Baker Lake. Employment growth during this period did not keep up with growth of the labour force, with 155 additional people employed of the 360. Most of this employment was associated with the construction of Meadowbank Mine, and most of the employed (105 people) were from Baker Lake. Since the beginning of operations, Nunavummiut representation at Meadowbank Mine has remained at around one third of the total operational workforce. Of the Nunavummiut employed at the Mine, over half reside in Baker Lake. The representation of Inuit in the overall Meadowbank operational workforce has remained similarly steady at between 31% and 34% since 2012. Hamlet residents have noted that, for many, new income from employment at the Meadowbank Mine has enhanced their quality of life by improving access to food, hunting equipment, and consumer goods (e.g., vehicles and entertainment systems), and allowing for the assistance of extended families (Agnico eagle 2015a; Agnico Eagle 2016d).

Education and Training

While the majority of the Kivalliq Region population 15 years and over have no certificate, diploma, or degree, the proportion decreased from 65% in 2006 to 61% in 2011, suggesting that educational attainment is improving (Statistics Canada 2011). From 2006 to 2011, educational attainment in the Kivalliq Region improved in every measured category. Agnico Eagle has made total contributions of approximately $284,000/year to a variety of school-based initiatives. Agnico Eagle's financial investments in externally-delivered training programs have been steady at just under $4 million per year for the past three years, with the Kivalliq Mine Training Society being the largest recipient. The scope of, and participation in, in-house training and apprenticeship programs have been relatively consistent throughout Meadowbank's operations.

Individual and Community Wellness

Baker Lake residents maintain a balance between wage employment to pay for commercial goods and services, and practicing traditional harvesting activities to feed their families and reinforce social relations (Peterson 2012). Community representatives have reported to Agnico Eagle an increase in the number of trips on the land by those with income from the mine who have an increased ability to purchase harvesting supplies. Further, it has been noted that access to harvesting areas has been improved by the AWAR (Peterson 2012). Others, however, have suggested that stress associated with work and school schedules limit the time that people have available to spend on the land. Incomes associated with employment at Meadowbank Mine has enhanced the quality of life of employees by offering a reliable means to afford food as well as hunting equipment. While some employees

reported enjoying time off for camping and harvesting, others reported decreased harvesting activities due to a lack of time and resources, and decreased caribou availability and accessibility (Maksimowski 2014).

Population growth and an increase in consumer goods, drugs, alcohol, and gambling are perceived by residents of Baker Lake to be affecting crime rates, particularly thefts and home break-ins (Agnico eagle 2015a). Concern has also been expressed that increased incomes due to employment at the Meadowbank Mine has increased access to and consumption of alcohol and associated binge drinking, with bootleggers of alcohol finding success (Agnico Eagle 2016d). In Baker Lake, rates of mischief, disturbing the peace, harassment, and theft more than doubled between 2010 and 2012. The rates of more serious crimes including assault and sexual assault also increased substantially (49 to 82%) during this period. Most violations decreased in 2013 (except assault, impaired driving, and drug violations), coinciding with the Hamlet's overall crime rate decrease that year (NBS 2014; Statistics Canada 2014).

Impact Summary

The overall Project and pre-development activities will extend employment opportunities at Meadowbank Mine, which currently has around 700 staff. Current projections for the overall Project will require a workforce of around 900, and so will create around 200 new direct employment opportunities. Many of these opportunities will be targeted to the local population in Baker Lake and other Kivalliq communities. Other opportunities will be filled by workers on rotation, housed in the on-site camp. Most indirect employment opportunities occurring in Nunavut are expected to be filled by the existing labour force working in industries currently supplying Meadowbank Mine. The Project will maintain current pick-up points in Kivalliq communities, and any incidental employment that arises via attrition will be filled with priority given to residents of the Kivalliq Region, and, secondarily, Nunavut. Given the approach to recruitment, the Project is not expected to induce intra- or inter-territorial migration, population increase, or demographic change.

The overall Project's positive GDP effect is substantial at over 10% of the current GDP of Nunavut. This effect will persist through to 2022, extending the GDP contribution of Meadowbank Mine beyond planned closure, and bridging the gap in territorial GDP that would otherwise occur in 2019 between the closure of Meadowbank Mine (2018) and the anticipated operations of Meliadine Project. This effect is, therefore, considered to be of high magnitude, regional extent, and medium-term duration. The pre-development activities are essential for continuing to bridge the gap in territorial GDP by avoiding a care-and-maintenance period.

Overall Project-related tax generation and royalties paid will amount to a sizable contribution to government revenue in Nunavut equivalent to about 4% of the territory's total annual budgeted revenue. When transfer payments are deducted, overall Project-related revenues to government are predicted to be roughly equivalent to a quarter of Nunavut's total own-source budgeted revenue. This effect will occur through Project operations to closure, and, as with the Project's effect on territorial GDP, would serve to bridge the gap between the closure of Meadowbank Mine and the anticipated operations of the Meliadine Project. This effect is, therefore, assessed to be of high magnitude, regional extent, and medium-term duration.

Overall Project procurement of goods and services will be substantial during both construction and operations. The cumulative impact of construction is expected to result in approximately $58 million in spending with Nunavut-registered businesses, with 80% of this spending concentrated in businesses registered in Baker Lake. Once operational, the overall Project's demand for goods and services is expected to be slightly higher than the current Meadowbank Mine operations, with about $118 million procured from Nunavut-registered companies. Of this, roughly $27 million will be through Baker Lake-registered businesses. Pre-development procurement of goods

and services is included in the cumulative impact of construction spending. . This effect is, therefore, assessed to be of high magnitude, local to regional in extent, and medium-term duration.

As noted, the overall Project serves to extend employment opportunities for the existing Meadowbank Mine workforce, and to create additional employment opportunities for Nunavummiut. While the production is anticipated to be in full production in 2020, then receiving the outgoing Meadowbank Mine workforce, without the Project there may be a gap in employment at the end of 2018 and in 2019; however pre-development activities are intended to minimize this gap. In addition to the additional jobs it will create, the extension of Meadowbank Mine's most pronounced employment effect is this stabilizing role. As the Meadowbank Mine is expecting to ramp down in 2018, select staff will begin transitioning over to the Whale Tail Pit pre-development and then construction activities. At final closure of Meadowbank Mine, the remainder of the workforce will transition to Whale Tail Pit and Meadowbank Mill operations positions that will last until closure. This effect is, therefore, assessed to be of high magnitude, local to regional in extent, and medium-term duration.

As with employment, the overall Project's primary income effect will be the continuation of high paying wage employment from Meadowbank Mine. .. The overall Project, including pre-development activities will also generate new incomes associated with a limited amount of new employment, and will sustain indirect and induced incomes, through to closure. This effect is, therefore, assessed to be of high magnitude, local to regional in extent, and medium-term duration.

Project health and safety training is expected to improve health and safety awareness amongst employees, their families, and other members of their communities, as are community-based health and safety-related programming and policies. The effect of improved health and safety awareness, like education, does not end with the closure of a project, but instead continues to influence people's behavior into the future. This effect is, therefore, assessed to be of moderate magnitude, local to regional in extent, and long-term duration when considering both pre-development activities and the overall Project.

Attempting to assess the magnitude of a risk of accidents and emergencies is problematic. Should neither occur, there will be no associated effect. However, it can also not be assumed that either or both will occur definitely, or to what extent. Mitigations measures, emergency response planning, and training can all play a role in reducing risk or the severity of the outcome of an accident or emergency, but the effectiveness of each is unknown. For these reasons, residual effects criteria are not assessed for accidents and emergencies. To do so would require further risk analysis beyond the scope of this application. However, in the event that an accident or emergency does manifest, it can be conservatively assumed that there is the potential for the effect on an individual or community to be adverse, potentially catastrophic, and, therefore, significant.

While incomes can have a positive effect on the fiscal wellbeing of some, they can also have a negative effect if income earners and their families use their incomes unwisely. Property theft, increased substance abuse, family violence, and debt are all often associated with new money or wealth. Incomes for some and not others results in social disparity between families and communities, and can further highlight existing vulnerability of those unable to access employment opportunities, or alternatively change social dynamics in the community as formerly vulnerable community members or families are brought out of poverty. The existing Meadowbank Mine workforce transitioning to pre-development activities and the overall Project has experience in managing their finances, and it is unlikely that they would change their current behavior or lifestyle as a result of the Project. The limited number of new Nunavummiut employees required for Project operations may, however, struggle.

Rotational employment can be a positive approach to wage employment, giving people long periods of time off and resources for traditional pursuits and other activities. It can also, however, have negative effects on cohesion, taking workers away from their communities and families for extended periods of time, and can erode traditional values. As with other effects to individual and community wellbeing, it is difficult to assess both the extent of these effects, the effectiveness of mitigation and benefit enhancement measures, and the response of individuals, families and communities to both. The positive effects of rotational employment end with Project closure, however changes in family and community cohesion would persist into the future. The Project's residual effect on family and community cohesion is, therefore, considered to be of moderate magnitude, local to regional in extent, and long-term duration.

As the Project will not bring about a change in population, it is not expected that additional demand on housing, infrastructure, or services will occur in Kivalliq communities. Further, the Project will operate at a time when Meadowbank Mine is in the closure phase, and so is not expected to increase demand on physical transportation infrastructure (e.g., airport) beyond current levels.

The pre-development activities and the overall Project's effect of continued incomes, community contributions and the Meadowbank IIBA is expected to have a positive effect on the wellbeing of individuals and communities. Regular incomes can help lift or keep people out of poverty; provide access to nutritious food, education, and recreation; and allow for savings. Community and IIBA contributions are substantial, and support community development and wellbeing initiatives. Both will occur throughout the Kivalliq Region, but will be concentrated in Baker Lake over the operational life of the extension of the Meadowbank Mine through the development of the Whale Tail Pit. This effect is, therefore, assessed to be of high magnitude, local to regional in extent, and medium-term duration. Overall, the Project's positive effect on wellbeing related to disposable incomes, community contributions, and the continuation of the IIBA is assessed as significant.

A full summary of potential effects related to socio-economics is provided in Volume 7, Section 7.4.3 of the FEIS (Agnico Eagle 2016f).

5.3.4 Cumulative Effects

Cumulative effects from pre-development activities are not considered herein as cumulative effects were assessed for the overall Project, including pre-development activities in the Volumes 5, 6, and 7 of the FEIS (Agnico Eagle 2016). The approach for assessing cumulative effects is provided below.

Past and Present Developments

Active and inactive development was identified in each of the three caribou ranges that overlap the Project. Mineral exploration was the most common type of development, followed by camps and miscellaneous activities. Communities likely have the largest effect on caribou (as a source of harvesters), followed by roads providing access from communities. There are three communities within the Lorrilard caribou range, and one each within the Ahiak and Wager Bay herd ranges.

The Project straddles the Meadowbank, Thelon, and Quioch watersheds. The Baker Lake water management area was also considered, as it is crossed by the Meadowbank AWAR. To assess potential for cumulative effects to aquatic ecosystems, active and inactive developments were identified in these water management areas. None of the four water management areas contained more than two active developments.

To assess potential for cumulative effects to traditional land use and socio-economics, the number of past and present developments in the Kivalliq Region were quantified. According to this data, there are currently nine active and 26 inactive mineral exploration operations in the Kivalliq Region, the most numerous type of development. Mineral exploration camps likely have little effect to traditional land use as they are remote and seasonal, but may affect regional socio-economics through employment and work rotations away from the community.

Reasonably Foreseeable Future Developments

Cumulative effects from the Reasonably Foreseeable Future Developments may occur if most or all of the future projects proceed simultaneously. However, the likelihood of this occurring is low. This conclusion notwithstanding, there may soon be three operating mines in the Kivalliq, two of which are in the Baker Lake water management area, and environmental monitoring should be diligently continued to minimize the cumulative effects between them. Cumulative effects for each VC are also considered in the residual effects assessment for each VC, in the relevant chapters of Volumes 5, 6, and 7 of the FEIS (Agnico Eagle 2016f).

6.0 ENVIRONMENTAL MANAGEMENT (MITIGATION AND MONITORING)

Agnico Eagle will continue to implement a project environmental management system consistent with operations at the Meadowbank Mine. The system consists of three key elements: an integrated environmental management plan, a formal environmental awareness program, on-going environmental monitoring programs, and the communication of monitoring results through thorough annual reporting.

A number of mitigation measures will be implemented to avoid or minimize any impact on the environment. Where applicable to pre-development activities, key mitigation measures consistent with the Type A Water Licence application will include the following:

- using existing facilities, including processing facilities and the tailings facility to minimize the Project footprint and waste disposal areas;
- managing water to reduce the volume of water in contact with WRSF, and quarry / future pit areas;
- are proposing proven and accepted management and monitoring methods at Whale Tail Pit consistent with the methods used at the approved Meadowbank Mine;
- avoidance or mitigation of key archaeological features on the landscape (i.e., avoiding grave sites);
- routing the exploration and Haul Road to minimize impacts to watercourse crossings, to avoid denning and cultural sites;
- continued dust mitigation around mining activities as it is completed at the Meadowbank Mine;
- continued direct and in-kind support of regional research programs (i.e., Government of Nunavut caribou collaring, raptor research, fisheries research, etc.);
- continued research on closure and progressive closure of portions of the Meadowbank Mine as the Whale Tail Pit is mined;
- consultation on an on-going basis; and
- extending the current Meadowbank Mine employees to pre-development activities at the Whale Tail Pit to maintain employment.

Specific concerns (dust, noise, traffic, erosion, transportation of dangerous goods, waste management, sociological, wildlife protection, etc.) have been addressed through the management plans Agnico Eagle has prepared for the Project. The purpose of the management plans is to outline the framework or structure where monitoring and follow-up programs are implemented to verify impact predictions and determine effectiveness of mitigation measures. The management plans will also help identify unanticipated effects, if any, which will be handled though adaptive management. These plans will be updated, as needed, for various planning and regulatory requirements, should the Project proceed. In addition, best management practices will be used for all phases of the Project and adaptive management will be a priority for environmental indicators.

A list of mitigations for impacts from the development of the Project have been submitted as part of the Type A Water Licence Application are provided in Appendix A of Attachment D–Concordance Assessment of the Cover Letter. Agnico Eagle proposes to use the following plans to support the pre-development activities:

- the approved Spill Contingency Plan (Version 6, March 2016), which exists for current Meadowbank operations under license 2AM MEA1525;
- the Whale Tail Pit Haul Road Management Plan (Version WT, June 2016), which has been submitted with the Type A Application (Agnico Eagle 2016f) and is included here as a supplemental document without change for approval;
- an addendum to the Quarry Management Plan (KVCA15Q01), which exists for current Amaruq Exploration activities under license 2BB-MEA1318 is presented in Appendix E to include pre-development activities at Quarry 2;
- an addendum to the EPMPs, which have been submitted with the Type A Application (Agnico Eagle 2016f) is presented in Appendix F to reflect the pre-development activities; and
- a Closure and Reclamation Strategy and Security Estimate specific to pre-development activities is presented in Appendix G.

The following sections summarize the key water management strategies in the management plans **(bold, Section 6.4)** in support of pre-development activities.

6.1 Mine Infrastructure

The Mine Infrastructure Management Plan activities for the entire project in support of the Type A Application are approved through the following Management Plans:

- Dewatering Dikes OMS Manual (Version 5, March 2016);
- Whale Tail Pit Waste Rock Management Plan (Agnico Eagle 2017b); and
- Whale Tail Pit Water Quality Monitoring and Management Plan for Dike Construction Dewatering (Version 1, 2017) (Agnico Eagle 2017c).

A summary of these Type A monitoring, management and mitigation plans can be found in Volume 8, Section 8.3.1 of the FEIS (Agnico Eagle 2016f).

The pre-development activities proposed in this Application do not require the implementation of the aforementioned mine infrastructure management plans that were submitted in support of the Type A Application.

6.2 Water, Domestic Waste, and Operational Infrastructure

The Water, Domestic Waste, and Operational Infrastructure activities for the entire Project are approved through the following Management Plans:

- Incinerator Waste Management Plan (Version 6, March 2016);
- Landfarm Design and Management Plan (Version 3, February 2013);
- Landfill Design and Management Plan (FEIS, Volume 8, Appendix 8-B.1 [Agnico Eagle 2016f]);
- Whale Tail Pit Landfill Management Plan (Version 1, January 2017) (Agnico Eagle 2017d);

- Operation and Maintenance Manual - Sewage Treatment Plant (Version 5, September 2015) or Waste Water Treatment System Operation and Maintenance Plan (Version 1, December 2015);
- Water Management Plan (FEIS, Volume 8, Appendix 8-B.2 [Agnico Eagle 2016f]);
- Whale Tail Pit Water Management Plan (Version 1, January 2017) (Agnico Eagle 2017a); and
- Whale Tail Pit Water Quality and Flow Monitoring Plan (Version 1, 2017) (Agnico Eagle 2017e).

A summary of these Type A monitoring, management and mitigation plans can be found in Volume 8, Section 8.3.2 of the FEIS (Agnico Eagle 2016f).

Incinerator Waste Management Plan – All solid waste from the accommodation camp, kitchen, shops, and offices that require incineration from the Whale Tail Camp will be incinerated at the Exploration Camp or backhauled to the Meadowbank Mine incinerator. As a result, there are no changes to the incineration plan and the associated and approved activities at Meadowbank Mine as a result of the Whale Tail operations.

Landfarm Design and Management Plan – No changes will be made to the landfarm facility and associated approved activities at Meadowbank Mine. All petroleum hydrocarbon contaminated soil generated as a result of the Project will be backhauled and treated at the existing and approved Meadowbank Mine landfarm facility. There are no changes to the Landfarm Design and Management Plan.

Landfill Design and Management Plan and revised site specific *Whale Tail Pit Landfill Management Plan (Version 1, January 2017)* – not required as waste from pre-development activities destined for landfill will be hauled to the Meadowbank Mine to an approved facility.

Operation and Maintenance Manual – Sewage Treatment Plant or Waste Water Treatment System Operation and Maintenance Plan – No changes will be made to the plan as it applies to the Meadowbank Mine Camp.

During pre-development, the existing exploration camp sewage treatment plant authorized under licence 2BB-MEA1318 will be used.

6.2.1 Water Management Plan

The revised site specific *Whale Tail Pit Water Management Plan* (Version 1, January 2017), identifies the following four types of water were identified for the Project:

- Contact water: Water that has been in contact with any infrastructure and facilities on-site; may contain total suspended solids (TSS).
- Non-contact water: Runoff water that has not been in contact with mining infrastructure and facilities on-site.
- Freshwater: Water pumped from Whale Tail Lake during pre-development and then during construction and operation from Nemo Lake for consumption as potable water.

The water management objectives for the Project are to minimize potential impacts to the quantity and quality of surface water at the Project site. This will be done by diverting non-contact water away from the Project site infrastructure to minimize the amount of contact water generated, and by limiting freshwater make-up quantities to the extent practical.

In developing the water management strategy at the Project, the following principles were followed:

- keep the different water types separated as much as possible;
- minimize freshwater consumption; and
- reduce water discharge to the environment.

Keeping the types of water segregated allows for water quality control in the different areas of the site, reduces costs, and isolates uncertainties.

Contact Water

Pre-development activities may require water treatment for surface contact water. No water management structures are proposed during pre-development activities except for sumps that may be required during the development of the quarries. This water may require pumping or pump trucking to AP-5 (approved under 2BB MEA1318) for storage.

During mine construction and operations, contact water originating from affected areas on surface will be intercepted, diverted and collected within collection ponds. The collected water on the mine site will be eventually pumped and stored in the Whale Tail Attenuation Pond, where the contact water will be treated by the WTP prior to discharge to the receiving environment or reused in the operations. During pre-development activities, runoff and especially water originating from thawed ice-rich soils will be intercepted by berms, ditches, local sumps and pumped to A-P5, as deemed necessary. A-P5 will be constructed in early 2018 for the purposes of pre-development water management and future underground saline water management under approved Type B Water Licence 2BB MEA1318 (Golder 2016).

A network of site service roads will connect site infrastructures. The approach to water management for site service roads will involve the implementation of local best management practices during construction, operations, and closure. The road will be constructed of non-potentially acid generating and non-metal leaching waste rock. Other best management practices will be implemented to minimize the amount of runoff originating from the roadways and to prevent the migration of surfacing material from the roadway and crossings. Any areas identified as point sources for runoff originating from the roadway or crossings can be managed locally with silt fences, turbidity curtains, interceptor channels, rock check dams, and/or small sedimentation ponds.

Acid rock drainage –metal leaching testing is a measure to ensure road and pad building materials, water quality monitoring of seeps from quarries, borrow pits and WRSF reduce 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/WRSF and waterbodies, and best management practices will prevent direct drainage. However, any significant seeps originating from the borrow pits, rock quarries or WRSF with the potential to reach receiving waters will be sampled and analysed for a full suite of water quality parameters[1]. Any problematic water will be directed away from waterbodies, pumped or directed to A-P5 during pre-development, or held if possible. If necessary, silt curtains will be used to control suspended sediments in water seeping from the quarries, borrow pits or WRSF.

[1] pH, turbidity, alkalinity, ammonia, ammonium, nitrogen, sulphate, hardness, total metals (Al, As, Ba, Cd, Cl, Cr, Cu, F, Fe, Pb, Mn, Hg, Mo, Ni, NO_3, NO_2, Se, Ag, Tl, U, V, Zn), total dissolved solids, total suspended solids, total cyanide

Although erosion is not expected to originate from water flow from the quarries/borrow pits, any evidence of erosion will be repaired by placing rip-rap over the affected area, and measures will be taken to reduce the velocity of the water with, for example, silt curtains and/or small check dams.

Process Water

No process water will be generated during the pre-development activities.

Underground Mine Water

No mine water is expected to result from pre-development activities. Any underground exploration ramp development water associated with the site is authorized for the purpose of ramp development and bulk sampling and is authorized under 2BB-MEA1318. Between 2017 and Q2 2019, Agnico Eagle will be advancing the ramp within the zone of permafrost. Agnico Eagle does not expect to encounter and therefore will not require management of salt water within A-P5 (Golder 2016).

Freshwater

Agnico Eagle is not requesting a quantity of water for domestic or other purpose be authorized under this licence. All direct water uses are authorized under existing water licences issued to Agnico Eagle (section 3.4.1 for additional information).

6.2.2 Water Quality and Flow Monitoring Plan

Agnico Eagle as recently submitted a revised site specific Whale Tail Pit Water Quality and Flow Monitoring Plan (Version 1, January 2017), the plan provides an overview of the monitoring programs and mine development schedule for the Project. It also provides specific details (including sample locations and parameters to be measured) for the compliance monitoring program, along with general guidance for the event monitoring program. An adaptive management program is described for both regulated discharge and non-regulated discharge. The plan also describes the requirements of the flow monitoring program and provides an overview of the reporting requirements.

The monitoring programs as they apply to the pre-development activities of this Type B water license application have been summarized in the EPMPs addendum provided in Appendix F.

6.3 Construction and Transportation Infrastructure

The Construction and Transportation Infrastructure and activities for the full Whale Tail Project are approved through the following Management Plans:

- Air Traffic Management Plan (now replaced by the Transportation Management Plan) (October 2005); and
- Whale Tail Pit Haul Road Management Plan (FEIS, Volume 8, Appendix 8-C.1 [Agnico Eagle 2016f]).

Air Traffic Management Plan (Transportation Management Plan) - The transportation management plan for the Type A is not appropriate to the scale of activities proposed under pre-development. To ensure sufficient mitigation measures are applied during the pre-development phase, Agnico Eagle believes the Whale Tail Pit Haul Road Management Plan is more appropriate (see below).

Whale Tail Pit Haul Road Management Plan

The exploration access road is a 64.1 km long and 6.5 m wide surface with 11 bridges and 28 embedded corrugated round culverts to pass watercourse crossings and many other localized drainage culverts to prevent erosion, reduce thaw susceptibility and washout of the road during freshet. The exploration road has seven borrow areas with short spur roads, and uses the Vault Pit as a quarry. The information related to Quarry Management is included as part of the Whale Tail Pit Haul Road Management Plan. Existing quarry permits from the KivIA and INAC will be maintained for the borrow pits proximal to the right of way for obtaining material to build and upgrade the access road to a haul road. The Whale Tail Pit Haul Road Management Plan provides summary of construction, operations, and closure of the exploration access road. The road was initially screened by the NIRB and approved by the NWB in November of 2015, followed by DFO approval of bridge and culvert construction and road operation in March 2016.

Agnico Eagle has submitted, in support of the Type A Application, a new plan entitled the Whale Tail Pit Haul Road Management Plan and Agnico Eagle requests that the NWB consider this management plan for pre-development activities pertaining to the upgrade and widening of Whale Tail Pit Haul Road. The plan submitted with the Type A Application has been attached to this Type B application with no modifications. Blasting may occur as needed in borrow sources and quarries along the Haul Road under this Type B Water Licence.

Dust Suppression using Water

The amount of dust generated along a road is dependent on the material source used to surface the road, dryness of the road surface, the number of vehicles, weight and speed, and maintenance of the driving surface. Regular grading of the road combined with the addition of granular material from the eskers to the driving surface will be needed. This will improve road safety and also reduce the amount of dust. Dust will also be mitigated by maintaining posted speed limits.

In sections of the road or times identified by the Agnico Eagle road supervisor as being prone to high dust levels, where safe road visibility is impaired, or in areas where dust deposition is potentially impacting traditional land use, fish habitat and/or water quality, the road supervisor will arrange mitigation measures as appropriate. This could involve actions such as grading of the road surface, placement of new coarser topping from eskers, and/or watering/ dust suppressant application of the road surface. Based on the modelling of the dust emissions on the road, and the experience and monitoring data of the Meadowbank AWAR from Baker Lake to the mine site, use of chemical dust suppressants is not expected for the Whale Tail Pit Haul Road. However, if there are safety concerns or areas of particular interest, chemical dust suppressants may be only used as a last resort and only in accordance with the Environmental Guidance for Dust Suppression published by the Government of Nunavut Department of Environment (GN 2002).

For additional information, refer to the Whale Tail Pit Haul Road Management Plan (Appendix 8-C.1 of the FEIS [Agnico Eagle 2016f]), which has been included without modification for approval in this Application in as a supplemental document. For information related to quarry management refer to Appendix E.

Agnico Eagle assumes that the Haul Road will be completed upon issuance of this Type B water licence and thus requests that the same terms, conditions and mitigation measures of licence 8BC-AEA1525 be incorporated into this Application upon issuance.

6.4 Materials Management and Emergency Response

The Materials Management and Emergency Response Management Plans and activities for the entire Whale Tail Project are approved through the following Management Plans:

- Ammonia Management Plan (FEIS, Volume 8, Appendix 8-D.1 [Agnico Eagle 2016f]);
- Meadowbank Bulk Fuel Storage Facility Environmental Performance and Monitoring Plan (FEIS, Volume 8, Appendix 8-D.2 [Agnico Eagle 2016f]);
- Baker Lake Bulk Fuel Storage Facility Environmental Performance and Monitoring Plan (Version 3, June 2014);
- Emergency Response Plan (FEIS, Volume 8, Appendix 8-D.3 [Agnico Eagle 2016f]);
- Hazardous Material Management Plan (FEIS, Volume 8, Appendix 8-D.4 [Agnico Eagle 2016f]);
- Oil Pollution Emergency Plan (Version 7, May 2016);
- Shipping Management Plan (FEIS, Volume 8, Appendix 8-D.5 [Agnico Eagle 2016f]); and
- **Spill Contingency Plan (FEIS, Volume 8, Appendix 8-D.6 [Agnico Eagle 2016f]).**

Ammonia Management Plan - No changes are planned for the Ammonia Management Plan or associated procedures in relation to pre-development activities at Amaruq. Blasting where applicable to quarry development is authorized and approved in the current Type B water licences and associated quarry permits and leases.

Meadowbank Bulk Fuel Storage Facility Environmental Performance and Monitoring Plan - No changes are planned for the Meadowbank Bulk Fuel Storage Facility due to pre-development activities at Amaruq.

Baker Lake Bulk Fuel Storage Facility Environmental Performance and Monitoring Plan - No changes are planned for the Baker Lake Bulk Fuel Storage Facility due to pre-development activities at Amaruq.

Emergency Response Plan - Agnico Eagle will ensure that all employees, contractors, and site visitors fully understand and comply with all legislated safety standards, and the policies and procedures outlined in the emergency response plans currently in place under licence 2AM-MEA1525.

Hazardous Material Management, Meadowbank Mine Site and Baker Lake Facilities - All hazardous materials generated as a result of the Project will be backhauled to the Meadowbank Mine for proper disposal according to plans currently in place under 2AM-MEA1525

Oil Pollution Emergency Plan - No changes are planned for the Oil Pollution Emergency Plan or associated procedures in relation to pre-development activities at Amaruq.

Shipping Management Plan – The Shipping Management Plan for the Project was developed in accordance with federal legislation, notably the *Canada Shipping Act* and the *Arctic Waters Pollution Prevention Act,* and associated regulations. It also recognizes the international conventions and protocols signed by Canada. The plan outlines measures, monitoring, and reporting as it relates to interactions marine wildlife (mammals and birds). The

plan also addresses mitigation measures where interactions may occur between small boats and bard tugs and/or ships or vessels. Agnico Eagle has developed a new plan entitled the Shipping Management Plan that has been submitted in support of the Type A Application (Appendix 8-D.5 of the FEIS [Agnico Eagle 2016f]). It has been included as a supplemental document to this application without modifications for consideration to manage the pre-delivery of materials proposed in this Type B Application, as no changes are anticipated to current shipping volumes and practices for pre-development activities.

Spill Contingency Plan

In the unlikely event of a spill, Agnico has prepared a plan to facilitate effective communication and efficient cleanup of spills of potentially hazardous materials. The objectives of the plan are to comply with federal and territorial laws, regulations, and guidelines; identify roles, responsibilities, and reporting procedures; detail plans of action to be followed in the event of a spill; provide readily accessible emergency information to the cleanup crews, management, and government agencies; promote the safe and effective recovery of spilled materials; and minimize the environmental impacts of spills to land, water, and/or ice and snow.

During pre-development, site-preparation, and early construction phases, the Project is supported by the existing exploration facilities. Agnico Eagle has in place a Spill Contingency Plan for current activities for the Project in compliance with water licences 2AM-MEA1525 (Meadowbank Mine Renewed Type A licence), 2BB-MEA1318 (Meadowbank Advanced Exploration) and 8BC-AEA1525 (AEAR). Agnico Eagle proposes to use the approved Spill Contingency Plan (Version 10, March 2016), which exists for current Amaruq operation under license 2BB-MEA1318, to minimize duplication and streamline emergency response in facilitation of effective communication in the event of a spill. This plan has been provided with this application as information only. A separate Spill Contingency Plan addendum for full construction, operation and closure of Whale Tail Pit and associated activities has been submitted with the Type A Application (Appendix 8-D.6 of the FEIS [Agnico Eagle 2016f]).

Prevention and inspections are proactive components of the spill plan. During orientation, all staff, employees, and contractors will be presented the plan, and will be made aware of the locations of spill kits, and trained in using spill equipment and responding to spills.

Regular worksite inspections will be conducted to identify measures to minimize or prevent the risk of spills. As part of on-site orientation sessions, all staff is to understand the steps to be undertaken in the event of a spill. This includes that all spills are to be reported, and that containment and clean-up is necessary, be they minor or major spills. Following the clean-up of a spill, the Environmental Department will inspect the spill site and, if necessary, collect samples to verify that the clean-up is complete.

All personnel will be trained to be aware of the potential hazards associated with the fuel/chemicals with which they will be assigned to work. In addition to work site inspections conducted by area specific employees, the Environmental Department will conduct weekly inspections to audit facilities where hazardous materials are handled and stored.

The spill plan also includes an action plan in the event of a spill. Specific procedures will vary depending on the season and hazardous materials spilled, as well as on location of the spill (on land, water, ice, or snow). The material safety data sheets for the material spilled will be consulted to ensure that safety procedures are followed.

Freshet Action and Incident Response Plan - No changes are planned for the Freshet Action and Incident Response Plan in relation to pre-development activities at Amaruq. If an incident occurs during pre-development activities, the currently approved Freshet Action and Incident Response Plan will be updated.

6.5 Environmental Protection and Monitoring Plans

The Environmental Protection and Monitoring Plans are approved through the following Plans:

- Air Quality Monitoring Plan (FEIS, Volume 8, Appendix 8-E.1 [Agnico Eagle 2016f]);
- Aquatic Effects Management Program (Version 3, November 2015);
- Core Receiving Environment Monitoring Program (FEIS, Volume 8, Appendix 8-E.2 [Agnico Eagle 2016f]);
- Groundwater Monitoring Plan (FEIS, Volume 8, Appendix 8-E.3 [Agnico Eagle 2016f]);
- Habitat Compensation Monitoring Plan (Version 4, March 2016);
- Meteorological Monitoring Plan (Version 1, May 2013);
- Conceptual Whale Tail Pit Offsetting Plan (FEIS, Volume 8, Appendix 8-E.4 [Agnico Eagle 2016f]);
- Noise Monitoring and Abatement Plan (Version 2, January 2014);
- Operational ARD/ML Sampling and Testing Plan (FEIS, Volume 8, Appendix 8-E.5 [Agnico Eagle 2016f]);
- Quality Assurance/Quality Control Plan (Version 2, July 2014);
- Socio-economics Management and Monitoring Plan (FEIS, Volume 8, Appendix 8-E.6 [Agnico Eagle 2016f]);
- Terrestrial Ecosystem Management Plan (FEIS, Volume 8, Appendix 8-E.7 [Agnico Eagle 2016f]); and
- Archaeology and Heritage Protection Plan (FEIS, Volume 8, Appendix 8-E.8 [Agnico Eagle 2016f]).

Air Quality Monitoring Plan – No change to currently approved Air Quality Monitoring Plan is expected as a result of pre-development activities.

Aquatic Effects Management Program - No change is planned for the Aquatic Effects Management Program as a result of pre-development activities.

Core Receiving Environment Monitoring Program - No change to the Core Receiving Environment Monitoring Program is expected to support pre-development activities

Groundwater Monitoring Plan – No change to the Groundwater Monitoring Plan is expected to support pre-development activities

Habitat Compensation Monitoring Plan - As the Habitat Compensation Monitoring Plan is a regulatory requirement of DFO, Agnico Eagle will continue to work with the DFO during the Authorization Phase of Whale Tail Pit to finalize a revised Habitat Compensation Monitoring Plan. As a result, no addendum will be submitted at this time.

Meteorological Monitoring Plan – No change to the currently approved Meteorological Monitoring plan is expected as a result of pre-development activities.

Conceptual Whale Tail Pit Offsetting Plan – Not required for pre-development activities.

Noise Monitoring and Abatement Plan – No change to the currently approved plans is expected as a result of pre-development activities.

Operational ARD/ML Testing and Sampling Plan – Not required as an addendum to the Quarry Management Plan is being submitted with this Type B Application (Appendix E) which will cover Mitigation and Monitoring of Quarry materials for ARD/ML.

Quality Assurance/Quality Control Plan - No change to the currently approved plans is expected as a result of pre-development activities.

Socio-economics Management and Monitoring Plan - No change to the currently approved plans is expected as a result of pre-development activities.

Terrestrial Ecosystem Management Plan - No change to the currently approved plans is expected as a result of pre-development activities.

Archaeology Management Plan - No change to the currently approved plans is expected as a result of pre-development activities.

The EPMPs that have been submitted in support of the Type A Application (refer to Appendix 8, section E of the FEIS [Agnico Eagle 2016f]) describe the overarching direction for environmental and socio-economic management for the Project. A cyclical feedback loop will be employed where operations are planned and implemented, monitoring data are collected and analyzed, and practices are adjusted to promptly reduce or eliminate any observed negative impacts throughout the life of the Project. Continual use of this feedback loop will allow adaptive management decisions to be made on an ongoing basis, and will lead to improvements to the environmental and socio-economic management system as necessary over time.

The plans will offer flexibility to respond to changes, for example, in the mining development plan, the regulatory regime, the biophysical and socio-economic environments, technology, research results, and the understanding of traditional knowledge. Threshold and indicators to trigger management actions will be provided, where applicable, in the plans embedded in the EPMP, along with a system of accountability.

The addendum provided in Appendix F seeks to clarify the specific monitoring and inspections to be conducted by Agnico Eagle in relation to the pre-development activities proposed in the Application.

6.6 Closure, Reclamation, and Security

The overall goal of closure and reclamation is to return the mine site and affected areas to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and with human activities. The overall closure goal is supported by the four closure principles of physical stability, chemical stability, no long-term active care requirements, and compatibility with future land uses for each component of the Project.

Mine closure is integral to the mine design, thus the Closure and Reclamation Plan will be modified in a series of conceptual plans as the Project progresses. Planning for permanent closure is an active and iterative process, the intent of which is to develop a final plan using adaptive management. Adaptive management will enable closure planning and design to evolve as site specific information and monitoring data become available through analyses, testing, monitoring, and progressive reclamation.

Monitoring programs will be initiated during pre-development, construction, and operations to provide additional baseline information on which to base updates to the closure plan. The adaptive management plans to be used in closure will follow the actions completed during operations, and will be co-ordinated with the existing operational monitoring programs to set appropriate trigger levels, and mitigation plans and actions.

While a complete preliminary conceptual mine Closure Plan and cost estimate were provided in the Type A Application (Volume 8, Appendix 8-F.1 [Agnico Eagle 2016f]), Agnico Eagle has prepared a Closure and Reclamation Strategy and Security Estimate in Appendix G for the pre-development works proposed under this Type B Water Licence Application.

7.0 WATER LICENCE CONSIDERATIONS

7.1 Term of Licence

Agnico Eagle requests a term of one year to allow for pre-development of some basic infrastructure for site preparation and management of pre-delivered material to accommodate the short shipping season, as well as widening/upgrading of the Haul Road for safe delivery of materials, beginning as early as November 2017. Agnico Eagle would request that should a Type A Water Licence be issued for the Project in the future, that the Board incorporate the scope of this Type B Application/Licence into the Type A Water Licence.

7.2 Statement of Financial Responsibility

Statement of Financial Responsibility: Agnico Eagle confirms to the NWB that it has the financial ability to adequately implement mitigation measures and apply costs associated with the closing or abandonment of the undertaking if needed.

The Amaruq property (formerly the IVR project) is 100% owned by Agnico Eagle. All rights, title, interests, liabilities, and obligations for the Project rest with Agnico Eagle. The 408 km^2 Amaruq property is located on IOL and was acquired by Agnico Eagle in 2013 subject to a mineral exploration agreement with NTI.

Taking into account Agnico Eagle's past performance, Agnico Eagle confirms:

- they have the adequate financial responsibility to satisfy section 57 of the NWNSRTA - to complete the undertaking from construction to closure;
- measures are in place, or will be put in place, to mitigate any adverse impacts; and
- its commitment to the ongoing maintenance and restoration of the Meadowbank Mine and its satellite operation in the event of future closing or abandonment of the undertaking. Agnico Eagle is confident in assuming its position, taking into account their current, ongoing, and past performance in the Kivalliq Region, Nunavut, and Canada.

Agnico Eagle strongly believes that taking into account its past performance and the current feasibility assessment for the Project, the company is financially able to complete the undertaking as presented in this Application, to mitigate any adverse impact, and to satisfactorily maintain and restore the proposed site in the event of closure or abandonment of the Project.

A copy of Agnico Eagle's financial statements is provided in Appendix B.

For further information on Agnico Eagle's past performance and financial responsibility refer to the Type A Application Volume 2, Appendix 2-A.1 and Appendix 2-K.1 (Agnico Eagle 2016f).

7.3 Security

Agnico Eagle acknowledges that the NWB may require the company to furnish and maintain security with the Minister, in a form determined by the Regulations or satisfactory to the Minister. As such, Agnico Eagle has provided a Closure and Reclamation Strategy and Security Estimate with the Application (Refer to Appendix G). The plan includes an estimate of financial liability for pre-development works and site preparation. Additional financial liability for pre-development works is estimated to be $714,265.

In general, Agnico Eagle funds its reclamation and water licence financial security liability for its Meadowbank operations through guaranteed letters of credit issued by one of the five major Canadian based banks (currently issued by Scotia Bank). These are irrevocable letters of credit issued as follows:

- interest of the Government of Canada (for water related financial security against reclamation or major accident causing environmental damage as outlined under the Type A Water Licence);
- Government of Nunavut (for accidents or incidents such as a fuel oil spill from the Baker Lake tank farm that could cause major damage to the environment);
- KivIA (for land and water related financial security against reclamation or major accident causing environmental damage, as outlined under the Commercial and Production land use leases for IOL); and
- Fisheries and Oceans Canada (for financial security against successful implementation of fish compensation and offsetting measures as authorized by Fisheries and Oceans Canada under Section 36 and 35 of the *Fisheries Act*).

These financial security requirements (posted bonds or other forms of financial security) are intended to ensure that money is available to address cleanup, including payment of compensation in the event of accidents that directly or indirectly result in major damage by the Project to the environment, as well as to cover the cost of planned or premature closure, whether temporary or permanent should Agnico Eagle not be able to meet such obligations at such time.

The total value of these letters of credit are in the range of $100 Million pledged for reclamation liability, fish habitat compensation initiatives and various other forms of security (third party liability for the Baker Lake fuel tank farm, land use lease security, etc.). These letters of credit are deducted from Agnico Eagle's credit lines held by the banks, and are irrevocable letters of credit. Agnico Eagle currently reports available lines of credit of approximately $1 Billion.

Currently under the Type A Water Licence, the estimated reclamation liability for the Meadowbank Mine is $86.5 Million. This estimate was reviewed and agreed to by Agnico Eagle, INAC, and KivIA through the Type A Water Licence renewal process completed in 2015. Currently under the Meadowbank Type A Water Licence, Agnico Eagle has posted security for water related reclamation in the amount of $71.7 Million. Agnico Eagle has also posted an additional $86.5 Million in security for land reclamation with the KivIA under the Meadowbank KivIA production land use lease. Consequently Agnico Eagle has posted security of $158.2 Million for reclamation of the Meadowbank Mine site.

In addition to the security posted for Meadowbank operations, Agnico Eagle also posts security for the AEAR and advanced exploration activities at Amaruq under the Type B water licence as follows:

- $1.7 Million posted under 8BC-AEA1525 for the AEAR; and
- $3.8 Million posted under water licence 2BB-MEA1318 for advanced exploration activities at Amaruq.

For the purpose of the determination of security for this Application, Agnico Eagle would propose the NWB defer full consideration of security of project liability to the review of the Type A Water Application submitted to the NWB in June 2016 to avoid potential "double bonding".

7.4 Annual Reporting

Agnico Eagle confirms that it will file an annual report with the Board on March 31 of the year following the calendar year being reported as required by the Regulations. The annual report will contain the information as directed by the Board in the water licence.

7.5 Renewal or Amendments

Agnico Eagle does not foresee renewal of a licence related to this Application for pre-development works, but rather the incorporation of the licence into a Type A Water Licence if issued by the NWB for full development of the Project.

Agnico Eagle assumes that the AEAR will be completed upon issuance of this pre-development Type B Water Licence and thus requests that the same terms, conditions and mitigation measures of licence 8BC-AEA1525 be incorporated into this Type B water licence upon issuance.

Table 7.1: Existing Water Licenses Requested Modifications

Licence No.:	**2BB-MEA1318**
Project Name:	Meadowbank Advanced Exploration Project
Purpose:	Direct water use and deposit of waste
Date Expiry:	March 6, 2018
Location	approximately 70-125 km north of the Hamlet of Baker Lake within the Kivalliq Region, Nunavut
Scope:	prospecting geological mapping geophysical surveys diamond and reverse circulation drilling trenching and quarrying bulk sampling water crossings installation during road construction operation of Storm-water Management Pond development/construction of portal/ramp services and operations pads storage of waste rock and ore on pads fuel storage laydown/garage/office/warehouse area for the rump at Amaruq (IVR) Camp
Modification/ Clarification Requested:	1) NWB may decide to revise wording associated with Water Use to be more specific.
Licence No.:	**8BC-AEA1525**
Project Name:	Amaruq Exploration Access Road
Purpose:	Direct water use and deposit of waste
Date Expiry:	December 31, 2025
Location:	64.1 km long access road between the Amaruq exploration project site and the Meadowbank Mine site.
Scope:	Use of water and disposal of waste during construction, operation and decommissioning of a 62.5 km long by 6.5 m wide all-weather road between Meadowbank site and Amaruq Exploration site, including installation of water crossings (bridges, open bottomed arch culverts, and corrugated and localized drainage culverts).
Errata Clarification Requested:	2) None requested subject to NWB discretion as needed.

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APPENDIX A

Certificate of Incorporation/Corporate Registration

CANADA)

Province of Ontario)

To Wit)

TO ALL WHOM THESE PRESENTS

may come, be seen or known

I, R. Gregory Laing, a Notary Public, in and for the Province of Ontario, by Royal Authority duly appointed, residing at the Town of Oakville in said Province.

DO CERTIFY AND ATTEST that the paper-writing hereto annexed is a true copy of a document produced and shown to me purporting to be a:

> Certificate of Articles of Amalgamation of Agnico-Eagle Mines Limited dated August 1, 2007;

the said copy having been compared by me with the said original document, an act whereof being requested I have granted under my Notarial Form and Seal of Office to serve and avail as occasion shall or may require. This photocopy conforms to the original document that has not been altered in any way. **IN TESTIMONY WHEREOF I** have hereto subscribed my name and affixed my Notarial Seal of Office at Toronto this 17th day of October 2007.

A Notary Public in and for the
Province of Ontario
R. Gregory Laing
240 Dolphin Court
Oakville, Ontario
L6J 5S8
Canada

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario
1742273

1

Ministry of Government Services
Ontario

Ministère des Services gouvernementaux

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

AUGUST 01 AOÛT, 2007

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Form 4
Business Corporations Act

Formule 4
Loi sur les sociétés par actions

ARTICLES OF AMALGAMATION
STATUTS DE FUSION

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société issue de la fusion (écrire en LETTRES MAJUSCULES SEULEMENT) :

AGNICO-EAGLE MINES LIMITED/MIN
ES AGNICO-EAGLE LIMITÉE

2. The address of the registered office is:
Adresse du siège social :

145 King Street East, Suite 400

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Toronto	**Ontario**	M5C 2Y7
(Name of Municipality or Post Office) (Nom de la municipalité ou du bureau de poste)		(Postal Code / *Code postal*)

3. Number of directors is/are: **or** minimum and maximum number of directors is/are:
Nombre d'administrateurs : **ou** *nombres minimum et maximum d'administrateurs :*

Number **or** Nombre **ou**	minimum *minimum*	and *et*	maximum *maximum*
	5		12

4. The director(s) is/are:
Administrateur(s) :

First name, middle names and surname *Prénom, autres prénoms et nom de famille*	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code *Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal*	Resident Canadian State 'Yes' or 'No' *Résident canadien Oui/Non*
see page 1A attached		

07121 (08/2005)

First name, initials and last name	Residence Address	Resident Canadian yes or no
Pertti Voutilainen	Juannusmaki 11C 02200 Espoo Finland	No
Leanne Baker	480 Ridge Road Tiburon, California USA 94920	No
Douglas R. Beaumont	621 Sir Richards Road Mississauga, Ontario Canada L5C 1A2	Yes
Sean Boyd	1 Blue Ridge Trail, R.R. #3 Newmarket, Ontario Canada L3Y 4W3	Yes
Bernard Kraft	1166 Bay Street, Suite 1804 Toronto, Ontario Canada M5S 2S8	Yes
Mel Leiderman	15 Fifeshire Road Toronto, Ontario Canada M2L 2G4	Yes
James D. Nasso	67 Groomsport Cres. Agincourt, Ontario Canada M1T 2K8	Yes
Eberhard Scherkus	1183 Carey Road Oakville, Ontario Canada L6J 2E3	Yes
Howard Stockford	25 George Street, Suite 805 Toronto, Ontario Canada M5A 4L8	Yes

5. **Check A or B**
Cocher A ou B

☐ A) The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

A) Les actionnaires de chaque société qui fusionnne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la Loi sur les sociétés par actions *à la date mentionnée ci-dessous.*

or
ou

☒ B) The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

B) Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la Loi sur les sociétés par actions *à la date mentionnée ci-dessous.*

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations *Dénomination sociale des sociétés qui fusionnent*	Ontario Corporation Number *Numéro de la société en Ontario*	Date of Adoption/Approval *Date d'adoption ou d'approbation* Year / année Month / mois Day / jour
Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée	1495447	2007-Jul-27
Cumberland Resources Ltd.	528134	2007-Jul-27
Agnico-Eagle Acquisition Corporation	1740720	2007-Jul-27
Meadowbank Mining Corporation	1740721	2007-Jul-27

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue an unlimited number of shares of one class designated as common shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The holders of the common shares are entitled:

(a) to vote at all meetings of shareholders; and
(b) to receive the remaining property of the Corporation upon dissolution.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

not applicable

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

The board of directors may from time to time, in such amounts and on such terms as it deems expedient:

(a) borrow money on the credit of the Corporation;

(b) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation;

(c) charge, mortgage, hypothecate or pledge all or any of the currently-owned or subsequently-acquired real or personal, moveable or immoveable, property of the Corporation, including book debts, rights, powers, franchises and undertaking to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation.

The board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board above to such extent and in such manner as the board shall determine at the time of each such delegation.

The English form "Agnico-Eagle Mines Limited" and the French form "Mines Agnico-Eagle Limitée" of the name of the Corporation are equivalent and are used separately.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la Loi sur les sociétés par actions *constituent l'annexe A.*

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Names of the amalgamating corporations and signatures and descriptions of office of their proper officers.
Dénomination sociale des sociétés qui fusionnent, signature et fonction de leurs dirigeants régulièrement désignés.

AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

by: _____
Name: Robert Gregory Laing
Title: General Counsel, Senior Vice-President, Legal and Corporate Secretary

CUMBERLAND RESOURCES LTD.

by: _____
Name: Robert Gregory Laing
Title: Director

AGNICO-EAGLE ACQUISITION CORPORATION

by: _____
Name: Robert Gregory Laing
Title: Director

MEADOWBANK MINING CORPORATION

by: _____
Name: Robert Gregory Laing
Title: Director

SCHEDULE A

STATEMENT OF DIRECTOR OR OFFICER PURSUANT TO SUBSECTION 178(2) OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, Robert Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act").

2. I am the director, President and Secretary of Agnico-Eagle Acquisition Corporation (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

   (a) the Corporation is and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation, Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée, Meadowbank Mining Corporation and Cumberland Resources Ltd. will be able to pay its liabilities as they become due; and

   (b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 27th day of July, 2007.

Robert Gregory Laing

SCHEDULE A

STATEMENT OF DIRECTOR OR OFFICER PURSUANT TO SUBSECTION 178(2) OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, Robert Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act").

2. I am the director, President and Secretary of Meadowbank Mining Corporation (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

   (a) the Corporation is and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation, Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée, Agnico-Eagle Acquisition Corporation and Cumberland Resources Ltd. will be able to pay its liabilities as they become due; and

   (b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 27th day of July, 2007.

Robert Gregory Laing

SCHEDULE A

STATEMENT OF DIRECTOR OR OFFICER PURSUANT TO SUBSECTION 178(2) OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, Robert Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act").

2. I am the director, President and Secretary of Cumberland Resources Ltd. (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

(a) the Corporation is and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation, Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée, Agnico-Eagle Acquisition Corporation and Meadowbank Mining Corporation will be able to pay its liabilities as they become due; and

(b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 27th day of July, 2007.

Robert Gregory Laing

SCHEDULE A

STATEMENT OF DIRECTOR OR OFFICER PURSUANT TO SUBSECTION 178(2) OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, Robert Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act").

2. I am the General Counsel, Senior Vice-President, Legal and Corporate Secretary of Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

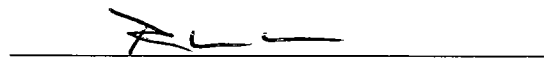
   (a) the Corporation is and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation, Meadowbank Mining Corporation, Agnico-Eagle Acquisition Corporation and Cumberland Resources Ltd. will be able to pay its liabilities as they become due; and

   (b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 27th day of July, 2007.



Robert Gregory Laing

SCHEDULE B

RESOLUTION OF THE DIRECTORS
OF
AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

"AMALGAMATION WITH AGNICO-EAGLE ACQUISITION CORPORATION, CUMBERLAND RESOURCES LTD. AND MEADOWBANK MINING CORPORATION

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") permits a holding corporation and one or more of its subsidiary corporations to amalgamate and continue as one corporation without complying with sections 175 and 176 of the Act;

AND WHEREAS Agnico-Eagle Acquisition Corporation ("Acquisition"), Cumberland Resources Ltd. ("Cumberland") and Meadowbank Mining Corporation ("Meadowbank") are subsidiary corporations of AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE (the "Corporation");

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and each of Acquisition, Cumberland and Meadowbank amalgamate and continue as one corporation pursuant to subsection 177(1) of the Act;

IT IS RESOLVED THAT:

1. the amalgamation (the "Amalgamation") of the Corporation, Acquisition, Cumberland and Meadowbank pursuant to the provisions of subsection 177(1) of the Act is hereby approved;

2. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of Acquisition, Cumberland and Meadowbank shall be cancelled without any repayment of capital in respect thereof;

3. except as may be prescribed by the Regulation under the Act, the articles of amalgamation of the corporation (the "Amalgamated Corporation") continuing from the Amalgamation shall be the same as the articles of the Corporation;

4. upon the Amalgamation becoming effective, the by-law of the Corporation as in effect immediately prior to the Amalgamation shall be the by-law of the Amalgamated Corporation;

5. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation;

6. any director or officer of the Corporation is hereby authorized and directed, for an in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of the Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

The undersigned General Counsel, Senior Vice-President, Legal and Corporate Secretary of AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE (the "Corporation") hereby certifies that the foregoing is a true and correct copy of a resolution passed by the directors of the Corporation on July 27, 2007, which resolution is in full force and effect as of the date hereof, unamended.

DATED July 27, 2007.

Robert Gregory Laing
General Counsel, Senior
Vice-President, Legal and
Corporate Secretary

SCHEDULE B

RESOLUTION OF THE DIRECTOR
OF
CUMBERLAND RESOURCES LTD.

AMALGAMATION WITH AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE, AGNICO-EAGLE ACQUISITION CORPORATION AND MEADOWBANK MINING CORPORATION

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") permits a holding corporation and one or more of its subsidiary corporations to amalgamate and continue as one corporation without complying with sections 175 and 176 of the Act;

AND WHEREAS CUMBERLAND RESOURCES LTD. (the "Corporation") is a subsidiary corporation of Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée ("Agnico") and Agnico-Eagle Acquisition Corporation ("Acquisition");

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and each of Acquisition, Agnico and Meadowbank Mining Corporation ("Meadowbank") amalgamate and continue as one corporation pursuant to subsection 177(1) of the Act;

IT IS RESOLVED THAT:

1. the amalgamation (the "Amalgamation") of the Corporation, Acquisition, Meadowbank and Agnico pursuant to the provisions of subsection 177(1) of the Act is hereby approved;

2. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of the Corporation shall be cancelled without any repayment of capital in respect thereof;

3. except as may be prescribed by the Regulation under the Act, the articles of amalgamation of the corporation (the "Amalgamated Corporation") continuing from the Amalgamation shall be the same as the articles of Agnico;

4. upon the Amalgamation becoming effective, the by-law of Agnico as in effect immediately prior to the Amalgamation shall be the by-law of the Amalgamated Corporation;

5. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation; and

6. any director or officer of the Corporation is authorized and directed, for and in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of the Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

The undersigned, being the sole director of CUMBERLAND RESOURCES LTD., passes the foregoing resolution pursuant to the *Business Corporations Act* (Ontario).

DATED July 27, 2007.

Robert Gregory Laing

SCHEDULE B

RESOLUTION OF THE DIRECTOR
OF
AGNICO-EAGLE ACQUISITION CORPORATION

AMALGAMATION WITH AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE, MEADOWBANK MINING CORPORATION AND CUMBERLAND RESOURCES LTD.

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") permits a holding corporation and one or more of its subsidiary corporations to amalgamate and continue as one corporation without complying with sections 175 and 176 of the Act;

AND WHEREAS AGNICO-EAGLE ACQUISITION CORPORATION (the "Corporation") is a wholly-owned subsidiary corporation of AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE ("Agnico");

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and each of Meadowbank Mining Corporation ("Meadowbank"), Agnico and Cumberland Resources Ltd. ("Cumberland") amalgamate and continue as one corporation pursuant to subsection 177(1) of the Act;

IT IS RESOLVED THAT:

1. the amalgamation (the "Amalgamation") of the Corporation, Meadowbank, Cumberland and Agnico pursuant to the provisions of subsection 177(1) of the Act is hereby approved;

2. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of the Corporation shall be cancelled without any repayment of capital in respect thereof;

3. except as may be prescribed by the Regulation under the Act, the articles of amalgamation of the corporation (the "Amalgamated Corporation") continuing from the Amalgamation shall be the same as the articles of Agnico;

4. upon the Amalgamation becoming effective, the by-law of Agnico as in effect immediately prior to the Amalgamation shall be the by-law of the Amalgamated Corporation;

5. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation; and

6. any director or officer of the Corporation is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of the Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

The undersigned, being the sole director of AGNICO-EAGLE ACQUISITION CORPORATION, passes the foregoing resolution pursuant to the *Business Corporations Act* (Ontario).

DATED July 27, 2007.

Robert Gregory Laing

SCHEDULE B

RESOLUTION OF THE DIRECTOR
OF
MEADOWBANK MINING CORPORATION

AMALGAMATION WITH AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE, AGNICO-EAGLE ACQUISITION CORPORATION AND CUMBERLAND RESOURCES LTD.

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") permits a holding corporation and one or more of its subsidiary corporations to amalgamate and continue as one corporation without complying with sections 175 and 176 of the Act;

AND WHEREAS MEADOWBANK MINING CORPORATION (the "Corporation") is a wholly-owned subsidiary corporation of CUMBERLAND RESOURCES LTD. ("Cumberland");

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and each of Agnico-Eagle Acquisition Corporation ("Acquisition"), Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée ("Agnico") and Cumberland amalgamate and continue as one corporation pursuant to subsection 177(1) of the Act;

IT IS RESOLVED THAT:

1. the amalgamation (the "Amalgamation") of the Corporation, Acquisition, Cumberland and Agnico pursuant to the provisions of subsection 177(1) of the Act is hereby approved;

2. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of the Corporation shall be cancelled without any repayment of capital in respect thereof;

3. except as may be prescribed by the Regulation under the Act, the articles of amalgamation of the corporation (the "Amalgamated Corporation") continuing from the Amalgamation shall be the same as the articles of Agnico;

4. upon the Amalgamation becoming effective, the by-law of Agnico as in effect immediately prior to the Amalgamation shall be the by-law of the Amalgamated Corporation;

5. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation; and

6. any director or officer of the Corporation is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of the Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

The undersigned, being the sole director of MEADOWBANK MINING CORPORATION, passes the foregoing resolution pursuant to the *Business Corporations Act* (Ontario).

DATED July 27, 2007.

Robert Gregory Laing

APPENDIX B

Audited Financial Statements

Agnico Eagle's audited financial statements are available on-line at:
https://s21.q4cdn.com/374334112/files/doc_downloads/agnico_downloads/financial_information/2016March-AACFS.pdf

Annual Audited Consolidated Financial Statements

(PREPARED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS)

AGNICO EAGLE

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors (the "Board") and Shareholders of Agnico Eagle Mines Limited:

We have audited Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (the "COSO criteria"). Agnico Eagle Mines Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification report on internal control over financial reporting. Our responsibility is to express an opinion on Agnico Eagle Mines Limited's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that revenues and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Agnico Eagle Mines Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Agnico Eagle Mines Limited as of December 31, 2015 and December 31, 2014, and the consolidated statements of income and comprehensive income, equity and cash flows for each of the years ended December 31, 2015 and December 31, 2014, and our report dated March 23, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 23, 2016

MANAGEMENT CERTIFICATION

Management of Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making this assessment, the Company's management used the criteria outlined by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework* issued in 2013. Based on its assessment, management concluded that, as of December 31, 2015, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 23, 2016

By /s/ SEAN BOYD

Sean Boyd
Vice-Chairman and
Chief Executive Officer

By /s/ DAVID SMITH

David Smith
Senior Vice-President, Finance and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board and Shareholders of Agnico Eagle Mines Limited:

We have audited the accompanying consolidated balance sheets of Agnico Eagle Mines Limited as of December 31, 2015 and December 31, 2014, and the related consolidated statements of income and comprehensive income, equity and cash flows for each of the years ended December 31, 2015 and December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Agnico Eagle Mines Limited at December 31, 2015 and December 31, 2014 and the consolidated results of its operations and its cash flows for each of the years ended December 31, 2015 and December 31, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated March 23, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 23, 2016

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

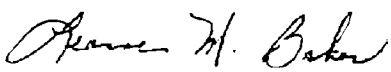
	As at December 31, 2015	As at December 31, 2014[(i)]
ASSETS		
Current assets:		
Cash and cash equivalents	$ 124,150	$ 177,537
Short-term investments	7,444	4,621
Restricted cash (note 7)	685	33,122
Trade receivables (notes 6 and 18)	7,714	59,716
Inventories (note 8)	461,976	446,660
Income taxes recoverable (note 24)	817	1,658
Available-for-sale securities (notes 6 and 9)	31,863	56,468
Fair value of derivative financial instruments (notes 6 and 21)	87	4,877
Other current assets (note 10(a))	194,689	123,401
Total current assets	829,425	908,060
Non-current assets:		
Restricted cash (note 7)	741	20,899
Goodwill (note 5)	696,809	696,809
Property, plant and mine development (note 11)	5,088,967	5,155,865
Other assets (note 10(b))	67,238	27,622
Total assets	$6,683,180	$6,809,255
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 12)	$ 243,786	$ 209,906
Reclamation provision (note 13)	6,245	6,769
Interest payable (note 15)	14,526	13,816
Income taxes payable (note 24)	14,852	19,328
Finance lease obligations (note 14(a))	9,589	22,142
Current portion of long-term debt (note 15)	14,451	52,182
Fair value of derivative financial instruments (notes 6 and 21)	8,073	8,249
Total current liabilities	311,522	332,392
Non-current liabilities:		
Long-term debt (note 15)	1,118,187	1,322,461
Reclamation provision (note 13)	276,299	249,917
Deferred income and mining tax liabilities (note 24)	802,114	797,192
Other liabilities (note 16)	34,038	38,803
Total liabilities	2,542,160	2,740,765
EQUITY		
Common shares (note 17):		
Outstanding – 218,028,368 common shares issued, less 377,573 shares held in trust	4,707,940	4,599,788
Stock options (notes 17 and 19)	216,232	200,830
Contributed surplus	37,254	37,254
Deficit	(823,734)	(779,382)
Accumulated other comprehensive income	3,328	10,000
Total equity	4,141,020	4,068,490
Total liabilities and equity	$6,683,180	$6,809,255
Commitments and contingencies (note 26)		

Note:

(i) As set out in Note 5, certain previously reported December 31, 2014 consolidated balance sheet line items have been updated to reflect adjusted final estimates of fair value related to the June 16, 2014 joint acquisition of Osisko Mining Corporation ("Osisko"), now Canadian Malartic Corporation.

On behalf of the Board:

Sean Boyd CPA, CA, Director



Dr. Leanne M. Baker, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(thousands of United States dollars, except per share amounts)

	Year Ended December 31,	
	2015	2014
REVENUES		
Revenues from mining operations (note 18)	$1,985,432	$1,896,766
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	995,295	1,004,559
Exploration and corporate development	110,353	56,002
Amortization of property, plant and mine development (note 11)	608,609	433,628
General and administrative	96,973	118,771
Impairment loss on available-for-sale securities (note 9)	12,035	15,763
Finance costs (note 15)	75,228	73,393
Loss on derivative financial instruments (note 21)	19,608	6,156
Gain on sale of available-for-sale securities (note 9)	(24,600)	(5,635)
Environmental remediation (note 13)	2,003	8,214
Foreign currency translation (gain) loss	(4,728)	3,781
Other expenses (income)	12,028	(7,004)
Income before income and mining taxes	82,628	189,138
Income and mining taxes expense (note 24)	58,045	106,168
Net income for the year	$ 24,583	$ 82,970
Net income per share – basic (note 17)	$ 0.11	$ 0.43
Net income per share – diluted (note 17)	$ 0.11	$ 0.39
Cash dividends declared per common share	$ 0.32	$ 0.32
COMPREHENSIVE INCOME		
Net income for the year	$ 24,583	$ 82,970
Other comprehensive income (loss):		
Items that may be subsequently reclassified to net income:		
Available-for-sale securities and other investments:		
Unrealized change in fair value of available-for-sale securities	4,822	(720)
Reclassification to impairment loss on available-for-sale securities (note 9)	12,035	15,763
Reclassification to gain on sale of available-for-sale securities (note 9)	(24,600)	(5,635)
Income tax impact of reclassification items (note 24)	1,684	(1,668)
Income tax impact of other comprehensive income (loss) items (note 24)	(613)	119
	(6,672)	7,859
Items that will not be subsequently reclassified to net income:		
Pension benefit obligations:		
Remeasurement losses of pension benefit obligations (note 16(a))	(205)	(858)
Income tax impact (note 24)	32	233
	(173)	(625)
Other comprehensive income (loss) for the year	(6,845)	7,234
Comprehensive income for the year	$ 17,738	$ 90,204

Note:

(i) Exclusive of amortization, which is shown separately.

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

(thousands of United States dollars, except share and per share amounts)

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance December 31, 2013	173,953,975	$3,294,007	$184,078	$ 37,254	$(800,074)	$ 2,141	$2,717,406
Net income	–	–	–	–	82,970	–	82,970
Other comprehensive income (loss)	–	–	–	–	(625)	7,859	7,234
Total comprehensive income	–	–	–	–	82,345	7,859	90,204
Transactions with owners:							
Shares issued under employee stock option plan (notes 17 and 19(a))	582,925	21,083	(4,089)	–	–	–	16,994
Stock options (notes 17 and 19(a))	–	–	20,841	–	–	–	20,841
Shares issued under incentive share purchase plan (note 19(b))	517,721	15,543	–	–	–	–	15,543
Shares issued under dividend reinvestment plan	262,360	7,654	–	–	–	–	7,654
Shares issued for joint acquisition of Osisko (note 5)	34,794,843	1,164,237	–	–	–	–	1,164,237
Common shares held by a depository relating to CMGP Convertible Debentures previously issued by Osisko (notes 5 and 15)	(871,680)	(29,166)	–	–	–	–	(29,166)
Shares issued for Cayden acquisition (note 5)	4,853,875	121,655	–	–	–	–	121,655
Dividends declared ($0.32 per share)	–	–	–	–	(61,653)	–	(61,653)
Restricted Share Unit plan (notes 17 and 19(c))	142,215	4,775	–	–	–	–	4,775
Balance December 31, 2014	214,236,234	$4,599,788	$200,830	$ 37,254	$(779,382)	$10,000	$4,068,490
Net income	–	–	–	–	24,583	–	24,583
Other comprehensive loss	–	–	–	–	(173)	(6,672)	(6,845)
Total comprehensive income (loss)	–	–	–	–	24,410	(6,672)	17,738
Transactions with owners:							
Shares issued under employee stock option plan (notes 17 and 19(a))	747,683	22,326	(4,654)	–	–	–	17,672
Stock options (notes 17 and 19(a))	–	–	20,056	–	–	–	20,056
Shares issued under incentive share purchase plan (note 19(b))	512,438	14,033	–	–	–	–	14,033
Shares issued under dividend reinvestment plan	345,734	9,305	–	–	–	–	9,305
Shares issued for joint acquisition of Malartic CHL property (note 5)	459,197	13,441	–	–	–	–	13,441
Shares issued for acquisition of Soltoro Ltd. (note 5)	770,429	24,351	–	–	–	–	24,351
Shares issued to settle CMGP Convertible Debentures previously issued by Osisko (note 15)	871,680	24,779	–	–	–	–	24,779
Dividends declared ($0.32 per share)	–	–	–	–	(68,762)	–	(68,762)
Restricted Share Unit plan and Long Term Incentive Plan ("LTIP") (notes 17 and 19(c))	(292,600)	(83)	–	–	–	–	(83)
Balance December 31, 2015	217,650,795	$4,707,940	$216,232	$ 37,254	$(823,734)	$ 3,328	$4,141,020

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars)

	Year Ended December 31,	
	2015	**2014**
OPERATING ACTIVITIES		
Net income for the year	$ 24,583	$ 82,970
Add (deduct) items not affecting cash:		
Amortization of property, plant and mine development (note 11)	608,609	433,628
Deferred income and mining taxes (note 24)	6,550	37,058
Gain on sale of available-for-sale securities (note 9)	(24,600)	(5,635)
Stock-based compensation (note 19)	35,822	37,565
Impairment loss on available-for-sale securities (note 9)	12,035	15,763
Foreign currency translation (gain) loss	(4,728)	3,781
Other	3,145	23,430
Adjustment for settlement of reclamation provision	(1,385)	(4,160)
Changes in non-cash working capital balances:		
Trade receivables	52,019	17,237
Income taxes	(2,333)	30,771
Inventories	(40,547)	(1,354)
Other current assets	(74,106)	787
Accounts payable and accrued liabilities	20,464	(3,391)
Interest payable	710	(126)
Cash provided by operating activities	616,238	668,324
INVESTING ACTIVITIES		
Additions to property, plant and mine development (note 11)	(449,758)	(475,412)
Acquisitions, net of cash and cash equivalents acquired (note 5)	(12,983)	(400,032)
Net purchases of short-term investments	(2,823)	(2,404)
Net proceeds from sale of available-for-sale securities and warrants (note 9)	61,075	44,692
Purchase of available-for-sale securities and warrants (note 9)	(19,815)	(27,246)
Decrease in restricted cash (note 7)	49,785	8,783
Cash used in investing activities	(374,519)	(851,619)
FINANCING ACTIVITIES		
Dividends paid	(59,512)	(54,065)
Repayment of finance lease obligations (note 14(a))	(23,657)	(21,453)
Sale-leaseback financing (note 14(a))	–	1,027
Proceeds from long-term debt	436,000	1,010,000
Repayment of long-term debt	(697,086)	(724,050)
Note issuance (note 15)	50,000	–
Long-term debt financing (note 15)	(1,689)	(2,127)
Repurchase of common shares for Restricted Share Unit plan (notes 17 and 19(c))	(11,899)	(7,518)
Proceeds on exercise of stock options (note 19(a))	17,672	16,994
Common shares issued (note 17)	9,411	10,428
Cash (used in) provided by financing activities	(280,760)	229,236
Effect of exchange rate changes on cash and cash equivalents	(14,346)	(7,505)
Net (decrease) increase in cash and cash equivalents during the year	(53,387)	38,436
Cash and cash equivalents, beginning of year	177,537	139,101
Cash and cash equivalents, end of year	$ 124,150	$ 177,537
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid (note 15)	$ 69,414	$ 67,632
Income and mining taxes paid	$ 81,112	$ 51,302

See accompanying notes

AGNICO EAGLE MINES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

December 31, 2015

1. CORPORATE INFORMATION

Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development. The Company's mining operations are located in Canada, Mexico and Finland and the Company has exploration activities in Canada, Europe, Latin America and the United States. Agnico Eagle is a public company incorporated under the laws of the Province of Ontario, Canada with its head and registered office located at 145 King Street East, Suite 400, Toronto, Ontario, M5C 2Y7. The Company is listed on the Toronto Stock Exchange and the New York Stock Exchange. Agnico Eagle sells its gold production into the world market.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on March 23, 2016.

2. BASIS OF PRESENTATION

A) Statement of Compliance

The accompanying consolidated financial statements of Agnico Eagle have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in United States ("US") dollars.

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. Significant accounting policies are presented in note 3 to these consolidated financial statements and have been consistently applied in each of the periods presented.

B) Basis of Presentation

Subsidiaries

These consolidated financial statements include the accounts of Agnico Eagle and its consolidated subsidiaries. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation. Subsidiaries are consolidated where Agnico Eagle has the ability to exercise control. Control of an investee exists when Agnico Eagle is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Joint Arrangements

A joint arrangement is defined as an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement between two or more parties. This exists only when the decisions about the relevant activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. These consolidated financial statements include the Company's interests in the assets, liabilities, revenues and expenses of the joint operations, from the date that joint control commenced. Agnico Eagle's 50% interest in Canadian Malartic Corporation and Canadian Malartic GP, the general partnership that holds the Canadian Malartic mine located in Quebec, has been accounted for as a joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

In a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Preliminary fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those preliminary fair values effective as at the acquisition date. As set out in Note 5 to these consolidated financial statements, certain previously reported December 31, 2014 consolidated balance sheet line items have been updated to reflect final estimates of fair value related to the June 16, 2014 joint acquisition of Osisko. Acquisition related costs are expensed as incurred.

Purchase consideration may also include amounts payable if future events occur or conditions are met. Any such contingent consideration is measured at fair value and included in the purchase consideration at the acquisition date. Subsequent changes to the estimated fair value of contingent consideration are recorded through the consolidated statements of income, unless the preliminary fair value of contingent consideration as at the acquisition date is finalized before the twelve month measurement period in which case the adjustment is allocated to the identifiable assets acquired and liabilities assumed retrospectively to the acquisition date.

Where the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. A gain is recorded through the consolidated statements of income if the cost of the acquisition is less than the fair values of the identifiable net assets acquired.

Non-controlling interests represent the fair value of net assets in subsidiaries that are not held by the Company as at the date of acquisition. Non-controlling interests are presented in the equity section of the consolidated balance sheets.

In a business combination achieved in stages, the Company remeasures any previously held equity interest at its acquisition date fair value and recognizes any gain or loss in the consolidated statements of income.

B) Non-current Assets and Disposal Groups Held For Sale and Discontinued Operations

The Company classifies a non-current asset or disposal group as held for sale if it is highly probable that they will be sold in their current condition within one year from the date of classification. Assets and disposal groups that meet the criteria to be classified as an asset held for sale are measured at the lower of carrying amount and fair value less costs to dispose and the Company stops amortizing such assets from the date they are classified as held for sale. Assets and disposal groups that meet the criteria to be classified as held for sale are presented separately in the consolidated balance sheets.

If the carrying amount of the asset prior to being classified as held for sale is greater than the fair value less costs to dispose, the Company recognizes an impairment loss. Any subsequent change in the measurement amount of items classified as held for sale is recognized as a gain, to the extent of any cumulative impairment charges previously recognized to the related asset or disposal group, or as a further impairment loss.

A discontinued operation is a component of the Company that can be clearly distinguished from the rest of the entity, both operationally and for financial reporting purposes, that has been disposed of or is classified as held for sale and represents: a) a separate significant line of business or geographical area of operations; b) a part of a single co-ordinated plan to dispose of an area of operations; or c) a subsidiary acquired exclusively for resale. The results of the disposal groups or regions which are discontinued operations are presented separately in the consolidated statements of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Foreign Currency Translation

The functional currency of the Company, for each subsidiary and for joint arrangements, is the currency of the primary economic environment in which it operates. The functional currency of all of the Company's operations is the US dollar.

Once the Company determines the functional currency of an entity, it is not changed unless there is a change in the relevant underlying transactions, events and circumstances. Any change in an entity's functional currency is accounted for prospectively from the date of the change, and the consolidated balance sheets are translated using the exchange rate at that date.

At the end of each reporting period, the Company translates foreign currency balances as follows:

- Monetary items are translated at the closing rate in effect at the consolidated balance sheet date;
- Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Items measured at fair value are translated at the exchange rate in effect at the date the fair value was measured; and
- Revenue and expense items are translated using the average exchange rate during the period.

D) Cash and Cash Equivalents

The Company's cash and cash equivalents include cash on hand and short-term investments in money market instruments with remaining maturities of three months or less at the date of purchase. The Company places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings.

E) Short-term Investments

The Company's short-term investments include financial instruments with remaining maturities of greater than three months but less than one year at the date of purchase. Short-term investments are designated as held to maturity for accounting purposes and are carried at amortized cost, which approximates market value given the short-term nature of these investments.

F) Inventories

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventories are carried at the lower of cost and net realizable value ("NRV"). Cost is determined using the weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories includes direct costs of materials and labour related directly to mining and processing activities, including production phase stripping costs, amortization of property, plant and mine development directly involved in the related mining and production process, amortization of any stripping costs previously capitalized and directly attributable overhead costs. When interruptions to production occur, an adjustment is made to the costs included in inventories, such that they reflect normal capacity. Abnormal costs are expensed in the period they are incurred.

The current portion of ore stockpiles, ore in leach pads and inventories is determined based on the expected amounts to be processed within the next twelve months. Ore stockpiles, ore on leach pads and inventories not expected to be processed or used within the next twelve months are classified as long-term.

NRV is estimated by calculating the net selling price less costs to be incurred in converting the relevant inventories to saleable product and delivering it to a customer. Costs to complete are based on management's best estimate as

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

at the consolidated balance sheet date. An NRV impairment may be reversed in a subsequent period if the circumstances that triggered the impairment no longer exist.

G) Financial Instruments

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt (including convertible debentures) and derivative financial instruments. All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as trade receivables, accounts payable and accrued liabilities and long-term debt (excluding convertible debentures) are measured at amortized cost using the effective interest method. Other financial assets and liabilities are recorded at fair value through the consolidated statements of income.

Available-for-sale Securities

The Company's investments in available-for-sale securities consist primarily of investments in common shares of entities in the mining industry recorded using trade date accounting. Investments are designated as available-for-sale based on the criteria that the Company does not hold these for trading purposes. The cost basis of available-for-sale securities is determined using the average cost method and they are carried at fair value. Unrealized gains and losses recorded to measure available-for-sale securities at fair value are recognized in other comprehensive income.

In the event that a decline in the fair value of an investment in available-for-sale securities occurs and the decline in value is considered to be significant or prolonged, an impairment charge is recorded in the consolidated statements of income and comprehensive income. The Company assesses whether a decline in value is considered to be significant or prolonged by considering available evidence, including changes in general market conditions, specific industry and investee data, the length of time and the extent to which the fair value has been less than cost and the financial condition of the investee.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. The Company does not hold financial instruments or derivative financial instruments for trading purposes.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in the consolidated statements of income and comprehensive income or in equity as a component of accumulated other comprehensive income, depending on the nature of the derivative financial instrument and whether it qualifies for hedge accounting. Financial instruments designated as hedges are tested for effectiveness at each reporting period. Realized gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

H) Goodwill

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair values of the identifiable net assets acquired. Goodwill is then allocated to the cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

I) Mining Properties, Plant and Equipment and Mine Development Costs

Mining properties, plant and equipment and mine development costs are recorded at cost, less accumulated amortization and accumulated impairment losses.

Mining Properties

The cost of mining properties includes the fair value attributable to proven and probable mineral reserves and mineral resources acquired in a business combination or asset acquisition, underground mine development costs, deferred stripping, capitalized exploration and evaluation costs and capitalized borrowing costs.

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when commercial production commences, using the units-of-production method, based on estimated proven and probable mineral reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined that the property has no future economic value. Cost components of a specific project that are included in the capital cost of the asset include salaries and wages directly attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Upon achieving the production stage, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period. Amortization is charged according to either the units-of-production method or on a straight-line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on estimated mine lives as determined by proven and probable mineral reserves. Remaining mine lives at December 31, 2015 range from 1 to 20 years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mine Development Costs

Mine development costs incurred after the commencement of commercial production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enables the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- It is probable that the future economic benefit (*e.g.*, improved access to the ore body) associated with the stripping activity will flow to the Company;
- The Company can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Company are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

equal to the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest rate method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statement of income as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income on a straight-line basis over the lease term.

J) Development Stage Expenditures

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- Completion of a reasonable period of testing mine plant and equipment;
- Ability to produce minerals in saleable form (within specifications); and
- Ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

K) Impairment of Long-lived Assets

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. The impairment loss related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying amounts.

Any impairment charge that is taken on a long-lived asset except goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, a recovery should be recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. Impairments and subsequent reversals are recorded in the consolidated statement of income in the period in which they occur.

L) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between the amounts received and the redemption value of the debt is recognized in the consolidated statements of income over the period to maturity using the effective interest rate method. Convertible debentures are accounted for as a financial liability measured at fair value in the consolidated statements of income.

M) Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in financing costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income.

Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the quantities of material in proven and probable mineral reserves and a corresponding change in the life-of-mine plan, changing ore characteristics that impact required environmental protection measures and related costs, changes in water quality that impact the extent of water treatment required and changes in laws and regulations governing the protection of the environment.

Each reporting period, provisions for AROs are remeasured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income. Upon settlement of an ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income.

N) Post-employment Benefits

In Canada, the Company maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10.0% of the designated executives' income is contributed by the Company. The Company does not offer any other post-retirement benefits to its employees.

The Company also provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided (including the cost of any benefits provided for past service), the net interest cost on the net defined liability/asset, and the effects of settlements and curtailments related to special events. Pension fund assets are measured at their current fair values. The costs of pension plan improvements are recognized immediately in expense when they occur. Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income (loss) and are subsequently transferred to retained earnings.

Defined Contribution Plan

The Company recognizes the contributions payable to a defined contribution plan in exchange for services rendered by employees as an expense, unless another policy requires or permits the inclusion of the contribution in the cost of an asset. After deducting contributions already paid, a liability is recorded throughout each period to reflect unpaid but earned contributions. If the contribution paid exceeds the contribution due for the service before the end of the reporting period, the Company recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service costs from plan amendments that increase or decrease vested or unvested

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

benefits are recognized immediately in net income at the earlier of when the related plan amendment occurs or when the entity recognizes related restructuring costs or termination benefits.

Gains or losses on plan settlements are measured as the difference in the present value of the defined benefit obligation and settlement price. This results in a gain or loss being recognized when the benefit obligation settles. Actuarial gains and losses are recorded on the consolidated balance sheets as part of the benefit plan's funded status. Gains and losses are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings and are not subsequently recognized in net income.

O) Contingent Liabilities and Other Provisions

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date, measured using the expected cash flows discounted for the time value of money. The increase in provision (accretion) due to the passage of time is recognized as a finance cost in the consolidated statements of income.

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because it is not probable that an outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

P) Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan and Restricted Share Unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income and comprehensive income or in the consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income per

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the participants) of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees including senior executives of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Q) Revenue Recognition

Revenue from mining operations consists of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from by-product metal sales are shown net of smelter charges as part of revenues from mining operations.

Revenue from the sale of gold and silver is recognized when the following conditions have been met:

- The Company has transferred to the buyer the significant risks and rewards of ownership;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from gold and silver in the form of dore bars is recorded when the refined gold or silver is sold and delivered to the customer. Generally, all of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

Under the terms of the Company's concentrate sales contracts with third-party smelters, final prices for the metals contained in the concentrate are determined based on the prevailing spot market metal prices on a specified future date, which is established as of the date that the concentrate is delivered to the smelter. The Company records revenues under these contracts based on forward prices at the time of delivery, which is when the risks and rewards of ownership of the concentrate passes to the third-party smelters. The terms of the contracts result in differences between the recorded estimated price at delivery and the final settlement price. These differences are adjusted through revenue at each subsequent financial statement date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless it can be demonstrated that the project will generate future economic benefit. When it is determined that a project can generate future economic benefit the costs are capitalized in the property, plant and mine development line item of the consolidated balance sheets.

The exploration and evaluation phase ends when the technical feasibility and commercial viability of extracting the mineral is demonstrable.

S) Net Income Per Share

Basic net income per share is calculated by dividing net income for a given period by the weighted average number of common shares outstanding during that same period. Diluted net income per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights. Convertible debt is dilutive whenever its impact on net income, including mark-to-market gains (losses), interest and tax expense, per ordinary share obtainable on conversion is less than basic net income per share. The weighted average number of common shares used to determine diluted net income per share includes an adjustment, using the treasury stock method, for stock options outstanding. Under the treasury stock method:

- The exercise of options is assumed to occur at the beginning of the period (or date of issuance, if later);
- The proceeds from the exercise of options plus the future period compensation expense on options granted are assumed to be used to purchase common shares at the average market price during the period; and
- The incremental number of common shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income per share calculation.

T) Income Taxes

Current tax and deferred tax expenses are recognized in the consolidated statements of income except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income (loss).

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

Deferred taxes are not recognized in the following circumstances:

- Where the deferred tax liability arises from the initial recognition of goodwill;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Where the deferred tax asset or liability arises on the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither net income nor income before income and mining taxes; and
- For temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused losses carried forward and deductible temporary differences to the extent that it is probable that future taxable net income will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable net income will allow the deferred tax assets to be recovered.

Recently Issued Accounting Pronouncements

IFRS 9 – Financial Instruments

In July 2014, the IASB issued IFRS 9 – *Financial Instruments* which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 – *Financial Instruments: Recognition and Measurement*. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early adoption permitted. Agnico Eagle is evaluating the impact of the adoption of IFRS 9 on the Company's consolidated financial statements along with the timing of adoption.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*, which establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2018, with earlier adoption permitted. Agnico Eagle is evaluating the impact of the adoption of IFRS 15 on the Company's consolidated financial statements along with the timing of adoption.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – *Leases* which brings most leases on-balance sheet for lessees by eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17 – *Leases* and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. Agnico Eagle is currently evaluating the impact of the adoption of IFRS 16 on the Company's consolidated financial statements along with the timing of adoption.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Proven and Probable Mineral Reserves

Proven and probable mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The estimates are based on information compiled by "qualified persons" as defined under the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Such an analysis relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates requires complex geological judgments to interpret the data. The estimation of recoverable proven and probable mineral reserves is based upon factors such as estimates of commodity prices, future capital requirements and production costs, geological assumptions and judgments made in estimating the size and grade of the ore body and foreign exchange rates.

As the economic assumptions used may change and as additional geological information is acquired during the operation of a mine, estimates of proven and probable mineral reserves may change. Such changes may impact the Company's consolidated balance sheets and consolidated statements of income and comprehensive income, including:

- The carrying value of the Company's property, plant and mine development and goodwill may be affected due to changes in estimated future cash flows;
- Amortization charges in the consolidated statements of income and comprehensive income may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted; and
- Reclamation provisions may change where changes to the proven and probable mineral reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely to arise and whether activities have reached a stage that permits a reasonable assessment of the existence of proven and probable mineral reserves.

Production Stage of a Mine

As each mine is unique, significant judgment is required to determine the date that a mine enters the production stage. The Company considers the factors outlined in note 3 to these consolidated financial statements to make this determination.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Reclamation Provisions

Environmental remediation costs will be incurred by the Company at the end of the operating life of the Company's mining properties. Management assesses its reclamation provision each reporting period or when new information becomes available. The ultimate environmental remediation costs are uncertain and cost estimates can vary in response to many factors, including estimates of the extent and costs of reclamation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amount of the current provision. As a result, there could be significant adjustments to the provisions established that would affect future financial results. The reclamation provision as at the reporting date represents management's best estimate of the present value of the future environmental remediation costs required.

Income and Mining Taxes

Management is required to make estimates regarding the tax basis of assets and liabilities and related deferred income and mining tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income and mining tax expense, and estimates of the timing of repatriation of income. Several of these estimates require management to make assessments of future taxable profit and, if actual results are significantly different than the Company's estimates, the ability to realize the deferred income and mining tax assets recorded on the consolidated balance sheets could be affected.

Impairment of Goodwill and Non-current Assets

The Company evaluates each asset or CGU (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine if any indicators of impairment exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, exploration potential, and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reduced with the impact recognized in the consolidated statements of income and comprehensive income.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

Management evaluated its joint arrangement with Yamana Gold Inc. ("Yamana") to each acquire 50.0% of the shares of Osisko (now Canadian Malartic Corporation) under the principles of IFRS 11 *Joint Arrangements*. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- The requirement that the joint operators purchase all output from the investee and investee restrictions on selling the output to any third party;

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

- The parties to the arrangement are substantially the only source of cash flow contributing to the continuity of the arrangement; and
- If the selling price drops below cost, the joint operators are required to cover any obligations the entity cannot satisfy.

5. ACQUISITIONS

Gunnarn Mining AB

On June 11, 2015, Agnico Eagle Sweden AB ("AE Sweden") an indirect wholly-owned subsidiary of the Company, acquired 55.0% of the issued and outstanding common shares of Gunnarn Mining AB ("Gunnarn") from Orex Minerals Inc. ("Orex"), by way of a share purchase agreement (the "Gunnarn SPA"). The operation and governance of Gunnarn and the Barsele project are governed by a joint venture agreement among the Company, AE Sweden, Orex and Gunnarn (the "Gunnarn JVA").

Under the Gunnarn SPA, the consideration for the acquisition of the 55.0% of Gunnarn's outstanding common shares was $10.0 million, comprised of $6.0 million in cash payable at closing and payments of $2.0 million in cash or, at AE Sweden's sole discretion, shares of the Company on each of the first and second anniversary of the closing. Under the Gunnarn JVA, AE Sweden committed to incur an aggregate of $7.0 million of exploration expenses at the Barsele project by June 11, 2018, 45.0% or $3.1 million of which is considered accrued purchase consideration. Accordingly, the Company's total purchase consideration for the acquisition of its 55.0% interest in Gunnarn was $13.1 million. AE Sweden may earn an additional 15.0% interest in Gunnarn under the Gunnarn JVA if it completes a feasibility study in respect of the Barsele project.

The Gunnarn JVA also provides AE Sweden with the right to nominate a majority of the members of the board of directors of Gunnarn (based on current shareholdings) and AE Sweden is the sole operator of the Barsele project and paid customary management fees.

In connection with the transaction, Orex also obtained a 2.0% net smelter return royalty on production from the Barsele property, which the Company may repurchase at any time for $5.0 million.

The Gunnarn acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.6 million were capitalized to the mining properties acquired.

5. ACQUISITIONS (Continued)

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:	
Cash paid for acquisition	$ 5,994
Accrued consideration	7,150
Total purchase price to allocate	$13,144

Fair value of assets acquired and liabilities assumed:	
Mining properties	$20,021
Cash and cash equivalents	3
Other current assets	35
Accounts payable and accrued liabilities	(80)
Long-term debt	(29)
Other liabilities	(6,806)
Net assets acquired	$13,144

Soltoro Ltd.

On June 9, 2015, the Company acquired all of the issued and outstanding common shares of Soltoro Ltd. ("Soltoro"), including common shares issuable on the exercise of Soltoro's outstanding options and warrants, by way of a plan of arrangement under the *Canada Business Corporations Act* (the "Soltoro Arrangement"). At the time of its acquisition, Soltoro was a TSX Venture listed exploration company focused on the discovery of precious metals in Mexico.

Each outstanding share of Soltoro was exchanged under the Soltoro Arrangement for: (i) C$0.01 in cash; (ii) 0.00793 of an Agnico Eagle common share; and (iii) one common share of Palamina Corp., a company that was newly formed in connection with the Soltoro Arrangement.

Pursuant to the Soltoro Arrangement, Soltoro transferred all mining properties located outside of the state of Jalisco, Mexico to Palamina Corp., and retained all mining properties located within the state of Jalisco, Mexico. Agnico Eagle had no interest in Palamina Corp. upon the closing of the Soltoro Arrangement.

Agnico Eagle's total purchase price of $26.7 million was comprised of $2.4 million in cash, including $1.6 million in cash contributed to Palamina Corp., and 770,429 Agnico Eagle common shares issued from treasury. The Soltoro acquisition was accounted for as an asset acquisition and transaction costs associated with the acquisition totaling $1.4 million were capitalized to the mining properties acquired separately from the purchase price allocation set out below.

5. ACQUISITIONS (Continued)

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:	
Cash paid for acquisition	$ 2,366
Agnico Eagle common shares issued for acquisition	24,351
Total purchase price to allocate	$26,717

Fair value of assets acquired and liabilities assumed:	
Mining properties	$27,053
Cash and cash equivalents	2,375
Available-for-sale securities	17
Other current assets	130
Plant and equipment	33
Accounts payable and accrued liabilities	(1,134)
Other current liabilities	(1,757)
Net assets acquired	$26,717

Malartic CHL Property

On March 19, 2015, Agnico Eagle, Yamana and Canadian Malartic GP completed the purchase of a 30.0% interest in the Malartic CHL property from Abitibi Royalties Inc. ("Abitibi") in exchange for 459,197 Agnico Eagle common shares, 3,549,695 Yamana common shares and 3.0% net smelter return royalties to each of Abitibi and Osisko Gold Royalties Ltd. on the Malartic CHL property. Total Agnico Eagle common share consideration issued was valued at $13.4 million based on the closing price of the common shares on March 18, 2015. The Malartic CHL property is located adjacent to the Company's jointly owned Canadian Malartic mine and the remaining 70.0% interest in the Malartic CHL property was jointly acquired through the June 16, 2014 acquisition of Osisko (the predecessor to Canadian Malartic Corporation). Concurrent with the transaction closing, each of Abitibi, Agnico Eagle, Yamana, Canadian Malartic GP and Canadian Malartic Corporation released and discharged the others with respect to all proceedings previously commenced by Abitibi with respect to the Malartic CHL property. As a result of the transaction, Agnico Eagle and Yamana jointly own a 100% interest in the Malartic CHL property through their respective indirect interests in Canadian Malartic GP.

Cayden Resources Inc.

On November 28, 2014, the Company acquired all of the issued and outstanding common shares of Cayden Resources Inc. ("Cayden"), including common shares issued on the exercise of Cayden's then outstanding options and warrants, pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). At the time of its acquisition, Cayden was a TSX Venture listed exploration company focused on the discovery of precious metals in Mexico.

The total purchase price of $122.1 million was comprised of $0.5 million in cash and 4,853,875 Agnico Eagle common shares issued from treasury. The Cayden acquisition was accounted for as an asset acquisition and transaction costs associated with the acquisition totaling $3.2 million were capitalized to the mining properties acquired.

5. ACQUISITIONS (Continued)

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:	
Cash paid for acquisition	$ 476
Agnico Eagle common shares issued for acquisition	121,655
Total purchase price to allocate	$122,131
Fair value of assets acquired and liabilities assumed:	
Mining properties	$117,178
Cash and cash equivalents	3,953
Trade receivables	141
Income taxes recoverable	1,942
Other current assets	129
Plant and equipment	68
Accounts payable and accrued liabilities	(1,280)
Net assets acquired	$122,131

Osisko Mining Corporation

On June 16, 2014, Agnico Eagle and Yamana jointly acquired 100.0% of the issued and outstanding shares of Osisko by way of a court-approved plan of arrangement (the "Osisko Arrangement") under the *Canada Business Corporations Act*. Under the Osisko Arrangement, Agnico Eagle and Yamana each indirectly acquired 50.0% of Osisko's issued and outstanding shares. As part of the Osisko Arrangement, the Canadian Malartic mine in Quebec was transferred to the newly formed Canadian Malartic GP in which each of Agnico Eagle and Yamana have an indirect 50.0% interest. Agnico Eagle and Yamana will also jointly explore the Kirkland Lake assets, the Hammond Reef project and the Pandora and Wood-Pandora properties through their indirect joint ownership of Canadian Malartic Corporation (the successor to Osisko). Together, the acquired properties constitute the Canadian Malartic joint operation segment (see note 22 to these consolidated financial statements for details).

Each outstanding share of Osisko was exchanged under the Osisko Arrangement for: (i) C$2.09 in cash (Agnico Eagle's 50.0% share was C$1.045); (ii) 0.07264 of an Agnico Eagle common share (a value of C$2.64 based on the closing price of C$36.29 for Agnico Eagle common shares on the Toronto Stock Exchange as of June 16, 2014); (iii) 0.26471 of a Yamana common share; and (iv) 0.1 of one common share of Osisko Gold Royalties Ltd., a company that was newly formed in connection with the Osisko Arrangement that is now traded on the Toronto Stock Exchange.

Pursuant to the Osisko Arrangement, the following assets of Osisko were transferred to Osisko Gold Royalties Ltd.: (i) a 5.0% net smelter royalty on the Canadian Malartic mine; (ii) C$157.0 million in cash; (iii) a 2.0% net smelter royalty on the Kirkland Lake assets, the Hammond Reef project, and certain other exploration properties retained by Canadian Malartic Corporation; (iv) all assets and liabilities of Osisko in its Guerrero camp in Mexico; and (v) certain other investments and assets.

5. ACQUISITIONS (Continued)

Agnico Eagle has recognized its interest in the assets, liabilities, revenues and expenses of Osisko in accordance with the Company's rights and obligations prescribed by the Osisko Arrangement, as the joint arrangement was determined to be a joint operation under IFRS.

Agnico Eagle's transaction costs associated with the acquisition totaling $16.7 million were expensed through the general and administrative line item of the annual audited consolidated statements of income and comprehensive income for the year ended December 31, 2014.

Agnico Eagle's share of the June 16, 2014 purchase price of Osisko was comprised of the following:

Cash paid for acquisition	$ 462,728
Agnico Eagle common shares issued for acquisition	1,135,071
Total Agnico Eagle purchase price to allocate	$1,597,799

A fair value approach was applied by management in developing estimates of the fair value of identifiable assets and liabilities contributed to the newly formed Osisko joint operation. These estimates of fair value have now been finalized as all relevant information about facts and circumstances that existed at the acquisition date have been received.

Certain previously reported Agnico Eagle consolidated balance sheet line items as at December 31, 2014 were updated to reflect adjusted final estimates of the fair value of identifiable assets acquired and liabilities assumed related to the June 16, 2014 joint acquisition of Osisko. As a result of new information obtained about the facts and circumstances that existed as of the Osisko acquisition date, the following adjustments were recorded to both the adjusted final purchase price allocation and the December 31, 2014 balance sheet as previously reported: the property, plant and mine development line item decreased by $145.6 million; the goodwill line item (not deductible for tax purposes) increased by $114.3 million; the accounts payable and accrued liabilities line item increased by $3.7 million and the deferred income and mining tax liabilities line item decreased by $35.0 million.

5. ACQUISITIONS (Continued)

The following table sets out the allocation of Agnico Eagle's share of the purchase price to attributable assets acquired and liabilities assumed pursuant to the Osisko Arrangement, based on management's previously reported preliminary estimates of fair value and adjusted final estimates of fair value:

Fair value of assets acquired and liabilities assumed:

	Preliminary[(i)]	Adjustments	Adjusted Final
Property, plant and mine development	$1,452,148	$(145,631)	$1,306,517
Goodwill[(ii)]	543,444	114,348	657,792
Cash and cash equivalents	59,219	–	59,219
Restricted cash	35,528	–	35,528
Trade receivables[(iii)]	9,653	–	9,653
Inventories	51,477	–	51,477
Other current assets	11,420	–	11,420
Accounts payable and accrued liabilities	(49,391)	(3,726)	(53,117)
Reclamation provision	(20,776)	–	(20,776)
Long-term debt	(151,333)	–	(151,333)
Deferred income and mining tax liabilities	(343,590)	35,009	(308,581)
Net assets acquired	$1,597,799	$ –	$1,597,799

Notes:

(i) Preliminary estimates of the fair value of assets acquired and liabilities assumed are presented as reported in the Company's 2014 annual audited consolidated financial statements.

(ii) Goodwill is not deductible for tax purposes and is allocated to the Canadian Malartic joint operation segment.

(iii) The fair value of trade receivables approximates the gross contractual amounts receivable.

The joint acquisition of Osisko was a strategic fit with the Company's skill set and its other operating assets in the area. The Company believes that goodwill associated with the joint acquisition of Osisko arose principally because of the following factors: (1) the value implicit in the Company's ability to sustain and/or grow its business by increasing proven and probable mineral reserves and mineral resources through new discoveries; and (2) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value. The amount of goodwill associated with the joint acquisition of Osisko that is expected to be deductible for tax purposes is nil. Upon finalization of management's estimates of the fair value of identifiable assets and liabilities, the Company conducted a retrospective goodwill impairment test as at December 31, 2014 based on the adjusted final value of goodwill, with no impairment losses required.

The Company's indirect 50.0% interest in Canadian Malartic GP resulted in revenues from mining operations of $189.9 million and a net loss of $15.8 million between the June 16, 2014 completion of the Osisko Arrangement and December 31, 2014.

6. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period.

During the year ended December 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company's financial assets and liabilities include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments.

The fair values of cash and cash equivalents, short-term investments, restricted cash and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Long-term debt is recorded on the consolidated balance sheets at December 31, 2015 at amortized cost. The fair value of long-term debt is determined by applying a discount rate, reflecting the credit spread based on the Company's credit rating, to future related cash flows which is categorized within Level 2 of the fair value hierarchy. As at December 31, 2015, the Company's long-term debt had a fair value of $1,226.5 million (December 31, 2014 – $1,498.4 million).

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2015 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 7,714	$ –	$ 7,714
Available-for-sale securities	27,630	4,233	–	31,863
Fair value of derivative financial instruments	–	87	–	87
Total financial assets	$27,630	$12,034	$ –	$ 39,664
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 8,073	$ –	$ 8,073
Total financial liabilities	$ –	$ 8,073	$ –	$ 8,073

6. FAIR VALUE MEASUREMENT (Continued)

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2014 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$59,716	$ –	$ 59,716
Available-for-sale securities	51,653	4,815	–	56,468
Fair value of derivative financial instruments	–	4,877	–	4,877
Total financial assets	$51,653	$69,408	$ –	$121,061
Financial liabilities:				
CMGP Convertible Debentures	$ –	$ –	$34,678	$ 34,678
Fair value of derivative financial instruments	–	8,249	–	8,249
Total financial liabilities	$ –	$ 8,249	$34,678	$ 42,927

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

Available-for-sale Securities

Available-for-sale securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Available-for-sale securities representing shares of non-publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy).

Derivative Financial Instruments

Derivative financial instruments classified within Level 2 of the fair value hierarchy are recorded at fair value using external broker-dealer quotations corroborated by option pricing models or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. Derivative financial instruments are classified as at fair value through the consolidated statements of income.

CMGP Convertible Debentures

On June 30, 2015, the negotiated early settlement of all of the senior unsecured convertible debentures issued by Osisko and subsequently an obligation of Canadian Malartic GP (the "CMGP Convertible Debentures") was completed. The CMGP Convertible Debentures were reported at fair value and classified within Level 3 of the fair value hierarchy and constituted contracts which resulted in the payment of cash and the issuance of publicly-traded shares. Fair value was calculated with consideration given to the influence of a variety of inputs including quoted market prices and interest rates. CMGP Convertible Debentures were included in the current portion of long-term debt line item of the consolidated balance sheets prior to settlement.

7. RESTRICTED CASH

As part of the Company's insurance programs fronted by a third party provider and reinsured through the Company's internal insurance program, the third party provider requires that cash of $0.4 million be restricted as at December 31, 2015 (December 31, 2014 – $5.8 million).

As part of the Company's tax planning, $32.0 million was contributed to a qualified environmental trust ("QET") in December 2011 to fulfill the requirement of financial security for costs related to the environmental remediation of the Goldex mine. During the year ended December 31, 2015, $13.1 million (2014 – $0.1 million) was withdrawn from the QET. As at December 31, 2015, $0.1 million (December 31, 2014 – $15.5 million) remained in the QET.

At December 31, 2015, cash of nil (December 31, 2014 – $11.8 million) was restricted representing 50.0% of amounts held by a depositary to satisfy obligations in connection with the CMGP Convertible Debentures.

As at December 31, 2015, cash of $0.7 million (December 31, 2014 – $20.9 million) was restricted representing 50.0% of the deposits in respect of environmental guarantees in the Province of Quebec made by Canadian Malartic GP in connection with its ownership of the Canadian Malartic mine.

8. INVENTORIES

	As at December 31, 2015	As at December 31, 2014
Ore in stockpiles and on leach pads	$ 26,319	$ 51,970
Concentrates and dore bars	170,971	111,912
Supplies	264,686	282,778
Total current inventories	$461,976	$446,660
Non-current ore in stockpiles and on leach pads[(i)]	61,167	25,125
Total inventories	$523,143	$471,785

Note:

(i) Ore that the Company does not expect to process within 12 months is classified as long-term and is recorded in the other assets line item on the consolidated balance sheets.

During the year ended December 31, 2015, a charge of $8.6 million (2014 – $4.6 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

9. AVAILABLE-FOR-SALE SECURITIES

	As at December 31, 2015	As at December 31, 2014
Cost	$ 64,832	$ 74,928
Accumulated impairment losses	(36,842)	(30,090)
Unrealized gains in accumulated other comprehensive income	4,030	11,815
Unrealized losses in accumulated other comprehensive income	(157)	(185)
Total estimated fair value of available-for-sale securities	$ 31,863	$ 56,468

During the year ended December 31, 2015, the Company received proceeds of $54.4 million (2014 – $41.4 million) and recognized a gain before income taxes of $24.6 million (2014 – $5.6 million) on the sale of certain available-for-sale securities.

During the year ended December 31, 2015, the Company recorded an impairment loss of $12.0 million (2014 – $15.8 million) on certain available-for-sale securities that were determined to have an impairment that was significant or prolonged.

10. OTHER ASSETS

(a) Other Current Assets

	As at December 31, 2015	As at December 31, 2014
Federal, provincial and other sales taxes receivable	$ 89,313	$ 70,143
Prepaid expenses	71,811	39,608
Insurance receivable	12,288	113
Other	21,277	13,537
Total other current assets	$194,689	$123,401

(b) Other Assets

	As at December 31, 2015	As at December 31, 2014
Non-current ore in stockpiles and on leach pads	$61,167	$25,125
Other assets	6,071	2,497
Total other assets	$67,238	$27,622

11. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2013	$ 820,253	$ 1,683,902	$1,190,306	$ 3,694,461
Additions	94,081	204,661	208,342	507,084
Disposals	(2,526)	(6,142)	–	(8,668)
Acquisitions	1,105,961	111,844	205,958	1,423,763
Amortization	(79,363)	(290,530)	(90,882)	(460,775)
Transfers between categories	1,534	305,512	(307,046)	–
As at December 31, 2014	1,939,940	2,009,247	1,206,678	5,155,865
Additions	103,664	174,477	283,221	561,362
Disposals	(88)	(6,269)	(1,757)	(8,114)
Amortization	(168,612)	(352,090)	(99,444)	(620,146)
Transfers between categories	(209,294)	239,041	(29,747)	–
As at December 31, 2015	$ 1,665,610	$ 2,064,406	$1,358,951	$ 5,088,967
As at December 31, 2014:				
Cost	$ 3,485,005	$ 3,832,709	$1,615,431	$ 8,933,145
Accumulated amortization and net impairments	(1,545,065)	(1,823,462)	(408,753)	(3,777,280)
Net carrying amount – December 31, 2014	$ 1,939,940	$ 2,009,247	$1,206,678	$ 5,155,865
As at December 31, 2015:				
Cost	$ 3,330,464	$ 4,273,798	$1,867,172	$ 9,471,434
Accumulated amortization and net impairments	(1,664,854)	(2,209,392)	(508,221)	(4,382,467)
Net carrying amount — December 31, 2015	$ 1,665,610	$ 2,064,406	$1,358,951	$ 5,088,967

As at December 31, 2015, assets under construction, and therefore not yet being depreciated, included in the net carrying amount of property, plant and mine development amounted to $350.7 million (December 31, 2014 – $270.6 million).

11. PROPERTY, PLANT AND MINE DEVELOPMENT (Continued)

Geographic Information:

	As at December 31, 2015	As at December 31, 2014
Northern Business:		
Canada	$3,196,494	$3,272,656
Finland	851,867	825,292
Southern Business:		
Mexico	1,030,364	1,047,669
United States	10,242	10,248
Total property, plant and mine development	$5,088,967	$5,155,865

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2015	As at December 31, 2014
Trade payables	$132,914	$ 92,275
Wages payable	40,020	37,025
Accrued liabilities	40,252	37,886
Other liabilities	30,600	42,720
Total accounts payable and accrued liabilities	$243,786	$209,906

In 2015 and 2014, the other liabilities balance consisted primarily of various employee payroll tax withholdings and other payroll taxes.

13. RECLAMATION PROVISION

Agnico Eagle's reclamation provision includes both asset retirement obligations and environmental remediation liabilities. Reclamation provision estimates are based on current legislation, third party estimates, management's estimates and feasibility study calculations. Assumptions based on current economic conditions, which the Company believes are reasonable, have been used to estimate the reclamation provision. However, actual reclamation costs will ultimately depend on future economic conditions and costs for the necessary reclamation work. Changes in reclamation provision estimates during the period reflect changes in cash flow estimates as well as assumptions including discount and inflation rates. The discount rates used in the calculation of the reclamation provision at December 31, 2015 ranged between 0.48% and 2.37% (December 31, 2014 – between 1.03% and 2.54%).

13. RECLAMATION PROVISION (Continued)

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations. The settlement of the obligation is estimated to occur through to 2068.

	Year Ended December 31, 2015	Year Ended December 31, 2014
Asset retirement obligations – long-term, beginning of year	$242,615	$171,472
Asset retirement obligations – current, beginning of year	2,863	1,029
Current year additions and changes in estimate, net	64,305	69,420
Current year attributable additions upon joint acquisition of Osisko	–	20,776
Current year accretion	4,178	5,173
Liabilities settled	(1,496)	(1,714)
Foreign exchange revaluation	(38,954)	(20,678)
Reclassification from long-term to current, end of year	(4,443)	(2,863)
Asset retirement obligations – long-term, end of year	$269,068	$242,615

The following table reconciles the beginning and ending carrying amounts of the Company's environmental remediation liability. The settlement of the obligation is estimated to occur through to 2020.

	Year Ended December 31, 2015	Year Ended December 31, 2014
Environmental remediation liability – long-term, beginning of year	$ 7,302	$12,537
Environmental remediation liability – current, beginning of year	3,906	2,423
Current year additions and changes in estimate, net	180	563
Liabilities settled	(562)	(3,202)
Foreign exchange revaluation	(1,793)	(1,113)
Reclassification from long-term to current, end of year	(1,802)	(3,906)
Environmental remediation liability – long-term, end of year	$ 7,231	$ 7,302

14. LEASES

(a) Finance Leases

The Company has entered into sale-leaseback agreements with third parties for various fixed and mobile equipment within Canada. These arrangements represent sale-leaseback transactions in accordance with IAS 17 – *Leases*. The sale-leaseback agreements have an average effective annual interest rate of 3.3% and the average length of the contracts is five years.

All of the sale-leaseback agreements have end of lease clauses that qualify as bargain purchase options that the Company expects to execute. As at December 31, 2015, the total net book value of assets recorded under sale-leaseback finance leases amounted to $7.1 million (December 31, 2014 – $12.9 million).

The Company has agreements with third party providers of mobile equipment. These arrangements represent finance leases in accordance with the guidance in IAS 17 – *Leases*. The leases are for five to seven years and have an average effective annual interest rate of 4.2%.

As a result of its June 16, 2014 joint acquisition of Osisko, Agnico Eagle assumed indirect attributable secured finance lease obligations of C$38.3 million ($35.3 million) provided in separate tranches with maturities ranging between 2015 and 2019 and a 7.5% interest rate. As at December 31, 2015, the Company's attributable finance lease obligations amounted to $13.7 million (December 31, 2014 – $31.7 million).

The following table sets out future minimum lease payments under finance leases together with the present value of the net minimum lease payments:

	As at December 31, 2015			As at December 31, 2014		
	Minimum Finance Lease Payments	Interest	Present Value	Minimum Finance Lease Payments	Interest	Present Value
Within 1 year	$10,191	$ 602	$ 9,589	$23,587	$1,445	$22,142
Between 1 – 5 years	10,057	510	9,547	22,232	1,095	21,137
Total	$20,248	$1,112	$19,136	$45,819	$2,540	$43,279

As at December 31, 2015, the total net book value of assets recorded under finance leases, including sale-leaseback finance leases, was $38.0 million (December 31, 2014 – $61.7 million). The amortization of assets recorded under finance leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income and comprehensive income.

14. LEASES (Continued)

(b) Operating Leases

The Company has a number of operating lease agreements involving office facilities. Some of the leases for office facilities contain escalation clauses for increases in operating costs and property taxes. Future minimum lease payments required to meet obligations that have initial or remaining non-cancellable lease terms in excess of one year are as follows:

	As at December 31, 2015	As at December 31, 2014
Within 1 year	$ 1,780	$1,051
Between 1 – 3 years	2,479	1,619
Between 3 – 5 years	2,205	1,452
Thereafter	10,272	1,549
Total	$16,736	$5,671

During the year ended December 31, 2015, $1.4 million (year ended December 31, 2014 – $1.2 million) of operating lease payments were recognized in the consolidated statements of income.

15. LONG-TERM DEBT

	As at December 31, 2015	As at December 31, 2014
Credit Facility[(i)]	$ 258,083	$ 492,470
2015 Note[(i)]	49,364	–
2012 Notes[(i)]	198,722	198,549
2010 Notes[(i)]	597,567	596,966
Attributable CMGP Convertible Debentures	–	34,679
Other attributable debt instruments	28,902	51,979
Total debt	1,132,638	1,374,643
Less: current portion	14,451	52,182
Total long-term debt	$1,118,187	$1,322,461

(i) Inclusive of deferred financing costs.

15. LONG-TERM DEBT (Continued)

Scheduled Debt Principal Repayments

	2016	2017	2018	2019	2020	2021 and Thereafter	Total
Credit Facility	$ –	$ –	$ –	$ –	$265,000	$ –	$ 265,000
2015 Note	–	–	–	–	–	50,000	50,000
2012 Notes	–	–	–	–	–	200,000	200,000
2010 Notes	–	115,000	–	–	360,000	125,000	600,000
Other attributable debt instruments	14,451	14,451	–	–	–	–	28,902
Total	$14,451	$129,451	$ –	$ –	$625,000	$375,000	$1,143,902

Credit Facility

On September 5, 2014, the Company amended its unsecured revolving bank credit facility (the "Credit Facility"), extending the maturity date from June 22, 2017 to June 22, 2019 and amending pricing terms.

On September 30, 2015, the Company further amended the Credit Facility, among other things, extending the maturity date from June 22, 2019 to June 22, 2020 and amending pricing terms.

At December 31, 2015, the Credit Facility was drawn down by $265.0 million (December 31, 2014 – $500.0 million). Amounts drawn down, together with outstanding letters of credit under the Credit Facility, resulted in Credit Facility availability of $924.1 million at December 31, 2015.

2015 Note

On September 30, 2015, the Company closed a private placement consisting of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15% (together with the 2010 Notes and the 2012 Notes, the "Notes"). An amount equal to or greater than the net proceeds from the 2015 Note are to be applied toward mining projects in the Province of Quebec, Canada.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes") which, on issuance, had a weighted average maturity of 11.0 years and weighted average yield of 4.95%.

The following table sets out details of the individual series of the 2012 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$100,000	4.87%	7/23/2022
Series B	100,000	5.02%	7/23/2024
Total	$200,000		

15. LONG-TERM DEBT (Continued)

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes") which, on issuance, had a weighted average maturity of 9.84 years and weighted average yield of 6.59%.

The following table sets out details of the individual series of the 2010 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$115,000	6.13%	4/7/2017
Series B	360,000	6.67%	4/7/2020
Series C	125,000	6.77%	4/7/2022
Total	$600,000		

CMGP Convertible Debentures

In connection with its joint acquisition of Osisko on June 16, 2014, Canadian Malartic GP was assigned and assumed certain outstanding debt obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt instruments included the CMGP Convertible Debentures with principal outstanding of C$37.5 million ($34.6 million), a November 2017 maturity date and a 6.875% interest rate.

On June 30, 2015, the negotiated early settlement of all of the CMGP Convertible Debentures was completed. As a result of this settlement, 871,680 Agnico Eagle common shares with a fair value of $24.8 million were released from a depositary to the holders of the CMGP Convertible Debentures along with a cash payment of $10.1 million to settle the Company's obligation. In the year ended December 31, 2015 a $2.4 million mark-to-market loss was recorded in the other expenses (income) line item of the consolidated statements of income and comprehensive income related to the CMGP Convertible Debentures. In the year ended December 31, 2014, a mark-to-market gain of $8.0 million was recorded related to the CMGP Convertible Debentures. Additional cash consideration of $3.2 million was paid to the holders of the CMGP Convertible Debentures upon settlement and was recorded in the other expenses (income) line item of the consolidated statements of income and comprehensive income. As at December 31, 2015, the CMGP Convertible Debentures had principal outstanding of nil.

Other Loans

In connection with its joint acquisition of Osisko on June 16, 2014, Canadian Malartic GP was assigned and assumed certain outstanding debt obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt obligations included a secured loan facility (the "CMGP Loan"). A scheduled repayment of C$20.0 million ($16.0 million) was made on June 30, 2015, resulting in attributable outstanding principal of C$40.0 million ($28.9 million) as at December 31, 2015 (December 31, 2014 – $51.7 million).

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes is guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances and sell material assets.

15. LONG-TERM DEBT (Continued)

The note purchase agreements pursuant to which the Notes were issued (the "Note Purchase Agreements") contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets, carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio below a specified maximum value.

The CMGP Loan requires Canadian Malartic GP to maintain a minimum EBITDA to interest expense ratio and a maximum debt to EBITDA ratio.

The Company was in compliance with all covenants contained in the Credit Facility and Note Purchase Agreements as at December 31, 2015. Canadian Malartic GP was in compliance with all CMGP Loan covenants as at December 31, 2015.

Interest on Long-term Debt

Total long-term debt interest costs incurred during the year ended December 31, 2015 were $58.8 million (2014 – $56.9 million).

Total borrowing costs capitalized to property, plant and mine development during the year ended December 31, 2015 were $1.7 million (2014 – $1.7 million) at a capitalization rate of 1.25% (2014 – 1.28%).

During the year ended December 31, 2015, cash interest paid on the Credit Facility was $8.7 million (2014 – $7.5 million), cash standby fees paid on the Credit Facility were $3.8 million (2014 – $5.1 million) and cash interest paid on the Notes was $49.4 million (2014 – $49.4 million).

16. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2015	As at December 31, 2014
Long-term portion of capital lease obligations (note 14(a))	$ 9,547	$21,137
Pension benefit obligations (note 16(a))	17,146	17,507
Other	7,345	159
Total other liabilities	$34,038	$38,803

(a) Pension Benefit Obligations

Executives Plan

Agnico Eagle provides the Executives Plan for certain current and former senior officers. It is considered a defined benefit plan as defined in IAS 19 – *Employee Benefits* with a pension formula based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan. The estimated average remaining service life of the plan at December 31, 2015 is 3.0 years. The funded status of the Executives Plan is based on actuarial valuations performed as of December 31, 2015.

16. OTHER LIABILITIES (Continued)

The funded status of the Executives Plan for 2015 and 2014 is as follows:

	Year Ended December 31,	
	2015	**2014**
Reconciliation of the Executives Plan assets:		
Executives Plan assets, beginning of year	$ 2,278	$ 2,346
Agnico Eagle's contributions	312	372
Benefit payments	(202)	(239)
Interest on Executives Plan assets	83	111
Net return on Executives Plan assets excluding interest	(83)	(111)
Effect of exchange rate changes	(377)	(201)
Executives Plan assets, end of year	2,011	2,278
Reconciliation of Executives Plan defined benefit obligation:		
Defined benefit obligation, beginning of year	11,895	11,298
Service cost	435	470
Benefit payments	(202)	(239)
Interest cost	445	550
Actuarial losses arising from changes in economic assumptions	–	1,581
Actuarial gains arising from changes in demographic assumptions	–	(164)
Actuarial losses (gains) arising from Executives Plan experience	48	(584)
Effect of exchange rate changes	(1,980)	(1,017)
Defined benefit obligation, end of year	10,641	11,895
Net defined benefit liability, end of year	$ 8,630	$ 9,617

16. OTHER LIABILITIES (Continued)

The components of Agnico Eagle's pension expense recognized in the consolidated statements of income relating to the Executives Plan are as follows:

	Year Ended December 31,	
	2015	**2014**
Service cost	$ 435	$470
Interest cost on defined benefit obligation	445	550
Interest on Executives Plan assets	(83)	(111)
Pension expense	$ 797	$909

The remeasurements of the net defined benefit liability recognized in other comprehensive income (loss) relating to the Executives Plan are as follows:

	Year Ended December 31,	
	2015	**2014**
Actuarial losses relating to the defined benefit obligation	$ 48	$833
Net return on Executives Plan assets excluding interest	83	111
Total remeasurements of the net defined benefit liability	$131	$944

In 2016, the Company expects to make contributions of $0.2 million and benefit payments of $0.1 million related to the Executives Plan.

The following table sets out significant weighted average assumptions used in measuring the Company's Executives Plan defined benefit obligation:

	As at December 31,	
	2015	**2014**
Assumptions:		
Discount rate – beginning of year	4.0%	4.9%
Discount rate – end of year	4.0%	4.0%
Rate of compensation increase	3.0%	3.0%

16. OTHER LIABILITIES (Continued)

The following is a summary of the effect of changes in significant actuarial assumptions on the Company's Executives Plan defined benefit obligation:

	As at December 31, 2015
Change in assumption:	
0.5% increase in discount rate	$(726)
0.5% decrease in discount rate	802
0.5% increase in the rate of compensation increase	50
0.5% decrease in the rate of compensation increase	(50)

The summary of the effect of changes in significant actuarial assumptions was prepared using the same methods and actuarial assumptions as those used for the calculation of the Executives Plan defined benefit obligation as at the end of the fiscal year, except for the change in the single actuarial assumption being evaluated. The modification of several actuarial assumptions at the same time could lead to different results.

Other Plans

In addition to the Executives Plan, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5.0% of certain employees' base employment compensation to a defined contribution plan. In 2015, $9.8 million (2014 – $11.1 million) was contributed to the Basic Plan, $0.1 million of which related to contributions for key management personnel (2014 – $0.1 million). Effective January 1, 2008, the Company adopted the Supplemental Plan for designated executives at the level of Vice-President or above. The Supplemental Plan is funded by the Company through notional contributions equal to 10.0% of the designated executive's earnings for the year (including salary and short-term bonus). In 2015, the Company made $1.3 million (2014 – $1.5 million) in notional contributions to the Supplemental Plan, $0.2 million (2014 – $0.1 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $5.3 million at December 31, 2015 (December 31, 2014 – $5.0 million). The Supplemental Plan is accounted for as a cash balance plan.

17. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2015, Agnico Eagle's issued common shares totaled 218,028,368 (December 31, 2014 – 215,192,887), less 377,573 common shares held in a trust (December 31, 2014 – 956,653 common shares held in a trust related to the RSU plan or by a depositary to satisfy obligations in connection with the CMGP Convertible Debentures that were settled on June 30, 2015).

373,785 common shares are held in a trust in connection with the Company's RSU plan (December 31, 2014 – 84,973 common shares held in a trust).

In the first quarter of 2015, a Long Term Incentive Plan ("LTIP") was implemented for certain employees of the jointly owned Canadian Malartic GP and Canadian Malartic Corporation comprised of 50.0% deferred cash, 25.0% Agnico Eagle common shares and 25.0% Yamana common shares and vesting over a period ranging between 18 to 36 months. As at December 31, 2015, 3,788 Agnico Eagle common shares were held in a trust in connection with the LTIP.

The trusts have been evaluated under IFRS 10 – *Consolidated Financial Statements* and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in a trust are excluded from the basic net income per share calculations until they have vested. All of the non-vested common shares held in a trust are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at December 31, 2015 were exercised:

Common shares outstanding at December 31, 2015	217,650,795
Employee stock options	12,082,212
Common shares held in a trust in connection with the RSU plan (note 19(c)) and LTIP	377,573
Total	230,110,580

17. EQUITY (Continued)

Net Income Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income per share:

	Year Ended December 31,	
	2015	**2014**
Net income for the year – basic	$ 24,583	$ 82,970
Less: Dilutive impact of CMGP Convertible Debentures[(i)]	–	(7,345)
Net income for the year – diluted	$ 24,583	$ 75,625
Weighted average number of common shares outstanding – basic (in thousands)	216,168	195,223
Add: Dilutive impact of common shares held by a depositary relating to CMGP Convertible Debentures[(i)]	–	475
Add: Dilutive impact of common shares related to the RSU plan and LTIP	300	259
Add: Dilutive impact of employee stock options	633	244
Weighted average number of common shares outstanding – diluted (in thousands)	217,101	196,201
Net income per share – basic	$ 0.11	$ 0.43
Net income per share – diluted	$ 0.11	$ 0.39

Note:

(i) In connection with the joint acquisition of Osisko Mining Corporation on June 16, 2014, Agnico Eagle indirectly assumed its attributable interest in the CMGP Convertible Debentures. On June 30, 2015, the negotiated early settlement of all the CMGP Convertible Debentures was completed, resulting in principal outstanding of nil. The impact of the CMGP Convertible Debentures has been included in the calculation of diluted net income per share where dilutive and has been excluded from the calculation of diluted net income per share where anti-dilutive. The dilutive impact of the CMGP Convertible Debentures, including both their impact on diluted net income and the dilutive impact of related common shares held by a depositary in connection with any conversion thereof, was excluded from the calculation of diluted net income per share for the year ended December 31, 2015 as their impact would have been anti-dilutive for the portion of the year they were outstanding.

Diluted net income per share has been calculated using the treasury stock method. In applying the treasury stock method, outstanding employee stock options with an exercise price greater than the average quoted market price of the common shares for the period outstanding are not included in the calculation of diluted net income per share as the impact would be anti-dilutive.

For the year ended December 31, 2015, 6,806,055 (year ended December 31, 2014 – 9,102,210) employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive.

18. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals. The revenue from by-product metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

18. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES (Continued)

The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc and copper. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

During the year ended December 31, 2015, four customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 78.0% of revenues from mining operations in the Northern and Southern business units. However, gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

Trade receivables are recognized once the transfer of ownership for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales of dore bars or concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties. As at December 31, 2015, the Company had $7.7 million (December 31, 2014 – $59.7 million) in receivables relating to provisionally priced concentrate sales. For the year ended December 31, 2015, the Company recognized mark-to-market losses of $0.5 million (2014 – $0.8 million) on concentrate receivables.

	Year Ended December 31,	
	2015	**2014**
Revenues from mining operations:		
Gold	$1,911,500	$1,807,927
Silver	66,991	62,466
Zinc	505	9,901
Copper	6,436	16,479
Lead[(i)]	–	(7)
Total revenues from mining operations	$1,985,432	$1,896,766

Note:

(i) *Lead concentrate revenues of nil in 2015 (2014 – $0.1 million) are netted against direct fees of nil (2014 – $0.1 million). Other metal revenues derived from lead concentrate are included in their respective metal categories in the above table.*

In 2015, precious metals (gold and silver) accounted for 99.7% of Agnico Eagle's revenues from mining operations (2014 – 98.6%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

19. STOCK-BASED COMPENSATION

(a) Employee Stock Option Plan

The Company's ESOP provides for the grant of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5.0% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2013, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 27,800,000.

19. STOCK-BASED COMPENSATION (Continued)

Of the 3,068,080 stock options granted under the ESOP in 2015, 688,995 stock options vested immediately. The remaining stock options, all of which expire in 2020, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 3,187,500 stock options granted under the ESOP in 2014, 796,875 stock options vested immediately. The remaining stock options, all of which expire in 2019, vest in equal installments on each anniversary date of the grant over a three-year period. Upon the exercise of stock options under the ESOP, the Company issues common shares from treasury to settle the obligation.

The following table sets out activity with respect to Agnico Eagle's outstanding stock options:

	Year Ended December 31, 2015		Year Ended December 31, 2014	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	11,913,210	C$48.84	11,283,535	C$56.02
Granted	3,068,080	29.09	3,187,500	28.07
Exercised	(747,683)	29.68	(582,925)	31.46
Forfeited	(92,314)	40.40	(250,750)	53.08
Expired	(2,059,081)	57.20	(1,724,150)	62.64
Outstanding, end of year	12,082,212	C$43.65	11,913,210	C$48.84
Options exercisable, end of year	7,519,120	C$50.71	7,503,335	C$55.98

The average share price of Agnico Eagle's common shares during the year ended December 31, 2015 was C$36.16 (2014 – C$34.83)

The weighted average grant date fair value of stock options granted in 2015 was C$8.10 (2014 – C$6.53).

The following table sets out information about Agnico Eagle's stock options outstanding and exercisable at December 31, 2015:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
C$28.03 – C$39.46	7,274,207	2.83 years	C$30.99	3,386,865	C$33.74
C$40.66 – C$53.14	2,674,500	2.03 years	$51.94	1,998,750	$52.02
C$63.39 – C$76.60	2,133,505	0.02 years	$76.44	2,133,505	$76.44
C$28.03 – C$76.60	12,082,212	2.15 years	C$43.65	7,519,120	C$50.71

19. STOCK-BASED COMPENSATION (Continued)

The weighted average remaining contractual term of stock options exercisable at December 31, 2015 was 1.41 years.

The Company has reserved for issuance 12,082,212 common shares in the event that these stock options are exercised.

The number of common shares available for the grant of stock options under the ESOP as at December 31, 2015 and December 31, 2014 was 2,678,591 and 3,595,276, respectively.

Subsequent to the year ended December 31, 2015, 2,140,075 stock options were granted under the ESOP, of which 535,019 stock options vested within 30 days of the grant. The remaining stock options, all of which expire in 2021, vest in equal installments on each anniversary date of the grant over a three-year period.

Agnico Eagle estimated the fair value of stock options under the Black-Scholes option pricing model using the following weighted average assumptions:

	Year Ended December 31,	
	2015	2014
Risk-free interest rate	1.50%	1.52%
Expected life of stock options (in years)	2.7	2.6
Expected volatility of Agnico Eagle's share price	45.0%	42.5%
Expected dividend yield	1.69%	3.82%

The Company uses historical volatility to estimate the expected volatility of Agnico Eagle's share price. The expected term of stock options granted is derived from historical data on employee exercise and post-vesting employment termination experience.

The total compensation expense for the ESOP recorded in the general and administrative line item of the consolidated statements of income and comprehensive income for 2015 was $20.1 million (2014 – $20.8 million). Of the total compensation cost for the ESOP, $0.6 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2015 (2014 – $0.8 million).

(b) Incentive Share Purchase Plan

On June 26, 1997, the Company's shareholders approved the ISPP to encourage directors, officers and employees ("Participants") to purchase Agnico Eagle's common shares at market value. In 2009, the ISPP was amended to remove non-executive directors as eligible Participants.

Under the ISPP, Participants may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company. The total compensation cost recognized in 2015 related to the ISPP was $4.7 million (2014 – $5.2 million).

In 2015, 512,438 common shares were subscribed for under the ISPP (2014 – 517,721) for a value of $14.0 million (2014 – $15.5 million). In May 2015, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the ISPP to 7,100,000 from 6,100,000. As at December 31, 2015, Agnico Eagle has reserved for issuance 1,899,748 common shares (2014 – 1,412,186) under the ISPP.

19. STOCK-BASED COMPENSATION (Continued)

(c) Restricted Share Unit Plan

In 2009, the Company implemented the RSU plan for certain employees. Effective January 1, 2012, the RSU plan was amended to include directors and senior executives of the Company.

A deferred compensation balance is recorded for the total grant date value on the date of each RSU plan grant. The deferred compensation balance is recorded as a reduction of equity and is amortized as compensation expense over the vesting period of three years.

In 2015, 423,822 (2014 – 298,877) RSUs were granted with a grant date fair value of $27.99 (2014 – $28.62). In 2015, the Company funded the RSU plan by transferring $11.5 million (2014 – $7.5 million) to an employee benefit trust that then purchased common shares of the Company in the open market. The grant date fair value of the RSUs generally approximates the cost of purchasing the shares in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the RSU plan was $12.0 million in 2015 (2014 – $12.8 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item of the consolidated statements of income and comprehensive income.

Subsequent to the year ended December 31, 2015, 340,042 RSUs were granted under the RSU plan.

20. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

a) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

20. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

The following table sets out the impact of a 1.0% increase or decrease in interest rates on income before income and mining taxes. The impact on equity is the same as the impact on income before income and mining taxes.

	Year Ended December 31,	
	2015	2014
1.0% Increase	$(4,454)	$(3,548)
1.0% Decrease	$ 4,454	$ 3,548

ii. Commodity Price Risk

a. Metal Prices

Agnico Eagle's revenues from mining operations and net income are sensitive to metal prices. Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of by-product metals (silver, zinc and copper) may be attributed to factors such as demand and global mine production levels.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other economic hedging strategies, where appropriate, to mitigate by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance the realized by-product metal prices. The Company's policy does not allow speculative trading.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (refer to note 21 to these consolidated financial statements for further details on derivative financial instruments).

iii. Foreign Currency Risk

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures, to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (refer to note 21 to these consolidated financial statements for further details on the Company's derivative financial instruments).

20. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

The following table sets out the translation impact on income before income and mining taxes and equity for the year ended December 31, 2015 of a 10.0% change in the exchange rate of the US dollar relative to the Canadian dollar, Euro and Mexican peso, with all other variables held constant.

	Impact on Income Before Income and Mining Taxes and Equity	
	10.0% Strengthening of the US Dollar	10.0% Weakening of the US Dollar
Canadian dollar	$ 6,304	$(6,304)
Euro	$ 2,595	$(2,595)
Mexican peso	$(1,534)	$ 1,534

b) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, restricted cash, trade receivables and derivative financial instruments. The Company holds its cash and cash equivalents, restricted cash and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2015	As at December 31, 2014
Cash and cash equivalents	$124,150	$177,537
Short-term investments	7,444	4,621
Restricted cash	1,426	54,021
Trade receivables	7,714	59,716
Derivative financial instrument assets	87	4,877
Total	$140,821	$300,772

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its debt rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to finance lease obligations are detailed in note 14 to these consolidated financial statements and contractual maturities

20. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

relating to long-term debt are detailed in note 15 to these consolidated financial statements. Other financial liabilities, including accounts payable and accrued liabilities and derivative financial instruments, have maturities within one year of December 31, 2015.

d) Capital Risk Management

The Company's primary capital management objective is to maintain an optimal capital structure to support current and long-term business activities and to provide financial flexibility in order to maximize value for equity holders. Agnico Eagle's capital structure comprises a mix of long-term debt and total equity as follows:

	As at December 31, 2015	As at December 31, 2014
Long-term debt	$1,132,638	$1,374,643
Total equity	4,141,020	4,068,490
Total	$5,273,658	$5,443,133

The Company manages its capital structure and makes adjustments to it based on changes in economic conditions and the requirements of financial covenants. To effectively manage its capital requirements, Agnico Eagle has in place a rigorous planning, budgeting and forecasting process to ensure it has the appropriate liquidity to meet its operating and growth objectives. The Company has the ability to adjust its capital structure by various means.

See note 15 to these consolidated financial statements for details related to Agnico Eagle's compliance with its long-term debt covenants.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Currency Risk Management

The Company utilizes foreign exchange economic hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The Company is primarily exposed to currency fluctuations relative to the US dollar as a portion of the Company's operating costs and capital expenditures are denominated in foreign currencies; primarily the Canadian dollar, the Euro and the Mexican peso. These potential currency fluctuations increase the volatility of, and could have a significant impact on, the Company's production costs. The economic hedges relate to a portion of the foreign currency denominated cash outflows arising from foreign currency denominated expenditures. The Company does not apply hedge accounting to these arrangements.

As at December 31, 2015, the Company had outstanding foreign exchange zero cost collars. The purchase of US dollar put options was financed through selling US dollar call options at a higher level such that the net premium payable to the different counterparties by the Company was nil. At December 31, 2015, the zero cost collars related to $217.0 million of 2016 expenditures and the Company recognized mark-to-market adjustments in the loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income. Mark-to-market gains (losses) related to foreign exchange derivative financial instruments are recorded at fair value based on broker-dealer quotations corroborated by option pricing models that utilize period end forward pricing of the applicable foreign currency to calculate fair value.

21. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Company's other foreign currency derivative strategies in 2015 and 2014 consisted mainly of writing US dollar call options with short maturities to generate premiums that would, in essence, enhance the spot transaction rate received when exchanging US dollars for Canadian dollars. All of these derivative transactions expired prior to year end such that no derivatives were outstanding as at December 31, 2015 or December 31, 2014. The call option premiums were recognized in the loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income.

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated with the Meadowbank mine's diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding at December 31, 2015 relating to 7.0 million gallons of heating oil (December 31, 2014 – 14.0 million gallons). The related mark-to-market adjustments prior to settlement were recognized in the loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income. The Company does not apply hedge accounting to these arrangements.

Mark-to-market gains (losses) related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize year end forward pricing to calculate fair value.

As at December 31, 2015 and December 31, 2014, there were no metal derivative positions. The Company may from time to time utilize short-term financial instruments as part of its strategy to minimize risks and optimize returns on its by-product metal sales.

The following table sets out a summary of the amounts recognized in the loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income:

	Year Ended December 31,	
	2015	**2014**
Premiums realized on written foreign exchange call options	$ 2,654	$ 2,725
Realized gain (loss) on warrants	9,072	(4,263)
Unrealized (loss) gain on warrants[(i)]	(2,213)	3,426
Realized (loss) gain on currency and commodity derivatives	(29,297)	20
Unrealized gain (loss) on currency and commodity derivatives[(i)]	176	(8,064)
Total loss on derivative financial instruments	$(19,608)	$(6,156)

Note:

(i) Unrealized gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income and through the other line item of the consolidated statements of cash flows.

22. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative

22. SEGMENTED INFORMATION (Continued)

thresholds are still disclosed when the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, Lapa mine, Goldex mine, Meadowbank mine including the Amaruq deposit, Canadian Malartic joint operation, Meliadine project and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota deposit at Pinos Altos and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

22. SEGMENTED INFORMATION (Continued)

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

Year Ended December 31, 2015:	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 318,207	$(172,283)	$ –	$ 145,924
Lapa mine	104,785	(52,571)	–	52,214
Goldex mine	133,845	(61,278)	–	72,567
Meadowbank mine	446,898	(230,564)	(43,676)	172,658
Canadian Malartic joint operation (note 5)	333,280	(171,473)	(6,093)	155,714
Kittila mine	206,357	(126,095)	–	80,262
Total Northern Business	1,543,372	(814,264)	(49,769)	679,339
Southern Business:				
Pinos Altos mine	250,909	(105,175)	–	145,734
Creston Mascota deposit at Pinos Altos	66,472	(26,278)	–	40,194
La India mine	124,679	(49,578)	–	75,101
Total Southern Business	442,060	(181,031)	–	261,029
Exploration	–	–	(60,584)	(60,584)
Segments totals	$1,985,432	$(995,295)	$(110,353)	$ 879,784
Total segments income				$ 879,784
Corporate and other:				
Amortization of property, plant and mine development				(608,609)
General and administrative				(96,973)
Impairment loss on available-for-sale securities				(12,035)
Finance costs				(75,228)
Loss on derivative financial instruments				(19,608)
Gain on sale of available-for-sale securities				24,600
Environmental remediation				(2,003)
Foreign currency translation gain				4,728
Other expenses				(12,028)
Income before income and mining taxes				$ 82,628

22. SEGMENTED INFORMATION (Continued)

Year Ended December 31, 2014:	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 308,794	$ (188,736)	$ –	$ 120,058
Lapa mine	115,254	(61,056)	–	54,198
Goldex mine	125,574	(64,836)	–	60,738
Meadowbank mine	575,856	(270,824)	(11,199)	293,833
Canadian Malartic joint operation (note 5)	189,900	(113,916)	–	75,984
Kittila mine	176,520	(116,893)	–	59,627
Total Northern Business	1,491,898	(816,261)	(11,199)	664,438
Southern Business:				
Pinos Altos mine	251,783	(123,342)	–	128,441
Creston Mascota deposit at Pinos Altos	59,573	(28,007)	–	31,566
La India mine	93,512	(36,949)	–	56,563
Total Southern Business	404,868	(188,298)	–	216,570
Exploration	–	–	(44,803)	(44,803)
Segments totals	$1,896,766	$(1,004,559)	$(56,002)	$ 836,205
Total segments income				$ 836,205
Corporate and other:				
Amortization of property, plant and mine development				(433,628)
General and administrative				(118,771)
Impairment loss on available-for-sale securities				(15,763)
Finance costs				(73,393)
Loss on derivative financial instruments				(6,156)
Gain on sale of available-for-sale securities				5,635
Environmental remediation				(8,214)
Foreign currency translation loss				(3,781)
Other income				7,004
Income before income and mining taxes				$ 189,138

22. SEGMENTED INFORMATION (Continued)

	Total Assets as at	
	December 31, 2015	**December 31, 2014**
Northern Business:		
LaRonde mine	$ 834,881	$ 856,489
Lapa mine	50,951	74,131
Goldex mine	201,257	205,101
Meadowbank mine	595,682	660,278
Canadian Malartic joint operation (note 5)	2,012,648	2,068,532
Meliadine project	561,271	487,901
Kittila mine	933,362	931,335
Total Northern Business	5,190,052	5,283,767
Southern Business:		
Pinos Altos mine	585,735	573,786
Creston Mascota deposit at Pinos Altos	70,670	84,176
La India mine	501,179	543,297
Total Southern Business	1,157,584	1,201,259
Exploration	199,606	144,580
Corporate and other	135,938	179,649
Total assets	$6,683,180	$6,809,255

22. SEGMENTED INFORMATION (Continued)

The following table sets out the changes in the carrying amount of goodwill by segment for the years ended December 31, 2014 and December 31, 2015:

	Meliadine Project	La India Mine	Canadian Malartic Joint Operation	Total
Cost:				
Balance at December 31, 2013	$ 200,064	$39,017	$ –	$ 239,081
Joint acquisition of Osisko (note 5)	–	–	657,792	657,792
Balance at December 31, 2014	200,064	39,017	657,792	896,873
Balance at December 31, 2015	200,064	39,017	657,792	896,873
Accumulated impairment:				
Balance at December 31, 2014	(200,064)	–	–	(200,064)
Balance at December 31, 2015	(200,064)	–	–	(200,064)
Carrying amount at December 31, 2014	$ –	$39,017	$ 657,792	$ 696,809
Carrying amount at December 31, 2015	$ –	$39,017	$ 657,792	$ 696,809

22. SEGMENTED INFORMATION (Continued)

The following table sets out capital expenditures by segment:

	Capital Expenditures Year Ended December 31,	
	2015	**2014**
Northern Business:		
LaRonde mine	$ 67,342	$ 76,651
Lapa mine	6,491	20,198
Goldex mine	48,818	34,330
Meadowbank mine	65,230	65,883
Canadian Malartic joint operation	43,368	36,083
Meliadine project	66,747	48,270
Kittila mine	56,404	106,220
Total Northern Business	354,400	387,635
Southern Business:		
Pinos Altos mine	61,829	48,365
Creston Mascota deposit at Pinos Altos	4,195	10,852
La India mine	23,379	22,692
Total Southern Business	89,403	81,909
Corporate and other	5,955	5,868
Total capital expenditures	$449,758	$475,412

The following table sets out revenues from mining operations by geographic area:

	Year Ended December 31,	
	2015	**2014**
Canada	$1,337,017	$1,315,378
Mexico	442,058	404,868
Finland	206,357	176,520
Total revenues from mining operations	$1,985,432	$1,896,766

22. SEGMENTED INFORMATION (Continued)

The following table sets out non-current assets by geographic area:

	Non-current Assets as at	
	December 31, 2015	December 31, 2014
Canada	$3,878,644	$3,954,725
Mexico	1,082,524	1,095,160
Finland	882,345	841,062
United States	10,242	10,248
Total non-current assets	$5,853,755	$5,901,195

23. IMPAIRMENT LOSSES

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and if an indicator of impairment is identified, goodwill and non-current assets are tested for impairment at that time. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. An impairment loss is recognized for any excess of the carrying amount of the asset over its recoverable amount.

The estimated recoverable amount of the Canadian Malartic joint operation segment as at December 31, 2015 and December 31, 2014 was determined on the basis of fair value less costs to dispose of the Canadian Malartic mine as well as the exploration properties included in the joint operation. The estimated recoverable amount of the Canadian Malartic mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a discount rate of 5.25% (2014 – 7.6%), commensurate with the estimated level of risk associated with the Canadian Malartic mine. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,150 to $1,250 per ounce (in real terms) (2014 – $1,300 per ounce), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00 (2014 – US$0.88:C$1.00 to US$0.91:C$1.00), an inflation rate of 2.0% (2014 – 2.0%), and capital, operating and reclamation costs based on applicable life-of-mine plans. Exploration properties within the joint operation were valued by reference to comparable recent transactions. The Canadian Malartic joint operation segment estimated recoverable amount exceeded its carrying amount at December 31, 2015 and December 31, 2014. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on Government of Canada marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a size premium and Company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to each asset group's jurisdiction. Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date. Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions.

24. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2015	**2014**
Current income and mining taxes	$51,495	$ 69,110
Deferred income and mining taxes:		
Origination and reversal of temporary differences	6,550	37,058
Total income and mining taxes expense	$58,045	$106,168

The income and mining taxes expense is different from the amount that would have been calculated by applying the Canadian statutory income tax rate as a result of the following:

	Year Ended December 31,	
	2015	**2014**
Combined federal and composite provincial tax rates	26.0%	26.0%
Expected income tax expense at statutory income tax rate	$21,442	$ 49,082
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	19,042	28,857
Tax law changes	4,357	–
Impact of foreign tax rates	(8,499)	(7,462)
Permanent differences	1,359	14,042
Impact of foreign exchange on deferred income tax balances	20,344	21,649
Total income and mining taxes expense	$58,045	$106,168

24. INCOME AND MINING TAXES (Continued)

The following table sets out the components of Agnico Eagle's net deferred income and mining tax liabilities:

	As at December 31, 2015	As at December 31, 2014
Mining properties	$1,039,105	$1,043,811
Net operating and capital loss carry forwards	(86,126)	(117,995)
Mining taxes	(75,410)	(54,643)
Reclamation provisions and other liabilities	(75,455)	(73,981)
Total deferred income and mining tax liabilities	$ 802,114	$ 797,192

	Year Ended December 31,	
	2015	2014
Deferred income and mining tax liabilities – beginning of year	$797,192	$453,411
Income and mining tax impact recognized in net income	6,025	33,884
Income tax impact recognized in other comprehensive income (loss)	(1,103)	1,316
Attributable deferred income and mining tax liabilities jointly acquired from Osisko	–	308,581
Deferred income and mining tax liabilities – end of year	$802,114	$797,192

The Company operates in different jurisdictions and, accordingly, it is subject to income and other taxes under the various tax regimes in the countries in which it operates. The tax rules and regulations in many countries are highly complex and subject to interpretation. The Company may be subject in the future to a review of its historic income and other tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain tax rules and regulations to the Company's business conducted within the country involved.

The deductible temporary differences and unused tax losses in respect of which a deferred tax asset has not been recognized in the consolidated balance sheets are as follows:

	As at December 31, 2015	As at December 31, 2014
Net capital loss carry forwards	$ 90,647	$ 83,353
Other deductible temporary differences	213,879	204,293
Unrecognized deductible temporary differences and unused tax losses	$304,526	$287,646

24. INCOME AND MINING TAXES (Continued)

The Company also has unused tax credits of $9.9 million as at December 31, 2015 (December 31, 2014 – nil) for which a deferred tax asset has not been recognized.

Capital loss carry forwards and other deductible temporary differences have no expiry date while the unused tax credits expire in 2020.

The Company has $412.8 million (2014 – $499.9 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax of $2.7 million (2014 – $2.3 million) has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. Prior taxation years generally remain subject to examination.

25. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2015, employee benefits expense was $463.0 million (2014 – $493.3 million). There were no related party transactions in 2015 or 2014 other than compensation of key management personnel. Key management personnel include the members of the Board and the senior leadership team. Compensation for key management personnel was as follows:

	Year ended December 31,	
	2015	**2014**
Salaries, short-term incentives and other benefits	$ 7,428	$ 6,629
Post-employment benefits	611	2,009
Share-based payments	4,914	4,688
Total	$12,953	$13,326

26. COMMITMENTS AND CONTINGENCIES

As part of its ongoing business and operations, the Company has been required to provide assurance in the form of letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes. As at December 31, 2015, the total amount of these guarantees was $268.7 million.

Certain of the Company's properties are subject to royalty arrangements. The following are the most significant royalty arrangements:

- The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after the Kittila mine's operations commenced, the Company has been required to pay 2.0% on net smelter returns, defined as revenue less processing costs. The royalty is paid on an annual basis in the following year.
- The Company is committed to pay a royalty on production from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 2.5% to 5.0%.
- The Company is committed to pay a royalty on production from certain properties in Mexico. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 0.5% to 3.5%.

26. COMMITMENTS AND CONTINGENCIES (Continued)

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following purchase commitments as at December 31, 2015, of which $29.3 million related to capital expenditures:

	Purchase Commitments
2016	$38,750
2017	10,556
2018	7,991
2019	5,709
2020	4,702
Thereafter	20,400
Total	$88,108

27. SUBSEQUENT EVENTS

Dividends Declared

On February 10, 2016, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.08 per common share (a total value of approximately $17.5 million), paid on March 15, 2016 to holders of record of the common shares of the Company on March 1, 2016.

Flow-through share private placement

On March 10, 2016, the Company issued 374,869 common shares under flow-through share private placements for total proceeds of C$25.0 million ($18.7 million). The Company has an obligation to incur C$25.0 million in exploration expenditures and to renounce such expenditures to the investors of these flow-through shares.

28. ONGOING LITIGATION

Securities Class Action Lawsuits

On March 8, 2012 and April 10, 2012, a Notice of Action and Statement of Claim (collectively, the "Ontario Claim") were issued by William Leslie, AFA Livforsakringsaktiebolag and certain other entities against the Company and certain of its current and former officers, some of who also are or were directors of the Company. The Ontario Claim alleged that the Company's public disclosure concerning water flow issues at the Goldex mine was misleading. The Ontario Claim was issued by the plaintiffs on behalf of all persons and entities who acquired securities of the Company during the period March 26, 2010 to October 19, 2011, excluding persons resident or domiciled in the Province of Quebec at the time they purchased or acquired such securities. The plaintiffs sought, among other things, damages of C$250.0 million. On April 17, 2013, an Order was granted on consent certifying the action and granting leave for the claims under Section 138 of the *Securities Act* (Ontario) to proceed.

On March 28, 2012, the Company and certain of its current and former officers, some of whom also are or were directors of the Company, were named as respondents in a Motion for Leave to Institute a Class Action and for the Appointment of a

28. ONGOING LITIGATION (Continued)

Representative Plaintiff (the "Quebec Motion"). The action was on behalf of all persons and entities with fewer than 50 employees resident in Quebec who acquired securities of the Company between March 26, 2010 and October 19, 2011. The proposed class action was for damages of C$100.0 million arising as a result of allegedly misleading disclosure by the Company concerning its operations at the Goldex mine. On October 1, 2013, the Quebec court certified the class action on terms identical to those set out in the consent Order granted in Ontario on April 17, 2013.

Settlement of Ontario and Quebec Actions

In September 2015, the Company participated in a mediation with the plaintiffs in respect of both the Ontario and Quebec actions and reached an agreement to settle the Ontario and Quebec actions for an aggregate of C$17.0 million without any admission of liability. As part of the settlement, the proceedings against the Company and the individual defendants were dismissed. The settlement was approved by the Ontario and Quebec courts on February 11, 2016 and February 1, 2016, respectively. The amount of the settlement has been covered by the insurers to the Company. As at December 31, 2015, the Company recorded C$17.0 million in the accounts payable and accrued liabilities line item of the consolidated balances sheets to reflect the settlement payment, with an equal amount recorded in the other current assets line item of the consolidated balances sheets to reflect the related insurance receivable.

APPENDIX C

Project Licenses, Permits, Authorizations, and Agreements

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
66A/8-71-2	Land Lease	INAC	All-weather Private Access Road construction, operation, maintenance and reclamation	Active	01-Jan-07	31-Dec-21	
66A/8-72-2	Land Lease	INAC	Quarrying for the AWPAR	Active	01-Jan-07	31-Dec-16	
08-HCAA-CA7-00039	Freshwater Intake Pipe Screen Approval	DFO	Freshwater Intake Pipe at Exploration Camp	Active	06-Jan-09		No obligations or renewal deadlines. Approval does not have expiry date.
08-HCAA-CA7-00040 (NU-08-0040)	Freshwater Intake Pipe Screen Approval	DFO	Freshwater Intake Pipe at Meadowbank Camp	Active	06-Jan-09		No obligations or renewal deadlines. Approval does not have expiry date.
NU 03-191 s30	Freshwater Intake	DFO	Freshwater Intake at Emulsion plant	Active	16-Nov-09		No obligations or renewal deadlines. Approval does not have expiry date.
FWISL-ACC-07-08-056	Animal Use Protocol	DFO		Expired		31-Mar-08	
FWI-ACC-2009-027	Animal Use Protocol	DFO		Expired	04-Jun-09	31-Dec-09	
FWI-ACC-2008-2009-054	Animal Use Protocol	DFO		Expired	07-Jul-08	31-Mar-09	
FWI-ACC-2008-2009-064	Animal Use Protocol	DFO		Expired	31-Jul-08	31-Mar-09	
FWI-ACC-2010-022	Animal Use Protocol	DFO		Expired	09-Jun-10	31-Dec-10	
FWI-ACC-2011-025	Animal Use Protocol	DFO		Expired	17-Jun-11	31-Dec-11	
FWI-ACC-2012-038	Animal Use Protocol	DFO		Expired	13-Jun-12	01-Oct-12	
FWI-ACC-2013-033	Animal Use Protocol	DFO		Expired	11-Jun-13	01-Nov-13	
FWI-ACC-2015-021	Animal Use Protocol	DFO		Expired	11-Jun-15	01-Dec-15	
S-08/09-1042-NU	Licence to fish for scientific purposes	DFO		Expired	11-Aug-08	31-Oct-08	
S-08/09-1040	Licence to fish for scientific purposes	DFO		Expired	14-Jul-08	30-Sep-08	
S-09/10-1027-NU	Licence to fish for scientific purposes	DFO		Expired	24-Jun-09	30-Sep-09	
S-10/10-1011-NU	Licence to fish for scientific purposes	DFO		Expired	17-Jun-10	15-Oct-10	

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
S-11/12-1015-NU	Licence to fish for scientific purposes	DFO		Expired	15-Jun-11	15-Oct-11	
S-11/12-1042-NU	Licence to fish for scientific purposes	DFO		Expired	10-Aug-11	31-Aug-11	
S-12/13-1023-NU	Licence to fish for scientific purposes	DFO		Expired	15-Jun-12	30-Sep-12	
S-13/14-1010-NU	Licence to fish for scientific purposes	DFO	AWPAR and on-site fisheries monitoring including CREMP	Expired	15-Jun-13	15-Oct-13	
S-13/14 3018-YK	Licence to fish for scientific purposes	DFO	Vault Fishout	Expired	15-Jul-13	31-Mar-13	
S-15/16-1012-NU	Licence to fish for scientific purposes	DFO	AWAR and habitat compensation work	Expired	30-Jun-15	31-Jan-16	
NU-03-0190	HADD Authorization - AWPAR (amendment #1 and #2)	DFO	AWPAR - Infilling of fish habitat as a result of water crossing construction affecting a total of 0.53 HU / 2,793 m^3 of fish habitat	Expired	02-May-07	31-Dec-08	
NU-03-0191	HADD Authorization - Mine Site. *Fisheries Act* Authorization	DFO	Infilling of fish habitat as a result of infilling and dewatering of Second and Third Portage Lakes - dikes and pits + airstrip extension	Expired	30-Jul-08	15-Dec-15	
NU-03-0191.02	s.32 *Fisheries Act* Authorization - Meadowbank Dewatering Bay Goose	DFO	Authorization for the fish destruction by means other than fishing during the dewatering of Bay Goose impoundment area in Third Portage Lake	Expired	22-Feb-11	31-Jul-12	
NU-03-0191.03	Portage Pit and Bay Goose *Fisheries Act* Authorization	DFO	Second Portage Lake: Dewatering, excavation, dike and road footprint (east and central dikes) and in water placement of coarse material Third Portage Lake : Dewatering, excavation, road footprint, Bay	Active	05-Mar-13	31-Dec-17	

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
			Goose and South Camp Dike footprints and in water placement of coarse material				
NU-03-0191.04	Vault *Fisheries Act* Authorization	DFO	Dewatering, excavation, dike construction and placement of course material in Vault Lake basin	Active	02-Apr-13	31-Dec-17	
NU-08-0013	HADD Authorization - Western Channel	DFO	Infilling of fish habitat as a result of a temporary culvert installation affecting 1.01 HU on the westernmost channel connecting 2PL and 3PL	Expired	28-May-08	13-Jun-08	
NU-08-0052	Authorization for destruction of fish	DFO	*Fisheries Act* Sec.32 - destruction of fish arising from dewatering of NW arm of 2PL	Expired	02-Mar-09	31-Dec-10	
NU-10-0049	Vault Culvert Crossing	DFO	Vault Culvert Crossing	Active	25-Jan-11		No end term
MMER Sec 27.1 Approval TIA (08-HCAA-CA7-00191)	Letter of Approval	DFO	Authorization for deposition of tailings in TIA. Approval of Compensation Plan.	Active	14-Jan-10		TIA Habitat Compensation Plan
DvlptPA	Development Partnership Agreement	GN	700,000 m^3/annually - mining, milling & associated activities, operation of Baker Lake Facilities, operation of AWPAR	Active	17-Feb-07	17-Feb-22	As per article 11.1, Agreement remains in force until completion of Closure and Reclamation
L-51260	Baker Lake Marshalling Area	GN	Marshalling Facility; tank farm, explosive area, access road.	Active	01-Mar-10	01-Mar-13	Permit renewal on going
L-51261	Baker Lake Marshalling Area, Land Lease	GN	Baker Lake Spud Barge	Active	01-Mar-10	01-Mar-20	
L-51262	Baker Lake All-weather Private Access Road Section	GN	Municipal Lands portion of Tahek Lake AWPAR, Baker Lake, Nunavut	Active	01-Mar-10	01-Mar-20	
LUP-06-603-001 (a)	Land use permit	GN	AWPAR construction	Expired			

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
QP-06-603-001 (a)	Quarry Permit	GN	AWPAR Quarry 1 : authorization to take 85,388m^3 of quarries bedrock - granite	Expired			
603-0-LUP-07-001	Land use permit	GN	Baker Lake Marshalling Area	Expired	01-May-07	01-May-08	
WL-2012-050	Wildlife Research Permit	GN	Ground survey of birds, nest, raptors, other animals, and wildlife signs. Must submit report at end of study	Expired	01-Jun-12	31-May-12	
WL-2014-055	Wildlife Research Permit	GN	Ground survey of birds, nest, raptors, other animals, and wildlife signs. Must submit report at end of study	Expired	1-Aug-14	31-Jul-15	
WL-2015-058	Wildlife Research Permit	GN	Ground survey of birds, nest, raptors, other animals, and wildlife signs. Must submit report at end of study	Active	1-Jun-15	1-Jun-16	
Memorandum of Understanding	Wildlife Research	GN	GN has requested that the Proponent participate in the Kivalliq Ungulate Monitoring Program and the Proponent desires to work collaboratively and in good faith to increase the common knowledge of caribou and muskoxen for mutual benefit.	Active	11-Sep-13	11-Sep-16	
IIBA	Inuit Impact Benefit Agreement	KivIA	Inuit Impact Benefit Agreement	Expired	25-Mar-06	23-Jun-11	Reviewed every third year for material change and automatically renewed for a subsequent 3 year term
IIBA	Inuit Impact Benefit Agreement	KivIA	Inuit Impact Benefit Agreement	Expired	23-Jun-11	23-Jun-14	Reviewed every third year for material change and automatically renewed for a subsequent 3 year term

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
IIBA	Inuit Impact Benefit Agreement	KivIA	Inuit Impact Benefit Agreement	Active	23-June-14	23-June-17	Reviewed every third year for material change and automatically renewed for a subsequent 3 year term
KVCA06Q11	Quarry Permit - AWPAR	KivIA	Quarrying for All-weather Private Access Road, 254,546 m^3 of material	Active	02-Feb-07	31-Dec-21	Permit expires in 2022 or when the specified amount of material has been quarried
KVCA09Q09	Quarry Permit	KivIA	Removal of 50,000 m^3 of gravel material - sand quarry for concrete production	Expired	03-Mar-09	03-Mar-11	Expires within 24 months or when material has been quarried
KVCA08Q10	Quarry Permit	KivIA	Removal of 250,000 m^3 of gravel, sand, loam, mining backfill or shot rock from the land	Expired	15-May-08	15-May-12	Expires 12 months from the date hereof or when material has been quarried
KVPL08D280	Surface Production Lease (Amendment #1 and #2)	KivIA	Surface Production Lease: Construction, operation and closure of the mine on IOL	Active	24-Jul-08	31-Dec-27	Production Lease Amended #1 Feb. 9th, 2009 ; Production Lease Amended #2 May 2, 2013
KVRW06F04	Right of Way Agreement - AWPAR (amendment #1)	KivIA	All-weather Private Access Road (and Quarry - KVCA06Q11)	Active	01-Jan-07	31-Dec-21	
KVRW09F05	Right of Way Authorization	KivIA	Winter Access Road for sand quarry	Expired	03-Mar-09	31-May-11	ROW expires one year before the sand quarry
Mine Water Comp Agrmt	Water Compensation Agreement - Mine	KivIA	Compensation for water consumption at Meadowbank site and any changes in water quality, quantity or flow due to project activities	Active	14-Apr-08		Agreement terminates with C&R when KivIA provides a letter of clearance
Road Water Comp Agrmt	Water Compensation Agreement - Road (amendment #1)	KivIA	Compensation where development and operation of AWPAR has substantial effect on water quality, quantity or flow	Active	29-Jan-08		Agreement terminates following C&R of the road and all IOL affected by road

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
PC_NIRB-004	Project Certificate + modification condition 32	NIRB	Approval for the Meadowbank Project to proceed subject to its Terms & Conditions	Active	30-Dec-06	31-Dec-21	change in Condition 32 in September 15, 2010 (ATV access on AWPAR) Removal of condition 48 and changes to condition 49 and 53 related to Phaser Lake (NIRB decision on April 18, 2016)
03-023-10N-M	Scientific Research License	NRI	Wind Data Collection	Expired	01-Jan-10	31-Dec-10	Multi-year license for January 1, 2010 - October 29, 2011 but needs to renewed each year
BL14-001-PL Vault	Subsurface Production Lease	NTI	Vault	Active	01-Jul-12	01-Jul-17	
2AM-MEA0815	Water License + Modification East Dike + Modification Airstrip + Amendment Fuel Tank Baker Lake		700,000 m^3 annually - Milling, mining and associated activities at the Meadowbank Project site Amendment freshwater use permit – 1,870,000 m^3 in 2013 and 1,150,000 m^3 thereafter	Expired	10-Jul-08	31-May-15	Approved by the Minister on July 10, 2008 Modification East Dike approve on July 3, 2013 Modification Airstrip approved in 2012 Amendment Fuel Tank Baker Lake on May 5, 2010
2AM-MEA0815	Short Term Water Licence	NWB	Same conditions as the approved 2008 water licence and amendment	Expired	20-April-15	27-Nov-15	Short term licence while waiting for the water licence renewal
2AM-MEA1525	Renewed Water Licence	NWB	2,350,000 m^3 annually up to December 31 2017 and 4,935,000 m^3 annually starting in	Active	23-Jul-15	22-Jul-25	

List of Permits and Licenses for the Project

Permit/License	Type	Licensor	Approved Ops	Status	Begin of Term	End of Term	Comments
			2018 through to the Expiry of the License- Milling, mining and associated activities at the Meadowbank Project site				
2BB-MEA1318	Renewed Water License + Amendments 1-4	NWB	299 m^3/day for overall activities	Active	07-Mar-13	06-Mar-18	(previously 2BE-MEA1525)
8BC-AEA1525	Type B Water License	NWB	299 m^3/day for dust suppression of the Amaruq Exploration Access Road	Active	09-Nov-15	31-Dec-25	requesting that the same terms, conditions and mitigation measures be incorporated into this Type B water licence upon issuance

INAC = Indigenous and Northern Affairs Canada (formally Aboriginal Affairs and Northern Development Canada); DFO = Fisheries and Oceans Canada; GN = Government on Nunavut; KivIA = Kivalliq Inuit Association; NRI = Nunavut Research Institute; NTI = Nunavut Tunngavik Incorporated; NWB = Nunavut Water Board; m^3 = cubic metres.

List of Authorizations

Authorization	Authority	Basis
Conformity determination with Keewatin Regional Land Use Plan	Nunavut Planning Commission	Allows Project to proceed to screening
Article 12, Environmental Screening/ Assessment	Nunavut Impact Review Board	Allows Project to proceed to authorizations to build and operate the road
Type B Water License	Nunavut Water Board	Allows for use of water and disposal of waste in constructing, operating and closing the road
Water Compensation Agreement	Kivalliq Inuit Association	Compensation for Inuit Water Rights under Nunavut Land Claims Agreement (NLCA) Section 20
Land Use Permit	Kivalliq Inuit Association	Allows construction of the road on IOL
Right-of-way Lease	Kivalliq Inuit Association	Allows lease right-of-way for completed and surveyed road across IOL
Quarry Permit	Kivalliq Inuit Association	Borrow pits proximal to the right-of-way for obtaining material to build the road.
Land Use Permit	Formerly, Aboriginal Affairs and Northern Development Canada, now INAC	Allows construction of the road across crown land
Right-of-way Lease	Aboriginal Affairs and Northern Development Canada	Allows lease right-of-way for completed and surveyed road across Crown Land.
Quarry Permit	Aboriginal Affairs and Northern Development Canada	Various borrow pit sites proximal to the right-of-way for obtaining material to build the road.
Fisheries Authorization	DFO	A Project Authorization will not be required as there is no harm to fish or fish habitat. Agnico Eagle intends to follow DFO operational statements for the installation of clear span bridges and culverts.
Navigable Waters Determinations	Transport Canada	The determination by Agnico Eagle if streams and rivers crossed by the Road are navigable. The report on navigability will be sent to Transport Canada.
Explosive Magazine Permit Renewal	Workers' Safety and Compensation Commission	Permits an explosive magazine on-site and at other approved locations
Class 2 Permit for Heritage Sites (obtained by qualified professional archaeologist)	Department of Culture and Heritage, Government of Nunavut	Unavoidable impacts of the road on heritage sites have been mitigated

Primary Project Approval Requirements

Permit/Approval Legislation	Administering Agency	Project Activity
Project Certificate NLCA (Article 12)	NIRB	Project approval
Inuit Impact and Benefit Agreement NLCA (Article 26)	KivIA	Project commencement
Mineral Production Lease	Nunavut Tunngavik Inc.	Required for mineral production
Inuit Water Rights Compensation Agreement NLCA (Article 20)	KivIA	May be required
Water Licence *Nunavut Waters and Nunavut Surface Rights Tribunal Act*	NWB	Required for water use and waste disposal
Class 1/Class 2 Archaeology Permit *Nunavut Archaeological and Paleontological Sites Regulations*	Government of Nunavut Department of Culture, Language, Elders and Youth (CLEY)	Required to conduct archaeology research and to mitigate archaeological sites to allow development to occur
IOL – Commercial Land Use Lease or Right of Way NLCA	KivIA	Long-term land tenure required for land use on IOLs; land required for infrastructure, roads and activities associated with construction, operations, and closure phases
IOL – Quarry Lease/Permit NLCA	KivIA	Required for quarrying of material on IOLs during construction, operation and closure
Crown Land – Lease/Land Use Permit *Territorial Lands Act* *Territorial Land Use Regulations*	INAC	Required for quarrying of material on Crown land during construction, operation and closure
Approval and/or Exemption *Navigable Waters Protection Act* (sections 5, 22 and 23)	Transport Canada	Construction of works in navigable waters. Prescriptions of Sections 22 and 23 of the Navigable Waters Protection Act will be followed as necessary.
Fisheries Authorization for Harmful Alteration Disruption or Destruction (HADD) of Fish or Fish Habitat *Fisheries Act* (section 35)	DFO	Required if HADD cannot be avoided; if HADD can be avoided, DFO may provide a letter of advice outlining best management practices
Licence for a Factory and Magazine *Explosives Act and Regulations*	Natural Resources Canada	Required for construction of explosives factories and magazine(s) and storage of explosives

Primary Project Approval Requirements

Permit/Approval Legislation	Administering Agency	Project Activity
Permit to Store Detonators *Explosives Use Act* *Mine Health and Safety Act and Regulations*	Nunavut Mine Health and Safety Nunavut Workers Compensation Board	Required to store detonators in a magazine
Explosive Use Permit *Explosives Use Act* *Mine Health and Safety Act* and *Regulations*	Nunavut Mine Health and Safety Nunavut Workers Compensation Board	A permit is required to use explosives unless used in accordance with the regulations
Spill Contingency Plan Approval *Environmental Protection Act* *Spill Contingency Planning and Reporting Regulations*	Nunavut Department of Environment (DoE)	A Spill Contingency Plan must be filed with the Chief Environmental Protection Officer to store fuel in an above-ground facility with a 20,000 L capacity or greater
Assorted Scientific Research Permits *Scientist Act* *Wildlife Act*	Nunavut Research Institute	Required to conduct some of the environmental monitoring activities

APPENDIX D

Typical Drawings

NO. DESSIN
DRAWING NO. 6103-117-230-271_A

FORMAT ARCHD

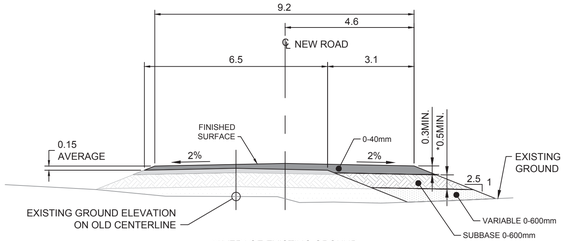
NOTES:

1. SOILS VERY SUSCEPTIBLE TO FREEZE AND THAW INDUCED SETTLEMENT WHERE THAWING OF THE NEAR-SURFACE SUB-GRADE IS EXPECTED TO RESULT IN SIGNIFICANT STRENGTH LOSS AND EXCESSIVE SETTLEMENTS.

2. SOILS RELATIVELY SUSCEPTIBLE TO FREEZE AND THAW INDUCED SETTLEMENT WHERE THAWING OF THE NEAR-SURFACE SUB-GRADE IS EXPECTED TO RESULT IN SIGNIFICANT STRENGTH LOSS AND EXCESSIVE SETTLEMENTS.

3. SOILS RELATIVELY UNSUSCEPTABLE TO FREEZE AND THAW SETTLEMENT WHERE THAWING OF THE NEAR-SURFACE SUB-GRADE IS EXPECTED TO RESULT IN MINIMAL STRENGTH LOSS AND TOLERABLE SETTLEMENTS.

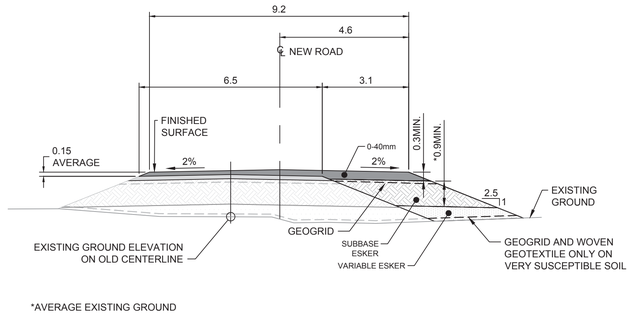
4. ALL DIMENSIONS IN METERS, UNLESS NOTED OTHERWISE.



*AVERAGE EXISTING GROUND

TYPICAL SECTION TYPE 1
ROC SOIL
(SEE NOTE 3)

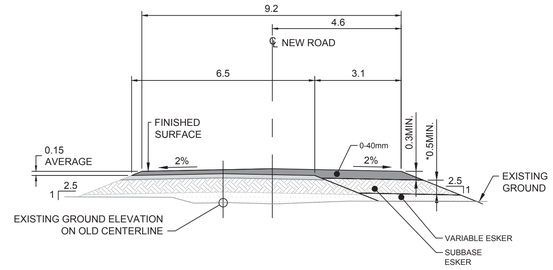
HOR. 1:100
VERT. 1:100



*AVERAGE EXISTING GROUND

TYPICAL SECTION TYPE 2
TUNDRA SOIL
(SEE NOTE 2)

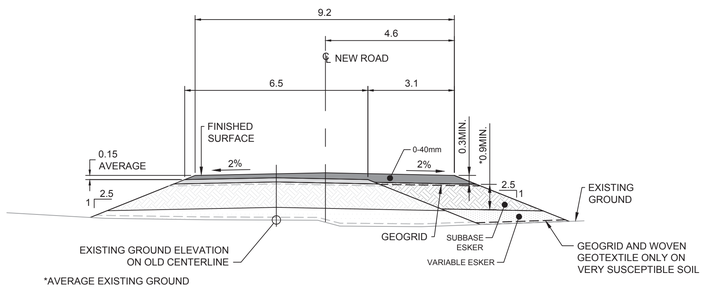
HOR. 1:100
VERT. 1:100



*AVERAGE EXISTING GROUND

TYPICAL SECTION TYPE 3
ROC SOIL
(SEE NOTE 3)

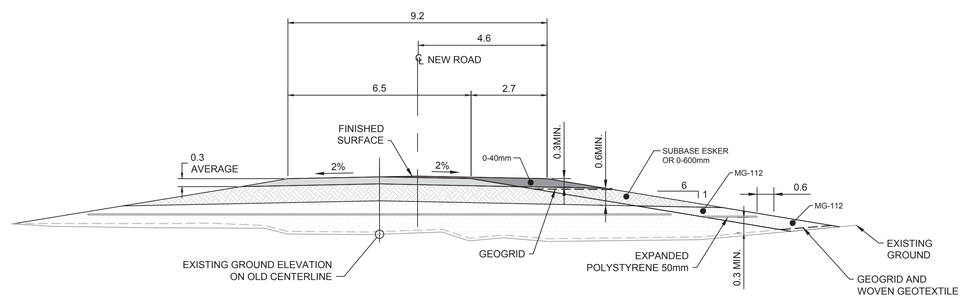
HOR. 1:100
VERT. 1:100



*AVERAGE EXISTING GROUND

TYPICAL SECTION TYPE 4
THAW SUSCEPTIBLE SOIL
(SEE NOTE 2)

HOR. 1:100
VERT. 1:100



TYPICAL SECTION 5
ICE WEGDE AND VERY THAW SUSCEPTIBLE SOIL
(SEE NOTE 1)

HOR. 1:100
VERT. 1:100

PLAN CLÉ
KEY PLAN

NOTE GÉNÉRALE / GENERAL NOTE

DEMANDE DE PERMIS
ISSUED FOR PERMITTING
AGNICO EAGLE DATE : 26/04/2016

NE PAS UTILISER
POUR CONSTRUCTION
NOT FOR CONSTRUCTION
AGNICO EAGLE DATE : 26/04/2016

WSP

#141-21815-00

DESSINS EN RÉFÉRENCE / REFERENCE DRAWINGS

TITRE / TITLE	# DWG

AGNICO EAGLE

REV.	DATE	DESCRIPTION	PAR/BY	APP.	CLIENT
A	2016-04-26	ISSUED FOR PERMITTING	S.D.	S.D.	

REVISIONS

Sébastien Dupuis 139557 QUÉBEC INGÉNIEUR 2016-04-27

S. DUPUIS 139557 INGÉNIEUR QUÉBEC

TITRE / TITLE
AGNICO-EAGLE - MEADOWBANK DIVISION
117-ROAD, YARDS, FENCES AND OTHER
230-GENERAL EARTH WORK
TYPICAL SECTION & ROAD WIDENING

DESSINÉ PAR / DRAWN BY	SYLVIE DUFOUR.	DATE 2016/04/26
VÉRIFIÉ PAR / CHECKED BY	ÉRIC TRUDEL, P.Eng.	2016/04/26
APPROUVÉ PAR / APPROVED BY	STEPHAN DUPUIS, P.Eng.	2016/04/26
ÉCHELLE / SCALE	INDICATED	DATE 2016/04/07

NO. DESSIN / DRAWING NO. 6103-117-230-271

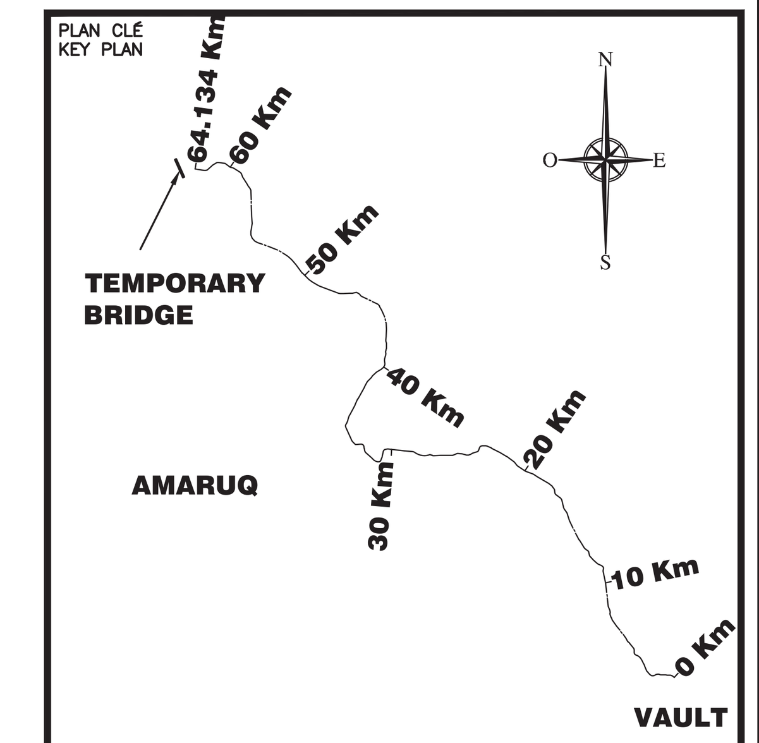
NO. PROJET / PROJECT NO.	REVISION	FEUILLE / SHT
6103	A	1 / 1

AE-CART-ARCH D

FILE NO. 6103-117-230-271_A.dwg

NO. DESSIN DRAWING NO. 6108-117-230-200_0

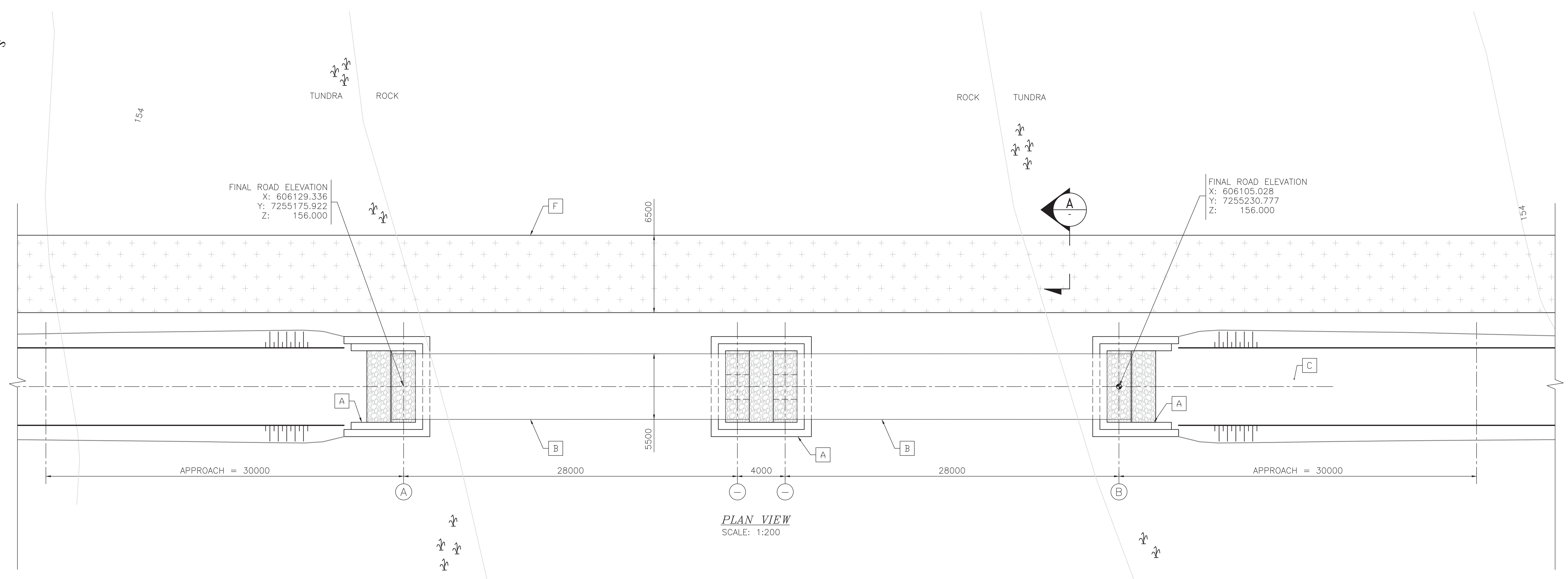
FORMAT ARCHD



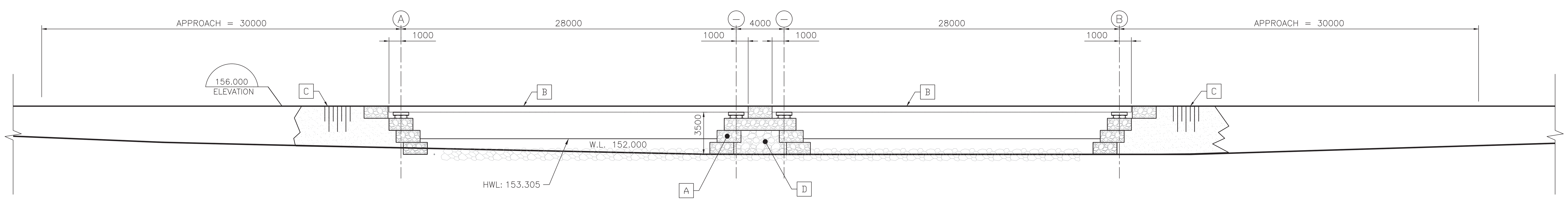
NOTES GÉNÉRALES / GENERAL NOTES

LEGEND

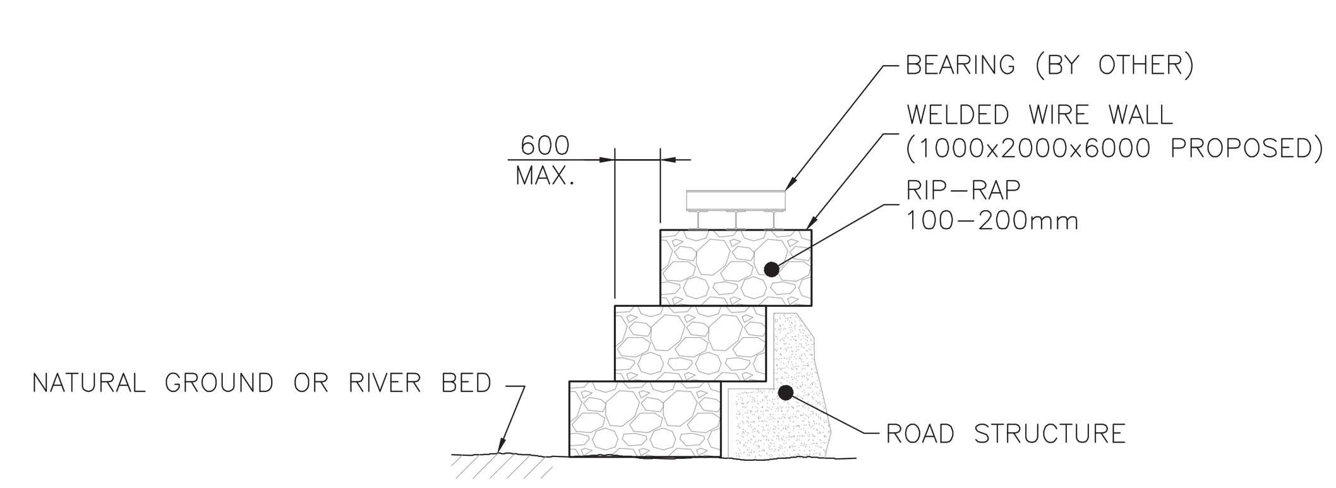
- A ABUTMENTS
- B BRIDGE SUPER STRUCTURE (BY OTHER)
- C ROAD STRUCTURE
- D CRUSHED STONE 300-500
- E CRUSHED STONE 100-200
- F WINTER ROAD
- HWL = HIGHT WATER LEVEL
- WL = DAILY WATER LEVEL (JUNE-2015)



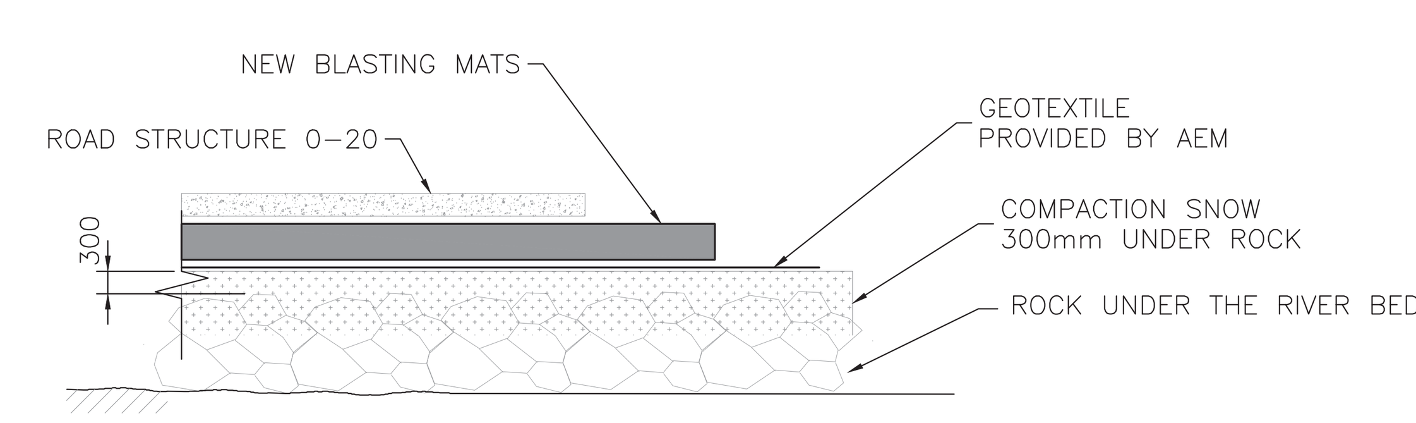
PLAN VIEW
SCALE: 1:200



ELEVATION VIEW
SCALE: 1:200



TYPICAL SECTION FOR ABUTMENTS
NOT SCALE



SECTION A- WINTER ROAD
NOT SCALE

NE PAS UTILISER POUR CONSTRUCTION
NOT FOR CONSTRUCTION
DATE : 2016/11/22

WSP
#141-21815-00

DESSINS EN RÉFÉRENCE / REFERENCE DRAWINGS

TITRE / TITLE	# DWG

AGNICO EAGLE

REV.	DATE	DESCRIPTION	PAR/BY	APP.	CLIENT
0	2016/11/22	ISSUE FOR PERMETTING	S.D.	S.D.	E.T.
A	2016/10/03	ISSUE FOR COMMENT	SD		

REVISIONS

Stéphan Dupuis 139569 QUÉBEC 2016-11-22
S. DUPUIS LICENSEE NT/NU

TITRE / TITLE
AGNICO EAGLE – AMARUQ DIVISION
417-ON SITE INFRASTRUCTURE
AMARUQ PROJET
TEMPORARY BRIDGE
GENERAL ARRANGEMENT
PLAN, ELEVATION, SECTIONS

DESSINÉ PAR / DRAWN BY	S. DEPONT, Tech.	DATE 2016/11/22
VERIFIÉ PAR / CHECKED BY	S. DUPUIS, P. Eng.	2016/11/22
APPROUVÉ PAR / APPROVED BY	S. DUPUIS, P. Eng.	2016/11/22
ÉCHELLE / SCALE	INDICATE	DATE 2016-10-03

NO. DESSIN / DRAWING NO. 6108-117-230-200

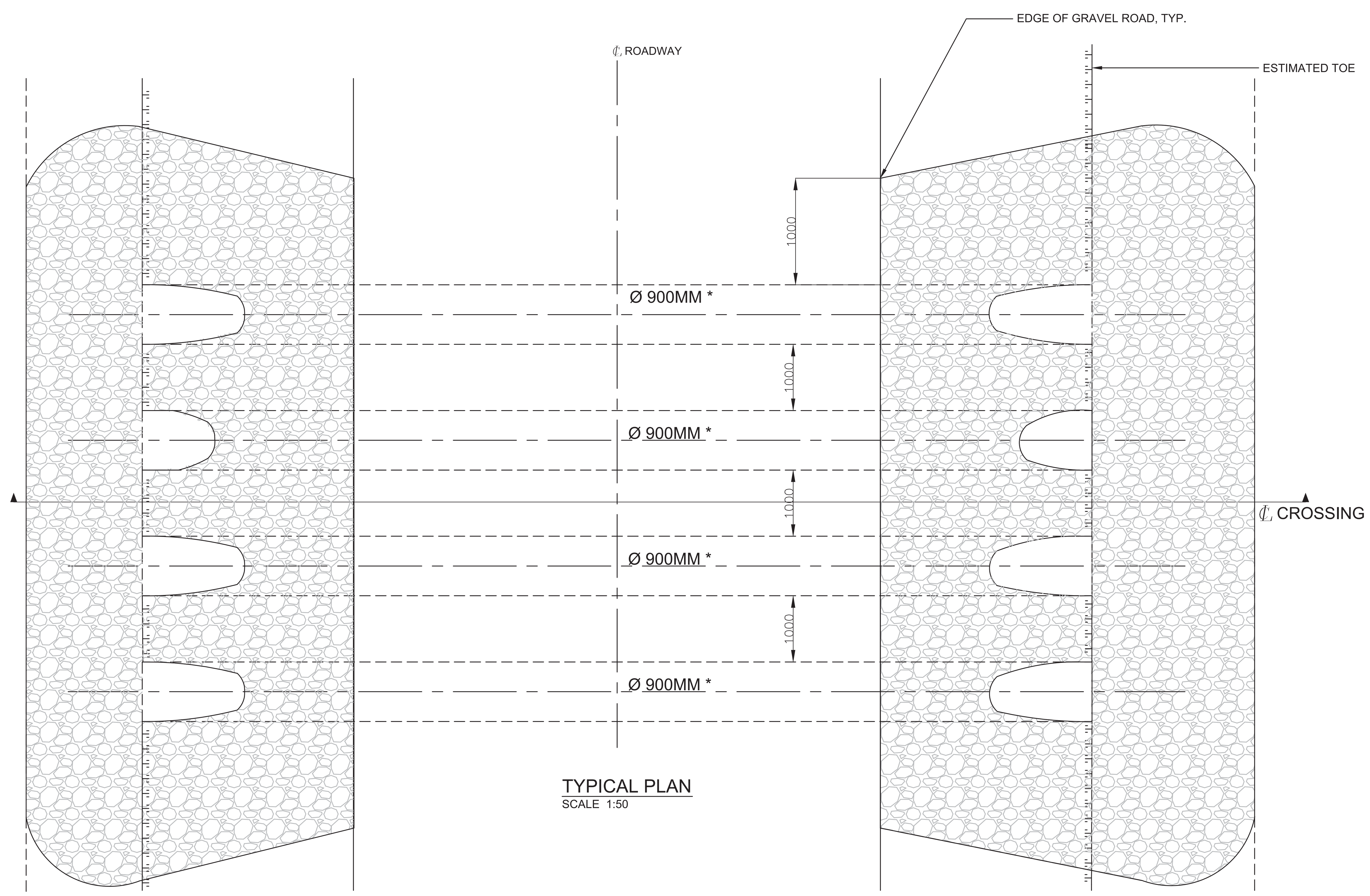
NO. PROJET / PROJECT NO. 6108 — REVISION 0 — FEUILLE / SHT 1/1

AE-CART-ARCH D

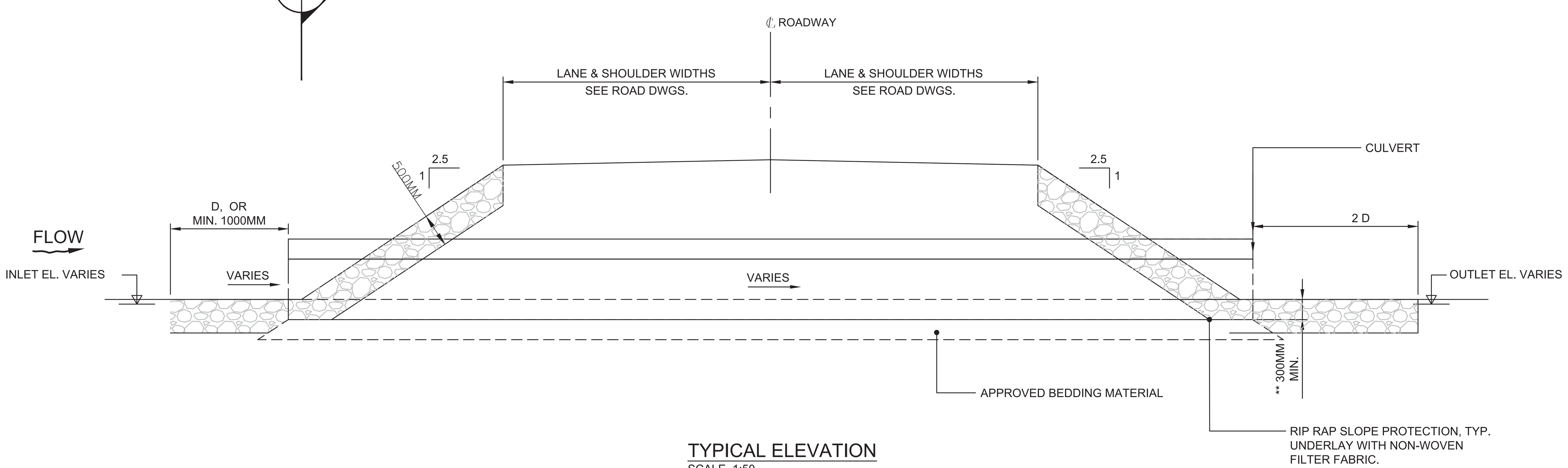
FILE NO. 6108-117-230-200_0.dwg

NO. DESSIN DRAWING NO. 6103-117-230-270

FORMAT ARCHD



TYPICAL PLAN
SCALE 1:50



TYPICAL ELEVATION
SCALE 1:50

GENERAL

- ANY DESIGN CHANGES PROPOSED DURING CONSTRUCTION SHALL REQUIRE PRIOR WRITTEN APPROVAL FROM THE COORDINATING REGISTERED PROFESSIONAL.

HYDROLOGY AND HYDRAULIC ASSESSMENT

- THE EXTENT OF THE RIP RAP IS BASED ON AVAILABLE INFORMATION, THE EXTENTS SHOULD BE ADJUSTED IN THE FIELD TO ENSURE ADEQUATE SCOUR PROTECTION IS PROVIDED TO THE BRIDGE SUBSTRUCTURE AND ABUTMENTS.

CULVERT DESIGN

- CONFORM TO CAN/CSA-S6-06 (MODIFIED)

- DESIGN LIFE IS 45 YEARS

CULVERTS

- THE DESIGN SHOWS THE MINIMUM REQUIRED LENGTH & OPENING SIZE.

- THE CULVERT INSTALLATION, BEDDING & BACKFILL SHALL BE ADEQUATELY PROTECTED TO PREVENT SEEPAGE THAT WAY RESULT IN FAILURE OF THE ROAD EMBANKMENT.

- THE CULVERT INSTALLATION AND BACKFILL IN ACCORDANCE WITH MANUFACTURER'S SPECIFICATIONS.

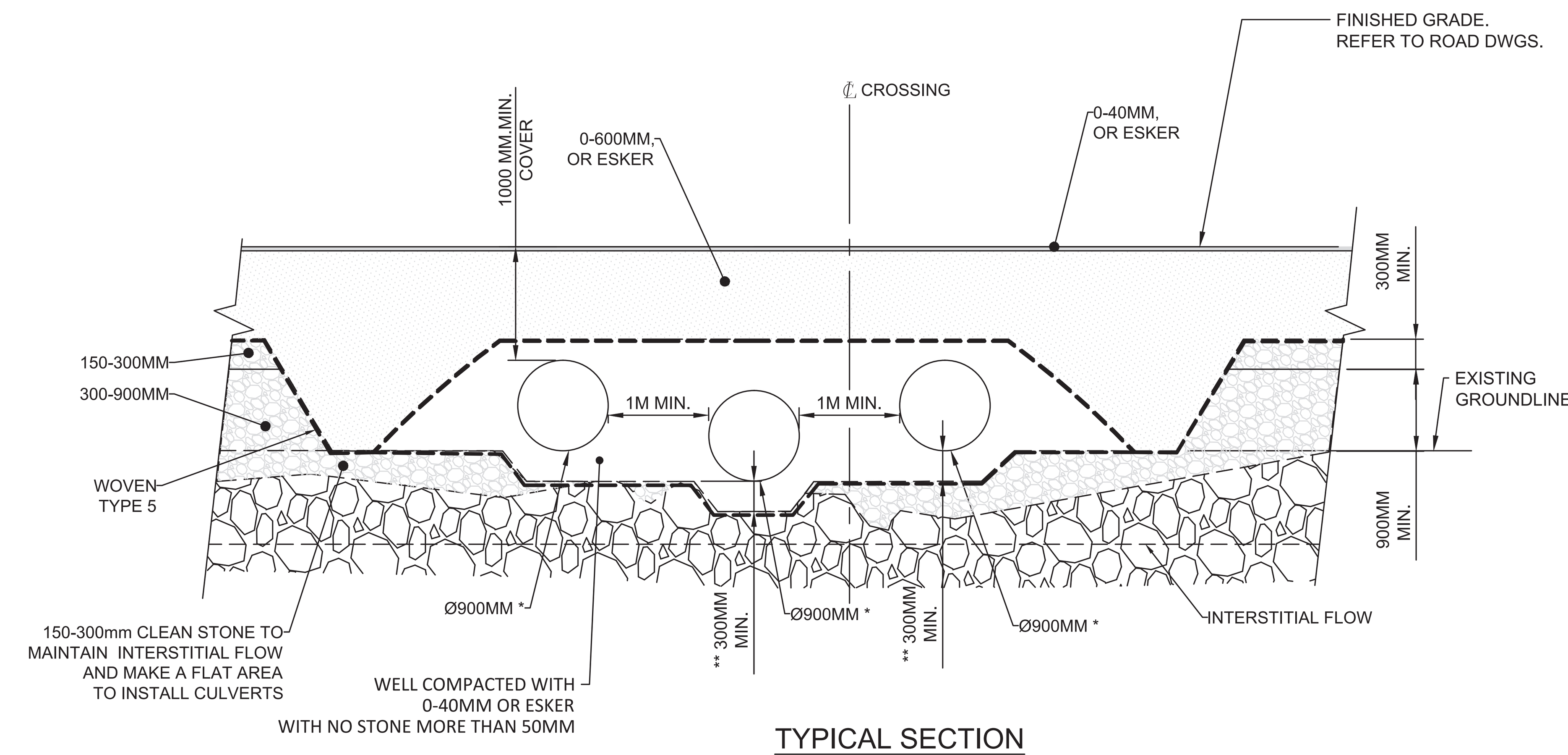
- LOCATION TO BE CONFIRMED IN FIELD WITH COORDINATING REGISTED PROFESSIONAL.

- D: DIAMETER

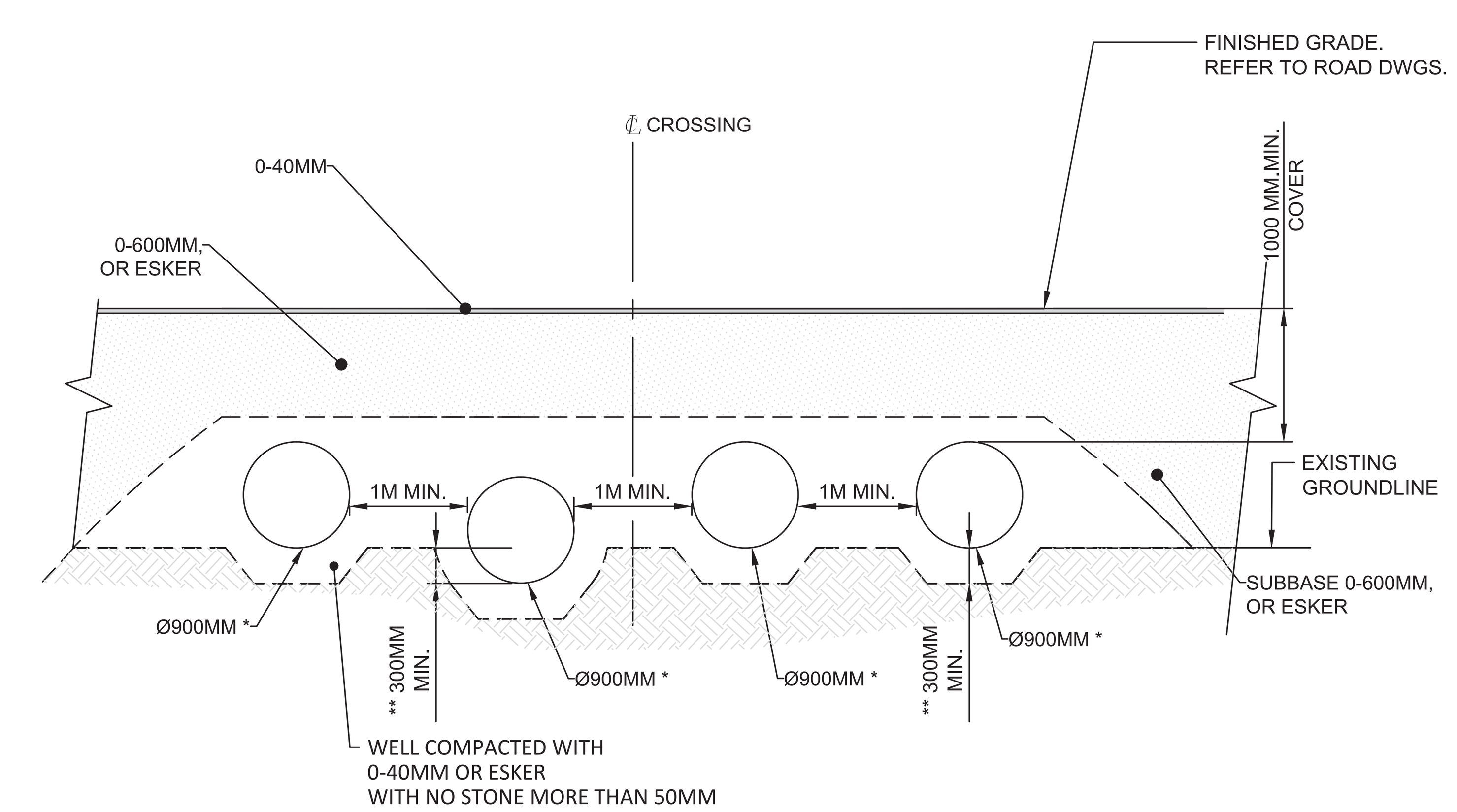
** WHERE GRAMINOID WATERCOURSES THAT ARE FISH HABITAT ARE CONVEYED SOLELY BY CULVERTS (I.E. THERE IS NO BRIDGE) , THE LOWEST CULVERT WILL BE EMBEDDED 300MM BELOW THE STREAM INVERT AND ADDITIONAL CULVERTS, IF REQUIRED, WILL BE EMBEDDED BY 10% OF THEIR DIAMETER.
WHERE CULVERTS ARE PLACED ON TOP OF BOULDER WATERCOURSES THAT ARE FISH HABITAT AND THERE IS NO BRIDGE, INTERSTITIAL FLOW WILL BE MAINTAINED AND THE LOWEST CULVERT WILL BE EMBEDDED 300MM BELOW THE TOP OF THE BOULDERS AND ADDITIONAL CULVERTS, IF REQUIRED, WILL BE PLACED ON TOP OF THE BOULDERS.
CULVERT WHERE THERE IS NOT FISH WILL BE EMBEDDED BY 10% OF THEIR DIAMETER FOR THE LOWEST.
* FOR CULVERTS DIAMETER AND QUANTITY : SEE PLAN AND PROFILE DRAWINGS.

MATERIALS

- CORRUGATED STEEL PIPE: CONFORM TO CSA G40.21M
PLATE: GRADE 350A (OTHER STRUCTURAL STEEL)



TYPICAL SECTION
SCALE 1:50
BOULDER CROSSING



TYPICAL SECTION
SCALE 1:50
GRAMINOID CROSSING

PLAN CLÉ
KEY PLAN

NOTE GÉNÉRALE / GENERAL NOTE

UTM ZONE 14 NAD 83 (SCRS)

WSP

DESSINS EN RÉFÉRENCE / REFERENCE DRAWINGS

TITRE / TITLE	# DWG

AGNICO EAGLE

REV.	DATE	DESCRIPTION	PAR/BY	APP.	CLIENT
1	2015/11/23	ISSUED FOR CONSTRUCTON	S.D.	S.D.	E.T.
0	2015/10/08	ISSUED FOR CONSTRUCTION	S.D.	P.C.	E.T.

REVISIONS

2015-11-30

TITRE / TITLE
AGNICO EAGLE – MEADOWBANK DIVISION
117–ROAD, YARDS, FENCES AND OTHER
VAULT TO AMARUQ
230–GENERAL EARTH WORK ROAD
CULVERT
INSTALLATION DETAILS

DESSINÉ PAR DRAWN BY	SYLVIE DUFOUR.	DATE 2015/11/23
VÉRIFIÉ PAR CHECKED BY	ERIC TRUDEL, P.Eng.	2015/11/23
APPROUVÉ PAR APPROVED BY	STEPHANE DUPUIS, P.Eng.	2015/11/23
ÉCHELLE SCALE	1 : 1000	DATE 2015/04/28

NO. DESSIN DRAWING NO. 6103–117–230–270

NO. PROJET PROJECT NO.	REVISION	FEUILLE / SHT
6103	1	1 / 1

AE-CART-ARCH D

FILE NO. 6103–610–230–270_R1.dwg
6103–117–230–270.dwg

APPENDIX E

Quarry Management Plan Addendum

AMARUQ PROJECT

Quarrying Management Plan for KVCA15Q01 and Whale Tail and Haul Road Type B Water Licence Application

Prepared by:

Agnico Eagle Mines Limited, Exploration Division

Document Control

Version	Date (YMD)	By	Section	Page	Revision
	May 2015	DF			Document creation
	November 2015	DF			Complete revision
	January 2017		Sections 3, 4, 6 New Table 1 New Figure 2 New Appendix B		Amended for Type B Water Licence Application for Whale Tail Pit and Haul Road

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2. Contact 6
3. Land Use Authorization 6
4. Site description 7
5. Best management practices 10
6. Acid Rock Drainage and Metal Leaching 10
7. Management of Water Originating from Borrow Pits 11
8. Management of Archaeological Resources at Borrow Pits 11
10. Ground Ice and Permafrost Protection 12

1. Location

Agnico Eagle Mines Limited (Agnico Eagle) signed an exploration agreement with Nunavut Tunngavik Inc. in January 2013 for the Amaruq (IVR) property. This property is located approximately 50 km northwest of the Meadowbank Mine and 125 km north of the Baker Lake community. The mineral exploration seeks gold mineral deposits. Drilling on this property began during the summer 2013 with helicopter support. Agnico Eagle started the installation of an exploration camp during the summer 2014 and continued the construction and upgrade of the camp during 2015. A commercial lease with the Kivalliq Inuit Association has been obtained by Agnico Eagle and includes the camp area.

This management plan describes the use of the borrow pit #7, Quarry 1 and Quarry 2 that is exploited for gravel requirements. The gravel is used to construct gravel pads for the camp area, gravel roads between the camp and the esker, small gravel exploration roads for the drilling and an airstrip. All identified gravel material comes from the borrow pits and not from existing watercourses; no rock and gravel will be gathered from below the high water mark of any watercourse, nor will any borrow pit operate within 31 metres of a water body. The quarry permits will be approved by the Kivalliq Inuit Association. Fees are paid monthly to the Kivalliq Inuit Association for each cubic metre of material used, and an accurate record of the volume used is kept.

2. Contact

Agnico Eagle Mines Ltd.

Contact :

David Frenette
Environmental Coordinator
C.P. 87
765 Chemin de la mine Goldex
Val-d'Or, Quebec, J9P4N9
david.frenette@agnicoeagle.com

3. Land Use Authorization

This quarry management plan describes the proposed activities for the Amaruq Gold Project under the quarrying permits KVCA15Q01.. The activities described in this management plan are authorized by various authorizing agencies. The Nunavut Impact Review Board in the decision 11EN010 and the Nunavut Water Board in the water licence 2BE-MEA1318 have emitted conditions regarding exploitation in the proposed borrow pit #7 and Quarry 1. The pre-development activities at Quarry 2 are in support of this Nunavut Water Board Type B Application. These borrow pits are located on Inuit Owned Land and administered by the Kivalliq Inuit Association.

4. Site Description

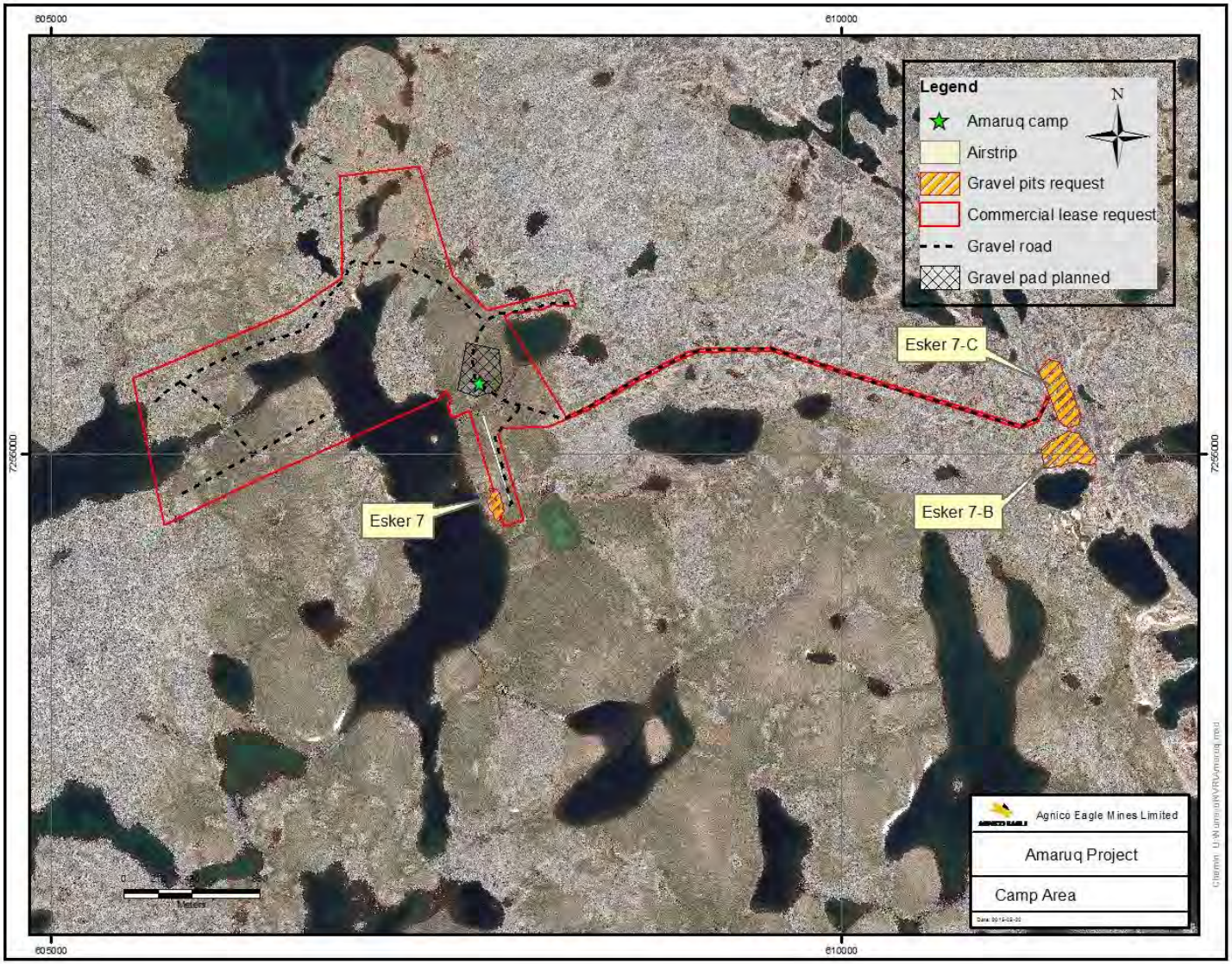
Figure 1 shows the gravel deposits located in the esker #7 that is located in the area of the Amaruq exploration project. The area used for the borrow pits will be around 1 hectare for the esker 7 and Quarry 1. The eskers 7-B and 7-C are not planned to be used in the short term. When the exploitation is completed, the reclaimed borrow pits will have gently sloping walls and positive drainage wherever possible. With prudent initial design, the borrow pits should require little reclamation.

Figure 2 shows the location of Quarry 2, located west of Whale Tail Lake within the Amaruq exploration project site. Most of the waste rock excavated from Quarry 2 will be used for the construction of the water management structures, the infrastructures pads, and the access roads (Table 1) during pre-development activities under the Type B Application. In the event that the Type A Amendment Application (Agnico Eagle 2016f) is not approved, closure and reclamation of Quarry 2 have been planned for and securities have been accounted for in the Closure, Reclamation Strategy and Security Estimate provided in Appendix G of the Whale Tail Pit and Haul Road Type B Main Application Supporting Documents. If the Type A Amendment Application is approved, Quarry 2 will be renamed Whale Tail Pit and managed under the Mine Waste Rock and Tailings Management Addendum submitted in support of the Type A Amendment Application (Agnico Eagle 2016f).

Table 1, Projected Waste Rock Tonnages Used for Construction from Quarry 2 during pre-development activities.

Period	Waste Rock and Overburden Excavated (t)	Waste Rock Used for Pad Construction (t)	Waste Rock Used for Road Construction (t)	Waste Rock Used for Water Management Structures (t)	Waste Rock and Overburden Stored in Whale Tail WRSF (t)
June to Sept.	1 011 755	356 435	103 658	512 900	38 762
Q4	1 887 917	150 949	1 364	192 082	1 543 522
Total	**2 899 672**	**507 384**	**105 022**	**704 982**	**1 582 284**

Figure 1, Borrow pit areas



Overburden

There is almost no overburden present in these gravel deposits. At many locations, the gravel is exposed without any overburden. The estimated thickness of the overburden varies between 0 and 2 cm depending on the area. The volume of overburden that will be stockpiled during the exploitation will be very low to absent, since it is very difficult to remove only the overburden without mixing it with the gravel due to its small layer. Please see attachment for the closure and reclamation plan proposed for this borrow pit.

Overburden in Quarry 2 (Whale Tail Pit) area is expected to be similar to that of the Meadowbank Mine. At the Meadowbank Mine, overburden consists of glacial till having an average thickness of 2.75 m, with local deposits over 10 m thick. The glacial till varies from silty sand to gravel with minor boulders. In a previous report, overburden is described as silty to sand-sized with 25 to 50% pebble to boulder-sized particles. These data have been confirmed during the construction of the Meadowbank Mine from 2008 to 2010. Where sampled at Whale Tail Pit (in July), the overburden was frozen below 1 m depth, and samples were collected in the surficial unfrozen zone only. Information of the geochemical composition of Quarry 2 (Whale Tail Pit) can be found Section 6 of this document and in the FEIS Amendment Volume 5, Appendix 5-E (Agnico Eagle 2016f).

Proximity of water bodies

The lakes located near the proposed borrow area must be protected against any possible sedimentation coming from the borrow pit. The buffer requested by the Nunavut Impact Review Board and by the Nunavut Water Board are the following:

<u>Water Licence 2BE-MEA1318, amendment 2</u>

Item 9

The Licensee shall maintain a minimum of thirty one (31) metres large undisturbed buffer zone between the periphery of quarry sites and the high water mark of any water body. The Licensee shall not excavate and/or remove material from the quarry beyond a depth of one (1) metre above the high water mark or above the groundwater table, to prevent the contamination of groundwater. The quarrying shall be in accordance with all

604000
606000
608000
7256000
7254000

N

A10
A39
A41
A42
A11
A40
NEMO LAKE
C38
C41
C42
A-P18
184
C48
C50
C49
C46
C43
C-P2
C44
C-P37
A-P59
A-P47
A113
A48
A-P31
A-P51
A-P38
C39
A-P37
A-P33
C40
A-P49
C-P1
A47
A-P21
A-P68
A-P67
A46
A49
A50
A54
A-P57
A12
WASTE ROCK BERM
A-P10
A51
A52
A-P52
A-P5
A53
A13
A14
HAUL ROAD
MAMMOTH CHANNEL
TEMPORARY BRIDGE
QUARRY 2
WHALE TAIL CAMP
A15
MAMMOTH LAKE
A16
A58
A-P3
WHALE TAIL LAKE
A55
A-P39
A-P29
A17
A62
A61
A-P47
A43
A-P16
A63
A59
A64
A45
A18
A60
ARCHAEOLOGICAL SITE
2015 - 14
A-P45

LEGEND

- BRIDGE
- ROAD
- TEMPORARY ROAD
- CULVERT
- QUARRY
- ARCHAEOLOGICAL SITE
- WATERBODY
- WATERCOURSE

REFERENCE

1. INFRASTRUCTURE OBTAINED FROM AGNICO EAGLE MINES LIMITED FROM 6108-600-210-001_R2(2018)s.dwg.
2. WATERCOURSE AND WATERBODY DATA OBTAINED FROM PHOTOSAT
DATUM: NAD 83 CSRS PROJECTION: UTM ZONE 14

400 0 400
METRES

PROJECT
AGNICO EAGLE

AGNICO EAGLE MINES LIMITED:
MEADOWBANK DIVISION
WHALE TAIL PIT PROJECT

TITLE

PRE-DEVELOPMENT GENERAL SITE LAYOUT FOR TYPE B WATER LICENSE APPLICATION

Golder Associates

PROJECT	1658927		FILE No.	
DESIGN	JR	29 May 2017	SCALE AS SHOWN	REV. 0
GIS	CDB	06 Jul. 2017		
CHECK	JR	12 Jul. 2017		
REVIEW	LY	12 Jul. 2017		

FIGURE 1.3

Y:\burnaby\CAD-GIS\Client\Agnico_Eagle_Mines_Ltd\Whale_Tail\99_PROJECTS\1658927_RegulatorySupport\02_PRODUCTION\5000\MXD\Report\1658927_5000_5010_FIG_1.3_PRE_DEVELOPMENT_GENERAL_SITE_LAYOUT.mxd

applicable legislation and industry standards including the *Northern Land Use Guidelines, Pits and Quarries* (INAC, 2010).

Nunavut Impact Review Board, new conditions 11EN010

69. The Proponent shall maintain an undisturbed buffer zone between the periphery of quarry sites and the high water mark of any water body that is of an adequate distance to ensure erosion control.

Access required

The road needed to access the borrow pits from the Amaruq camp is located within the perimeter of the commercial lease entitled by the Kivalliq Inuit Association KVCL314C01 and has a length of approximately 1 kilometre from the esker #7.

The road needed to access Quarry 2 from the Amaruq camp is also located within the perimeter of the commercial lease entitled by the Kivalliq Inuit Association KVCL314C01 and will be constructed during pre-development activities proposed in this Type B Application (see figure 2).

5.**Best Management Practices**

Best management practices will employ the following general mitigation measures for the borrow pits:

- Minimize the surface area of borrow pits;
- Locate borrow pits in well drained areas;
- Maintain the floor of the borrow pits slightly above the elevation of the surrounding area to promote natural drainage patterns, to avoid creating ponds, and to prevent permafrost degradation in borrow pits;
- Prevent erosion and sedimentation through appropriate control measures such as silt fences;
- Carry out ARD/ML testing and water quality monitoring in support of mitigation measures;
- Protect archeological resources;

- Use progressive reclamation for closing borrow pits that are no longer needed.

6.**Acid Rock Drainage and Metal Leaching**

Geochemical testing will be carried out to assess the chemical composition of the potential building material, its potential to generate acid rock drainage (ARD), and its potential to leach metals into the receiving environment upon exposure to ambient conditions. Sampling and testing prior to use of any borrow pit significantly reduces the risk of ARD/ML. Avoiding the use of undesirable or questionable building materials ranks this mitigation measure as highly desirable. Initial testing of borrow pit materials at Esker #7 was completed in 2015.

A chemical characterization program investigating the geo-environmental properties of waste-rock and ore at Quarry 1 and Quarry 2 (was included with the Type A Amendment Application (FEIS Amendment volume 5, Appendix 5-E [Agnico Eagle 2016f]) and determined that the Whale Tail deposit (intermediate intrusive, southern greywacke waste rock and mafic volcanic rock away from the greywacke and ultramafic units) being considered for use as infrastructure construction material on the mine site are non PAG and leach relatively low levels of arsenic. These materials appear suitable for use in construction based on testing completed as part of the study. As a precaution, monitoring will continue to evaluate the sulphur content of the south greywacke waste rock and Agnico Eagle will avoid rock that contains more than 0.1 wt% sulphur. Mafic volcanic rock proximal to the ultramafic and greywacke contacts will also be avoided.

The shallow overburden is non PAG based on the low sulphide sulphur content. The arsenic content is low, and its leachable arsenic content is below CCME aquatic life in laboratory tests. This material has a suitable chemistry for use as construction materials; however, the fines portion of the samples could be amenable to erosion and transport as suspended solids in contact water. This, along with the chemistry and leachability of deep overburden, will be monitored prior to its use where it would be exposed to runoff.

Additional measures are being used while the quarries and borrow pits are operational. Additional testing for acid rock drainage/metal leaching will be conducted during the gravel exploitation. For the first 10,000 m^3 of material removed from a borrow pit or rock

quarry, 3 samples will be collected for static testing (ARD/ML). The total number of samples required drops off once the tonnage exceeds 10,000 tonnes. Table 2 below indicates the number of samples to be collected in each quarry and borrow pit.

The additional testing will confirm that the best available gravel materials are being used.

Table 2, Suggested initial sampling frequency based on tonnage

Tonnage of Unit (metric tonnes)	Minimum number of samples
<10,000	3
<100,000	8
<1,000,000	26
<10,000,000	80

Analysis data are available in Appendix A and B.

7. **Management of Water Originating from Borrow Pits**

While ARD/ML testing is a measure to avoid using questionable building materials, water quality monitoring of seeps from borrow pits provides information on possible impacts on the environment, should the water reach any nearby water bodies. A buffer of at least 31 m of undisturbed land is maintained between borrow pits and water bodies, and best management practices will prevent direct drainage. Although erosion is not expected to originate from water flow from the borrow pits, any evidence of erosion will be repaired by placing rip rap over the affected area, and measures will be taken to reduce the velocity of the water with, for example, silt curtains and/or small dikes.

8. **Management of Archaeological Resources at Borrow Pits**

Agnico Eagle has carried out an archaeological assessment of the area around Amaruq camp and no concerns were raised following the assessment on the Commercial lease area (including esker #7, Quarry 1 and Quarry 2). It is Agnico Eagle's intent to avoid archaeological resources in constructing the infrastructures wherever possible; this is the preferred mitigation measure. The goal is to protect archaeological sites identified at any borrow pit or on the access roads. However, if any identified site cannot realistically be avoided, Agnico Eagle will apply for a Culture and Heritage permit to

mitigate the site(s). If any potential archaeological site is identified during the operation of any borrow pit, work will stop, a professional archaeologist will be consulted, and Culture and Heritage will be informed of the discovery.

10. Ground Ice and Permafrost Protection

The selected borrow pit sites are on well drained esker deposits. All eskers have positive topography rising above the local setting. These types of granular deposits were selected because they are largely free of ground ice, thereby minimizing possible thaw settlement, which can result in erosion, slumping of side slopes, and an altered landscape that extends beyond the borrow pit. Should permafrost degradation become evident, the area will be monitored and, if necessary, stabilized by covering the affected land with 1.0 to 1.5 m of granular material. This reclamation effort would allow the permafrost to move up into the material covering the area and stop any further permafrost degradation or prevent further melting of any ground ice. Inspections of borrow pits will continue after their closure at the end of construction. Any significant seeps originating from the borrow pits as a result of ground ice, permafrost melting, or from precipitation events will be monitored if the water is likely to reach receiving waters.

APPENDIX A

Metal leaching and acid generation potential

Gravel Analysis data 2015

Esker #7

		Certificates #	V-46773	V-46774	V-46775	V-48568	V-48569
		Sample names	1	2	3	Esk1	Esk2
		Sample dates	2015-07-19	2015-07-19	2015-07-19	2015-10-04	2015-10-04
Parameter		Limit CMME	**Results**				
Leaching (SFE)							
Aluminium (Al)	mg/L		0.15	0.31	0.35	<0.006	<0.006
Antimony (Sb)	mg/L		<0.0001	<0.0001	<0.0001	0.0002	0.0117
Silver (Ag)	mg/L	0.0001	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005
Arsenic (As)	mg/L	0.005	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005
Barium (Ba)	mg/L		0.0009	0.0017	0.0016	<0.0005	0.0043
Beryllium (Be)	mg/L		<0.0005	<0.0005	<0.0005	<0.0005	<0.0005
Bismuth (Bi)	mg/L		<0.001	<0.001	<0.001	<0.001	<0.001
Boron (leaching)	mg/L	1.5	0.07	0.14	0.17	<0.01	<0.01
Cadmium (Cd)	mg/L	0.00009	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001
Calcium (Ca)	mg/L		0.03	<0.03	<0.03	<0.03	1.54
Chrome (Cr)	mg/L		<0.0006	<0.0006	<0.0006	0.0266	<0.0006
Cobalt (Co)	mg/L		<0.001	<0.001	<0.001	<0.001	<0.001
Copper (Cu)	mg/L	0.002	0.0016	0.0010	0.0007	0.0040	0.0010
Tin (Sn)	mg/L		<0.001	<0.001	<0.001	<0.001	<0.001
Iron (Fe)	mg/L	0.3	0.26	0.46	0.47	0.16	0.13
Lithium (Li)	mg/L		<0.005	<0.005	<0.005	<0.005	<0.005
Magnesium (Mg)	mg/L		0.17	0.12	0.10	0.20	0.47
Manganese (Mn)	mg/L		0.0062	0.01	0.01	0.0051	0.0347
Mercury (Hg)	mg/L	0.000026	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002
Molybdenum (Mo)	mg/L		<0.0005	0.0046	<0.0005	0.0006	<0.0005
Nickel (Ni)	mg/L	0.025	0.0011	0.0027	0.0008	0.0141	0.0019
Lead (Pb)	mg/L	0.001	<0.0005	0.0021	<0.0005	<0.0005	<0.0005
Potassium (K)	mg/L		0.44	0.43	0.41	1.13	0.99
Selenium (Se)	mg/L	0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Sodium (Na)	mg/L		0.50	0.57	0.54	0.71	8.55
Tellurium (Te)	mg/L		<0.0005	<0.0005	<0.0005	<0.0005	<0.0005
Thallium (Tl)	mg/L	0.0008	<0.005	<0.005	<0.005	<0.005	<0.005
Titanium (Ti)	mg/L		<0.01	0.01	0.01	<0.01	<0.01
Uranium (leaching)	mg/L		<0.001	<0.001	<0.001	<0.001	<0.001
Vanadium (V)	mg/L		<0.0005	<0.0005	<0.0005	<0.0005	<0.0005
Zinc (Zn)	mg/L	MMER (0,5)	0.01	0.04	<0.001	0.004	0.001
Acid generating potential - MABA							
ANC/PAS Ratio			22.11	12.98	28.16	2.63	7.43
- Acide neutralizing capacity (ANC)	Kg CaCO3/Tonne		8.84	0.81	2.46	2.74	0.97
- Acidity potential (AP)	Kg CaCO3/Tonne		0.40	0.06	0.09	1.04	0.13
- Net neutralization potential (NNP)	Kg CaCO3/Tonne		8.44	0.75	2.38	1.70	0.84
- Sulfate %	%S		0.01	0.01	<0.01	<0.01	<0.01
- Total Sulfur	%S		0.02	0.01	0.01	<0.03	<0.01
- pH			6.68	5.48	5.58	7.14	6.70

APPENDIX B

Metal leaching and acid generation potential

Whole Rock Analysis Results 2016

Quarry #2

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample type		Distance to Ore	WR										
		From	To						SiO2	Al2O3	Fe2O3	MgO	CaO	Na2O	K2O	TiO2	P2O5	MnO	Cr2O3	V2O5
									%	%	%	%	%	%	%	%	%	%	%	%
AMQ-ENV15-116	-	0	1.0	-	Overburden	Waste	Grab	-	70	13	3.8	0.93	1.4	3.1	3.6	0.45	0.11	0.05	< 0.01	< 0.01
AMQ-ENV15-130	-	0	1.0	-	Overburden	Waste	Grab	-	66	13	4.8	1.5	1.2	2.3	3.6	0.42	0.13	0.06	0.06	< 0.01
AMQ-ENV15-131	-	0	1.0	-	Overburden	Waste	Grab	-	74	12	3.1	1.2	1.2	2.4	3.5	0.38	0.1	0.03	0.02	< 0.01
AMQ-ENV15-132	-	0	1.0	-	Overburden	Waste	Grab	-	74	12	2.9	1.1	1.1	2.8	3.6	0.36	0.09	0.07	0.02	< 0.01
AMQ-ENV15-117	-	0	1.0	-	Overburden	Waste	Grab	-	68	12	5.4	1.7	2.1	2.9	3.2	0.65	0.18	0.08	0.02	0.01
AMQ-ENV15-118	-	0	1.0	-	Overburden	Waste	Grab	-	65	11	5.8	5.0	2.9	2.1	2.9	0.53	0.18	0.11	0.08	< 0.01
AMQ-ENV15-119	-	0	1.0	-	Overburden	Waste	Grab	-	73	11	4.0	1.9	1.5	2.4	3.1	0.43	0.15	0.04	0.07	< 0.01
AMQ-ENV15-125	-	0	1.0	-	Overburden	Waste	Grab	-	71	12	3.7	1.2	1.2	2.7	4.0	0.37	0.11	0.05	0.04	0.01
AMQ-ENV15-126	-	0	1.0	-	Overburden	Waste	Grab	-	73	12	3.5	1.2	1.3	2.7	3.7	0.39	0.12	0.05	0.06	< 0.01
AMQ-ENV15-127	-	0	1.0	-	Overburden	Waste	Grab	-	74	12	3.4	0.96	1.2	2.8	3.8	0.4	0.1	0.04	0.04	< 0.01
AMQ-ENV15-128	-	0	1.0	-	Overburden	Waste	Grab	-	73	12	3.2	1.4	1.4	2.9	3.8	0.33	0.1	0.03	0.06	< 0.01
AMQ-ENV15-129	-	0	1.0	-	-	Waste	Grab	-	71	12	3.9	1.3	1.3	2.6	3.6	0.37	0.11	0.05	0.05	< 0.01
								Minimum	*65*	*11*	*2.9*	*0.93*	*1.1*	*2.1*	*2.9*	*0.33*	*0.09*	*0.03*	*< 0.01*	*< 0.01*
								Maximum	*74*	*13*	*5.8*	*5.0*	*2.9*	*3.1*	*4.0*	*0.65*	*0.18*	*0.11*	*0.08*	*0.01*
								Median	*72*	*12*	*3.7*	*1.2*	*1.3*	*2.7*	*3.6*	*0.4*	*0.11*	*0.05*	*0.045*	*0.01*
								Average	*71*	*12*	*4.0*	*1.6*	*1.5*	*2.6*	*3.5*	*0.42*	*0.12*	*0.055*	*0.044*	*0.010*
								Std. Deviation	*3.2*	*0.59*	*0.92*	*1.1*	*0.53*	*0.28*	*0.32*	*0.088*	*0.031*	*0.023*	*0.023*	*1.8E-18*
								75th Percentile	*73*	*12*	*4.2*	*1.5*	*1.4*	*2.8*	*3.7*	*0.44*	*0.14*	*0.063*	*0.06*	*0.01*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	48	8.5	19	1.6	0.66	1.0	1.9	0.31	0.7	0.15	0.02	< 0.01
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	55	9.9	11	1.9	0.78	1.2	2.3	0.36	0.46	0.18	0.04	< 0.01
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	57	11	8.9	2.1	0.85	1.3	2.5	0.4	0.48	0.06	0.03	< 0.01
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	55	10	11	2.0	0.78	1.2	2.3	0.36	0.49	0.1	0.03	< 0.01
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	51	9.4	15	1.8	0.71	1.1	2.1	0.34	0.59	0.13	0.03	< 0.01
								Minimum	*48*	*8.5*	*8.9*	*1.6*	*0.66*	*1.0*	*1.9*	*0.31*	*0.46*	*0.06*	*0.02*	*< 0.01*
								Maximum	*57*	*11*	*19*	*2.1*	*0.85*	*1.3*	*2.5*	*0.4*	*0.7*	*0.18*	*0.04*	*< 0.01*
								Median	*55*	*9.9*	*11*	*1.9*	*0.78*	*1.2*	*2.3*	*0.36*	*0.49*	*0.13*	*0.03*	*nc*
								Average	*53*	*9.7*	*13*	*1.9*	*0.76*	*1.2*	*2.2*	*0.35*	*0.54*	*0.12*	*0.03*	*nc*
								Std. Deviation	*3.7*	*0.88*	*4.1*	*0.17*	*0.073*	*0.13*	*0.2*	*0.033*	*0.1*	*0.046*	*0.0071*	*nc*
								75th Percentile	*55*	*10*	*15*	*2.0*	*0.78*	*1.2*	*2.3*	*0.36*	*0.59*	*0.15*	*0.03*	*nc*

Notes:

a) Price, 1997. Guidelines and Recommended Methods for the Prediction of Metal Leaching and Acid Rock Drainage at Minesites in

nc - statistic could not be calculated

1	Result exceeds the Price Crustal Abundance.
1.0	Result exceeds 5x the Price Crustal Abundance.

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample type		Distance to Ore			ICP								
		From	To						LOI	Sum	Fluoride	Mercury	Aluminum	Silver	Arsenic	Barium	Beryllium	Bismuth	Boron
									%	%	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g
AMQ-ENV15-116	-	0	1.0	-	Overburden	Waste	Grab	-	4.3	100	75	< 0.05	7000	< 0.01	**5.4**	27	0.28	**0.13**	< 1
AMQ-ENV15-130	-	0	1.0	-	Overburden	Waste	Grab	-	6.8	100	100	< 0.05	14000	0.06	**6.8**	96	1.0	**0.43**	3.0
AMQ-ENV15-131	-	0	1.0	-	Overburden	Waste	Grab	-	2.6	100	100	< 0.05	6900	0.01	**3.1**	45	0.4	**0.2**	1.0
AMQ-ENV15-132	-	0	1.0	-	Overburden	Waste	Grab	-	1.7	99	95	< 0.05	5400	< 0.01	**2.8**	32	0.36	**0.2**	< 1
AMQ-ENV15-117	-	0	1.0	-	Overburden	Waste	Grab	-	2.5	99	134	< 0.05	9400	0.01	**5.2**	50	0.35	**0.12**	1.0
AMQ-ENV15-118	-	0	1.0	-	Overburden	Waste	Grab	-	4.2	100	139	< 0.05	15000	0.02	**5.5**	120	0.47	**0.15**	1.0
AMQ-ENV15-119	-	0	1.0	-	Overburden	Waste	Grab	-	2.9	100	115	< 0.05	9600	0.01	**5.2**	72	0.37	**0.15**	3.0
AMQ-ENV15-125	-	0	1.0	-	Overburden	Waste	Grab	-	2.7	100	98	< 0.05	8200	0.02	**3.5**	60	0.54	**0.3**	2.0
AMQ-ENV15-126	-	0	1.0	-	Overburden	Waste	Grab	-	1.8	99	109	< 0.05	8900	0.04	**2.5**	65	0.51	**0.24**	2.0
AMQ-ENV15-127	-	0	1.0	-	Overburden	Waste	Grab	-	2.2	101	108	< 0.05	7900	0.03	**2.9**	60	0.53	**0.24**	2.0
AMQ-ENV15-128	-	0	1.0	-	Overburden	Waste	Grab	-	2.1	101	92	< 0.05	7100	0.01	**2.9**	58	0.38	**0.15**	2.0
AMQ-ENV15-129	-	0	1.0	-	Overburden	Waste	Grab	-	3.6	100	104	< 0.05	9200	0.02	**5.2**	64	0.59	**0.31**	2.0
								Minimum	*1.7*	*99*	*75*	*< 0.05*	*5400*	*< 0.01*	*2.5*	*27*	*0.28*	*0.12*	*< 1*
								Maximum	*6.8*	*101*	*139*	*< 0.05*	*15000*	*0.06*	*6.8*	*120*	*1.0*	*0.43*	*3.0*
								Median	*2.7*	*100*	*102*	*nc*	*8550*	*0.015*	*4.4*	*60*	*0.44*	*0.2*	*2.0*
								Average	*3.1*	*100*	*106*	*nc*	*9050*	*0.021*	*4.3*	*62*	*0.48*	*0.22*	*1.8*
								Std. Deviation	*1.4*	*0.62*	*18*	*nc*	*2834*	*0.016*	*1.4*	*26*	*0.19*	*0.092*	*0.75*
								75th Percentile	*3.7*	*100*	*111*	*nc*	*9450*	*0.023*	*5.3*	*67*	*0.53*	*0.26*	*2.0*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	16	99	14	0.074	13900	**0.26**	**897**	212	1.2	**0.45**	7.3
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	17	100	18	0.083	12700	**0.28**	**1000**	**586**	1.2	**0.42**	7.2
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	14	99	25	0.061	14800	**0.23**	**568**	97	1.3	**0.47**	6.9
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	16	99	17	**0.094**	14200	**0.32**	**1760**	180	1.3	**0.49**	7.7
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	17	99	16	0.08	13400	**0.25**	**809**	179	1.2	**0.46**	6.4
								Minimum	*14*	*99*	*14*	*0.061*	*12700*	*0.23*	*568*	*97*	*1.2*	*0.42*	*6.4*
								Maximum	*17*	*100*	*25*	*0.094*	*14800*	*0.32*	*1760*	*586*	*1.3*	*0.49*	*7.7*
								Median	*16*	*99*	*17*	*0.08*	*13900*	*0.26*	*897*	*180*	*1.2*	*0.46*	*7.2*
								Average	*16*	*99*	*18*	*0.078*	*13800*	*0.27*	*1007*	*251*	*1.2*	*0.46*	*7.1*
								Std. Deviation	*1.3*	*0.6*	*4.0*	*0.012*	*797*	*0.034*	*450*	*192*	*0.048*	*0.026*	*0.48*
								75th Percentile	*17*	*99*	*18*	*0.083*	*14200*	*0.28*	*1000*	*212*	*1.3*	*0.47*	*7.3*

Notes:

a) Price, 1997. Guidelines and Recommended Methods for the Prediction of Metal Leaching and Acid Rock Drainage at Minesites in

nc - statistic could not be calculated

1	Result exceeds the Price Crustal Abundance.
1.0	Result exceeds 5x the Price Crustal Abundance.

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample type		Distance to Ore	Calcium	Cadmium	Cobalt	Chromium	Copper	Iron	Potassium	Lithium	Magnesium	Manganese
		From	To						µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g	µg/g
AMQ-ENV15-116	-	0	1.0	-	Overburden	Waste	Grab	-	1100	0.05	4.5	36	3.3	18000	1300	7.0	3100	190
AMQ-ENV15-130	-	0	1.0	-	Overburden	Waste	Grab	-	1800	0.04	7.6	**160**	17	28000	3100	15	6200	300
AMQ-ENV15-131	-	0	1.0	-	Overburden	Waste	Grab	-	1200	0.03	4.9	62	5.6	15000	1500	9.0	4000	180
AMQ-ENV15-132	-	0	1.0	-	Overburden	Waste	Grab	-	1100	0.03	4.2	40	4.9	14000	1200	7.0	3200	200
AMQ-ENV15-117	-	0	1.0	-	Overburden	Waste	Grab	-	2400	0.05	7.9	71	6.9	26000	2400	12	5500	260
AMQ-ENV15-118	-	0	1.0	-	Overburden	Waste	Grab	-	2700	0.02	13	**300**	19	25000	5200	14	13000	390
AMQ-ENV15-119	-	0	1.0	-	Overburden	Waste	Grab	-	2000	0.04	6.8	**220**	9.8	20000	3100	10	6300	200
AMQ-ENV15-125	-	0	1.0	-	Overburden	Waste	Grab	-	1700	0.04	5.2	120	8.7	19000	2300	9.0	4100	220
AMQ-ENV15-126	-	0	1.0	-	Overburden	Waste	Grab	-	2000	0.04	5.4	**140**	7.7	19000	3300	10	4300	240
AMQ-ENV15-127	-	0	1.0	-	Overburden	Waste	Grab	-	1800	0.03	4.8	110	6.7	18000	2600	9.0	3700	240
AMQ-ENV15-128	-	0	1.0	-	Overburden	Waste	Grab	-	1500	0.04	4.6	**180**	6.8	16000	2600	7.0	3800	200
AMQ-ENV15-129	-	0	1.0	-	-	Waste	Grab	-	1500	0.04	6.9	**160**	11	20000	2400	10	4600	290
								Minimum	*1100*	*0.02*	*4.2*	*36*	*3.3*	*14000*	*1200*	*7.0*	*3100*	*180*
								Maximum	*2700*	*0.05*	*13*	*300*	*19*	*28000*	*5200*	*15*	*13000*	*390*
								Median	*1750*	*0.04*	*5.3*	*130*	*7.3*	*19000*	*2500*	*9.5*	*4200*	*230*
								Average	*1733*	*0.038*	*6.3*	*133*	*9.0*	*19833*	*2583*	*9.9*	*5150*	*243*
								Std. Deviation	*498*	*0.0087*	*2.5*	*78*	*4.7*	*4387*	*1078*	*2.6*	*2689*	*60*
								75th Percentile	*2000*	*0.04*	*7.1*	*165*	*10*	*21250*	*3100*	*11*	*5675*	*268*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	1950	0.32	24	84	**37**	**151000**	2040	13	5800	**6660**
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	2150	0.48	20	81	**38**	**146000**	2060	12	5410	**23500**
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	2050	0.15	21	95	**36**	**127000**	2150	14	6300	**2200**
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	2260	0.36	25	95	**42**	**179000**	2110	13	6110	**5430**
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	1660	0.41	24	88	**39**	**139000**	1840	13	5880	**3900**
								Minimum	*1660*	*0.15*	*20*	*81*	*36*	*127000*	*1840*	*12*	*5410*	*2200*
								Maximum	*2260*	*0.48*	*25*	*95*	*42*	*179000*	*2150*	*14*	*6300*	*23500*
								Median	*2050*	*0.36*	*24*	*88*	*38*	*146000*	*2060*	*13*	*5880*	*5430*
								Average	*2014*	*0.34*	*23*	*88*	*38*	*148400*	*2040*	*13*	*5900*	*8338*
								Std. Deviation	*229*	*0.12*	*2.4*	*6.4*	*2.3*	*19334*	*120*	*0.84*	*337*	*8639*
								75th Percentile	*2150*	*0.41*	*24*	*95*	*39*	*151000*	*2110*	*13*	*6110*	*6660*

Notes:

a) Price, 1997. Guidelines and Recommended Methods for the Prediction of Metal Leaching and Acid Rock Drainage at Minesites in

nc - statistic could not be calculated

1	Result exceeds the Price Crustal Abundance.
1.0	Result exceeds 5x the Price Crustal Abundance.

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample type		Distance to Ore	ICP									
		From	To						Molybdenum µg/g	Sodium µg/g	Nickel µg/g	Phosphorus µg/g	Lead µg/g	Antimony µg/g	Selenium µg/g	Tin µg/g	Strontium µg/g	Silicon µg/g
AMQ-ENV15-116	-	0	1.0	-	Overburden	Waste	Grab	-	0.7	180	11	430	5.1	< 0.8	< 0.7	0.5	8.3	1300
AMQ-ENV15-130	-	0	1.0	-	Overburden	Waste	Grab	-	**8.0**	340	30	540	11	< 0.8	< 0.7	0.8	17	1500
AMQ-ENV15-131	-	0	1.0	-	Overburden	Waste	Grab	-	0.6	210	16	400	6.0	< 0.8	< 0.7	< 0.5	12	1500
AMQ-ENV15-132	-	0	1.0	-	Overburden	Waste	Grab	-	0.6	180	13	400	5.4	< 0.8	< 0.7	< 0.5	12	1600
AMQ-ENV15-117	-	0	1.0	-	Overburden	Waste	Grab	-	0.6	300	20	740	5.4	< 0.8	< 0.7	< 0.5	13	2100
AMQ-ENV15-118	-	0	1.0	-	Overburden	Waste	Grab	-	**1.5**	310	72	670	7.4	< 0.8	< 0.7	0.5	25	1500
AMQ-ENV15-119	-	0	1.0	-	Overburden	Waste	Grab	-	**7.2**	560	35	590	5.5	< 0.8	< 0.7	0.6	19	2100
AMQ-ENV15-125	-	0	1.0	-	Overburden	Waste	Grab	-	**1.8**	450	17	400	6.5	< 0.8	< 0.7	0.7	18	2000
AMQ-ENV15-126	-	0	1.0	-	Overburden	Waste	Grab	-	**6.0**	770	18	480	6.6	< 0.8	< 0.7	0.7	20	5300
AMQ-ENV15-127	-	0	1.0	-	Overburden	Waste	Grab	-	**2.2**	550	15	420	6.1	< 0.8	< 0.7	0.7	17	2700
AMQ-ENV15-128	-	0	1.0	-	Overburden	Waste	Grab	-	**6.8**	620	20	400	5.0	< 0.8	< 0.7	0.6	17	2300
AMQ-ENV15-129	-	0	1.0	-	Overburden	Waste	Grab	-	**4.7**	420	22	430	8.0	< 0.8	< 0.7	0.7	16	1500
								Minimum	*0.6*	*180*	*11*	*400*	*5.0*	*< 0.8*	*< 0.7*	*< 0.5*	*8.3*	*1300*
								Maximum	*8.0*	*770*	*72*	*740*	*11*	*< 0.8*	*< 0.7*	*0.8*	*25*	*5300*
								Median	*2.0*	*380*	*19*	*430*	*6.1*	*nc*	*nc*	*0.6*	*17*	*1800*
								Average	*3.4*	*408*	*24*	*492*	*6.5*	*nc*	*nc*	*0.61*	*16*	*2117*
								Std. Deviation	*2.9*	*188*	*17*	*118*	*1.7*	*nc*	*nc*	*0.11*	*4.4*	*1086*
								75th Percentile	*6.2*	*553*	*24*	*553*	*6.8*	*nc*	*nc*	*0.7*	*18*	*2150*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	**6.3**	292	92	**1830**	11	**0.25**	**0.78**	<2.0	22	-
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	**6.9**	302	**126**	**2250**	11	**0.27**	**0.78**	<2.0	30	-
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	**5.3**	257	60	**1770**	12	**0.25**	**0.75**	<2.0	22	-
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	**8.6**	355	93	**2750**	13	**0.34**	**0.96**	<2.0	25	-
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	**5.8**	328	**108**	**2020**	12	**0.27**	**0.76**	<2.0	19	-
								Minimum	*5.3*	*257*	*60*	*1770*	*11*	*0.25*	*0.75*	*< 2*	*19*	*< 0*
								Maximum	*8.6*	*355*	*126*	*2750*	*13*	*0.34*	*0.96*	*< 2*	*30*	*< 0*
								Median	*6.3*	*302*	*93*	*2020*	*12*	*0.27*	*0.78*	*nc*	*22*	*nc*
								Average	*6.6*	*307*	*96*	*2124*	*12*	*0.28*	*0.81*	*nc*	*23*	*nc*
								Std. Deviation	*1.3*	*37*	*24*	*397*	*0.76*	*0.037*	*0.087*	*nc*	*4.0*	*nc*
								75th Percentile	*6.9*	*328*	*108*	*2250*	*12*	*0.27*	*0.78*	*nc*	*25*	*nc*

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nc - statistic could not be calculated

1	Result exceeds the Price Crustal Abundance.
1.0	Result exceeds 5x the Price Crustal Abundance.

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample type		Distance to Ore	Titanium	Thallium	Uranium	Vanadium	Zinc
		From	To						µg/g	µg/g	µg/g	µg/g	µg/g
AMQ-ENV15-116	-	0	1.0	-	Overburden	Waste	Grab	-	430	0.06	1.2	13	32
AMQ-ENV15-130	-	0	1.0	-	Overburden	Waste	Grab	-	490	0.18	**5.9**	15	49
AMQ-ENV15-131	-	0	1.0	-	Overburden	Waste	Grab	-	340	0.07	1.8	11	29
AMQ-ENV15-132	-	0	1.0	-	Overburden	Waste	Grab	-	340	0.06	2.2	10	29
AMQ-ENV15-117	-	0	1.0	-	Overburden	Waste	Grab	-	670	0.08	1.1	33	45
AMQ-ENV15-118	-	0	1.0	-	Overburden	Waste	Grab	-	940	0.23	1.3	29	34
AMQ-ENV15-119	-	0	1.0	-	Overburden	Waste	Grab	-	520	0.09	1.2	14	31
AMQ-ENV15-125	-	0	1.0	-	Overburden	Waste	Grab	-	460	0.1	**2.6**	12	34
AMQ-ENV15-126	-	0	1.0	-	Overburden	Waste	Grab	-	520	0.1	2.2	10	32
AMQ-ENV15-127	-	0	1.0	-	Overburden	Waste	Grab	-	500	0.1	2.0	11	33
AMQ-ENV15-128	-	0	1.0	-	Overburden	Waste	Grab	-	400	0.07	1.6	7.0	26
AMQ-ENV15-129	-	0	1.0	-	Overburden	Waste	Grab	-	430	0.11	**2.9**	13	36
								Minimum	*340*	*0.06*	*1.1*	*7.0*	*26*
								Maximum	*940*	*0.23*	*5.9*	*33*	*49*
								Median	*475*	*0.095*	*1.9*	*13*	*33*
								Average	*503*	*0.1*	*2.2*	*15*	*34*
								Std. Deviation	*164*	*0.051*	*1.3*	*7.9*	*6.6*
								75th Percentile	*520*	*0.1*	*2.3*	*14*	*35*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	379	0.22	**8.8**	24	**88**
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	370	0.24	**8.5**	22	**99**
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	413	0.15	**9.2**	26	**79**
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	393	0.21	**9.6**	25	**96**
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	308	0.24	**9.2**	24	**93**
								Minimum	*308*	*0.15*	*8.5*	*22*	*79*
								Maximum	*413*	*0.24*	*9.6*	*26*	*99*
								Median	*379*	*0.22*	*9.2*	*24*	*93*
								Average	*373*	*0.21*	*9.1*	*24*	*91*
								Std. Deviation	*40*	*0.035*	*0.45*	*1.4*	*7.9*
								75th Percentile	*393*	*0.24*	*9.2*	*25*	*96*

Notes:

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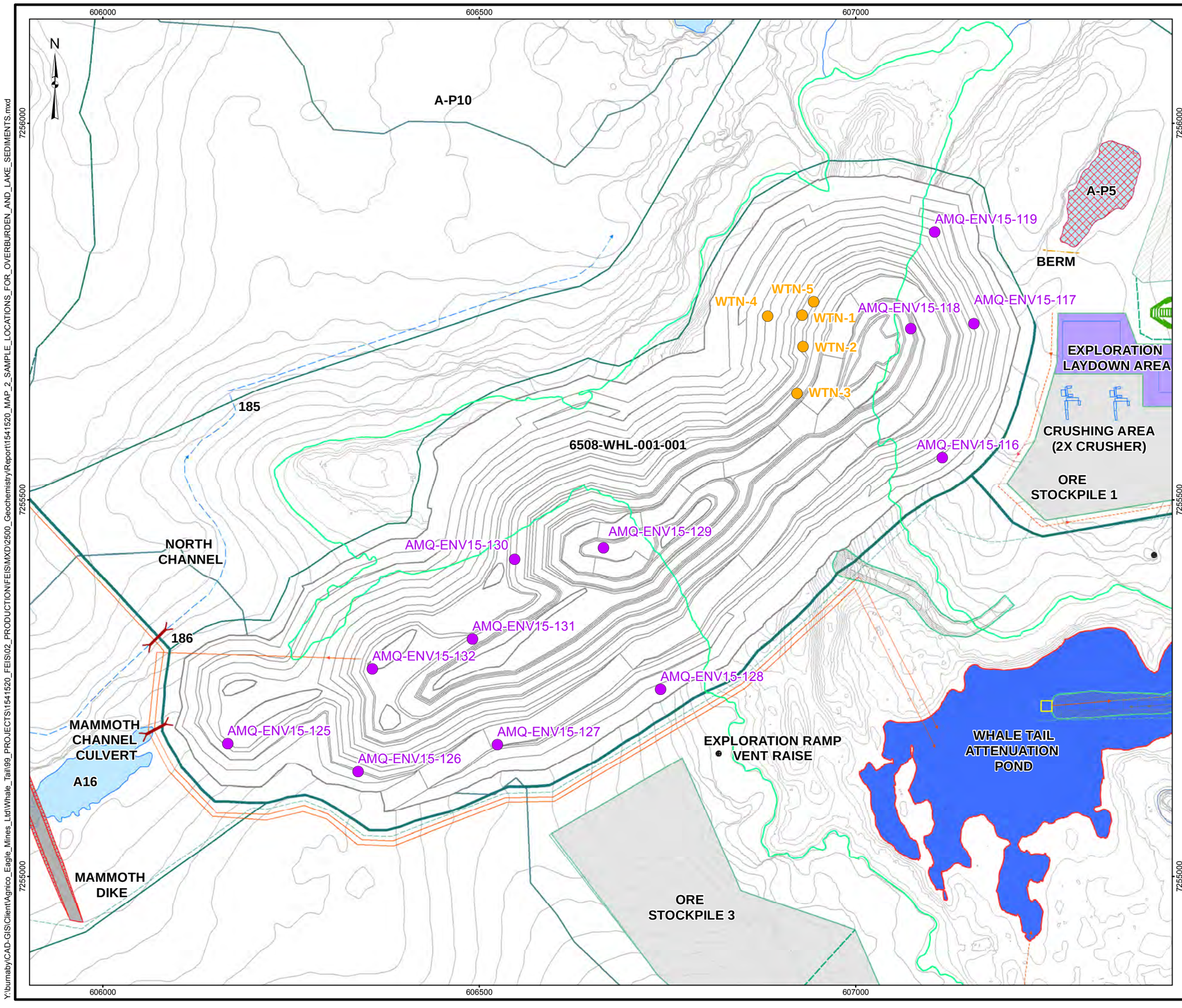
nc - statistic could not be calculated

1	Result exceeds the Price Crustal Abundance.
1.0	Result exceeds 5x the Price Crustal Abundance.

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample Type		Distance to Ore	ABA							
		From	To						Paste pH	Sulphur (total)	Acid Leachable SO4-S	Sulphide	Carbon (total)	Graphitic Carbon	Carbonate (Graphite Corrected)	AP
										%						
AMQ-ENV15-116	-	0	1.0		Overburden	Waste	Grab	-	6.2	< 0.005	< 0.01	< 0.01	1.0	< 0.01	<0.025	< 0.31
AMQ-ENV15-130	-	0	1.0		Overburden	Waste	Grab	-	6.2	< 0.005	< 0.01	< 0.01	1.8	< 0.01	0.035	< 0.31
AMQ-ENV15-131	-	0	1.0		Overburden	Waste	Grab	-	7.1	< 0.005	< 0.01	< 0.01	0.37	< 0.01	<0.025	< 0.31
AMQ-ENV15-132	-	0	1.0		Overburden	Waste	Grab	-	7.7	< 0.005	< 0.01	< 0.01	0.11	< 0.01	<0.025	< 0.31
AMQ-ENV15-117	-	0	1.0		Overburden	Waste	Grab	-	7.2	< 0.005	< 0.01	< 0.01	0.36	< 0.01	<0.025	< 0.31
AMQ-ENV15-118	-	0	1.0		Overburden	Waste	Grab	-	7.1	< 0.005	< 0.01	< 0.01	0.58	< 0.01	0.055	< 0.31
AMQ-ENV15-119	-	0	1.0		Overburden	Waste	Grab	-	7.5	< 0.005	< 0.01	< 0.01	0.51	< 0.01	0.03	< 0.31
AMQ-ENV15-125	-	0	1.0		Overburden	Waste	Grab	-	7.4	< 0.005	< 0.01	< 0.01	0.53	< 0.01	<0.025	< 0.31
AMQ-ENV15-126	-	0	1.0		Overburden	Waste	Grab	-	8.5	< 0.005	< 0.01	< 0.01	0.11	< 0.01	<0.025	< 0.31
AMQ-ENV15-127	-	0	1.0		Overburden	Waste	Grab	-	8.5	< 0.005	< 0.01	< 0.01	0.18	0.01	< 0.025	< 0.31
AMQ-ENV15-128	-	0	1.0		Overburden	Waste	Grab	-	8.1	< 0.005	< 0.01	< 0.01	0.25	< 0.01	<0.025	< 0.31
AMQ-ENV15-129	-	0	1.0		Overburden	Waste	Grab	-	7.2	< 0.005	< 0.01	< 0.01	0.65	< 0.01	<0.025	< 0.31
								Minimum	*6.2*	*< 0.005*	*< 0.01*	*< 0.01*	*0.11*	*< 0.01*	*< 0.025*	*< 0.31*
								Maximum	*8.5*	*< 0.005*	*< 0.01*	*< 0.01*	*1.8*	*0.01*	*0.055*	*< 0.31*
								Median	*7.3*	*nc*	*nc*	*nc*	*0.44*	*nc*	*0.025*	*nc*
								Average	*6.8*	*nc*	*nc*	*nc*	*0.54*	*nc*	*0.029*	*nc*
								Std. Deviation	*nc*	*nc*	*nc*	*nc*	*0.48*	*nc*	*0.0088*	*nc*
								75th Percentile	*nc*	*nc*	*nc*	*nc*	*0.6*	*nc*	*0.026*	*nc*
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-	0.14	0.07	0.07	4.2	0.02	< 0.025	2.2
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-	0.15	0.09	0.06	4.2	< 0.01	0.04	1.9
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-	0.14	0.11	0.03	4.0	< 0.01	< 0.025	0.94
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-	0.16	0.12	0.04	4.4	< 0.01	< 0.025	1.3
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-	0.17	0.13	0.04	4.4	0.02	< 0.025	1.3
								Minimum	*< -*	*0.14*	*0.07*	*0.03*	*4.0*	*< 0.01*	*< 0.025*	*0.94*
								Maximum	*< -*	*0.17*	*0.13*	*0.07*	*4.4*	*0.02*	*0.04*	*2.2*
								Median	*nc*	*0.15*	*0.11*	*0.04*	*4.2*	*nc*	*0.025*	*1.3*
								Average	*nc*	*0.15*	*0.1*	*0.048*	*4.2*	*nc*	*0.028*	*1.5*
								Std. Deviation	*nc*	*0.012*	*0.024*	*0.016*	*0.16*	*nc*	*0.0067*	*0.51*
								75th Percentile	*nc*	*0.16*	*0.12*	*0.06*	*4.4*	*nc*	*0.025*	*1.9*

Sample ID	Borehole ID	Depth (m)		Lithology Code	Rock Name	Sample Type		Distance to Ore	NP	Net NP	CaNP	CaNPR	NPR	ARD Potential
		From	To						t CaCO3/1000 t			ratio		
AMQ-ENV15-116	-	0	1.0		Overburden	Waste	Grab	-	2.3	2.0	< 0.42	1.3	7.4	non PAG
AMQ-ENV15-130	-	0	1.0		Overburden	Waste	Grab	-	2.2	1.9	0.58	1.9	7.0	non PAG
AMQ-ENV15-131	-	0	1.0		Overburden	Waste	Grab	-	3.3	3.0	< 0.42	1.3	11	non PAG
AMQ-ENV15-132	-	0	1.0		Overburden	Waste	Grab	-	3.7	3.4	< 0.42	1.3	12	non PAG
AMQ-ENV15-117	-	0	1.0		Overburden	Waste	Grab	-	5.8	5.5	< 0.42	1.3	19	non PAG
AMQ-ENV15-118	-	0	1.0		Overburden	Waste	Grab	-	8.4	8.1	0.92	2.9	27	non PAG
AMQ-ENV15-119	-	0	1.0		Overburden	Waste	Grab	-	5.8	5.5	0.5	1.6	19	non PAG
AMQ-ENV15-125	-	0	1.0		Overburden	Waste	Grab	-	4.9	4.6	< 0.42	1.3	16	non PAG
AMQ-ENV15-126	-	0	1.0		Overburden	Waste	Grab	-	6.1	5.8	< 0.42	1.3	20	non PAG
AMQ-ENV15-127	-	0	1.0		Overburden	Waste	Grab	-	6.5	6.2	< 0.42	1.3	21	non PAG
AMQ-ENV15-128	-	0	1.0		Overburden	Waste	Grab	-	5.5	5.2	< 0.42	1.3	18	non PAG
AMQ-ENV15-129	-	0	1.0		Overburden	Waste	Grab	-	4.1	3.8	< 0.42	1.3	13	non PAG
								Minimum	*2.2*	*1.9*	*< 0.42*	*1.3*	*7.0*	**Bulk CaNPR = 1.5 Uncertain**
								Maximum	*8.4*	*8.1*	*0.92*	*2.9*	*27*	
								Median	*5.2*	*4.9*	*0.42*	*1.3*	*17*	
								Average	*4.9*	*4.6*	*0.48*	*1.5*	*16*	
								Std. Deviation	*1.8*	*1.8*	*0.15*	*0.47*	*5.9*	
								75th Percentile	*5.9*	*5.6*	*0.44*	*1.4*	*19*	
WTN-1	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-5.0	-7.2	< 0.42	0.19	-2.3	non PAG
WTN-2	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-4.1	-6.0	0.67	0.36	-2.2	non PAG
WTN-3	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-3.2	-4.1	< 0.42	0.44	-3.4	non PAG
WTN-4	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-4.3	-5.6	< 0.42	0.33	-3.4	non PAG
WTN-5	-	0	0.1	-	Lake Sediment	Waste	Grab	-	-5.5	-6.8	< 0.42	0.33	-4.4	non PAG
								Minimum	*-5.5*	*-7.2*	*< 0.42*	*0.19*	*-4.4*	**Bulk CaNPR = 1.5 Uncertain**
								Maximum	*-3.2*	*-4.1*	*0.67*	*0.44*	*-2.2*	
								Median	*-4.3*	*-6.0*	*0.42*	*0.33*	*-3.4*	
								Average	*-4.4*	*-5.9*	*0.47*	*0.33*	*-3.1*	
								Std. Deviation	*0.88*	*1.2*	*0.11*	*0.091*	*0.92*	
								75th Percentile	*-4.1*	*-5.6*	*0.42*	*0.36*	*-2.3*	



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LEGEND

- LAKE SEDIMENT SAMPLE LOCATION
- OVERBURDEN SAMPLE LOCATION
- EXPLORATION LAYDOWN AREA
- ORE STOCKPILE
- STORM WATER STORAGE POND
- ATTENUATION POND
- DIKE
- NATURAL WATERSHED
- ROAD
- TEMPORARY ROAD
- DIVERSION CHANNEL
- COLLECTION CHANNEL
- CULVERT
- INTAKE WATER PIPE
- CONTACT WATER PIPE
- FRESHWATER PIPE
- WATERCOURSE
- WATERBODY

REFERENCE

1. INFRASTRUCTURE OBTAINED FROM AGNICO EAGLE MINES LIMITED FROM 6108-600-210-002_R2(2019)s.dwg.
2. WATERCOURSE AND WATERBODY DATA OBTAINED FROM PHOTOSAT
DATUM: NAD 83 CSRS PROJECTION: UTM ZONE 14

100 0 100
METRES

PROJECT
AGNICO EAGLE

AGNICO EAGLE MINES LIMITED:
MEADOWBANK DIVISION
WHALE TAIL PIT PROJECT

TITLE

LOCATIONS OF OVERBURDEN AND LAKE SEDIMENT SAMPLES

Golder Associates

PROJECT		1541520	FILE No.	
DESIGN	JR	24 Mar. 2016	SCALE AS SHOWN	REV. A
GIS	MH	09 May. 2016	MAP 2	
CHECK	JC	10 Jun. 2016		
REVIEW	VB	10 Jun. 2016		

APPENDIX F

Environmental Protection and Monitoring Plans Addendum

Agnico Eagle Mines Limited – Meadowbank Division (Agnico Eagle) is proposing to develop Whale Tail Pit and Haul Road, a satellite deposit located on the Amaruq property, to continue mine operations and milling at the Meadowbank Mine. The Amaruq Exploration property is a 408 square kilometre (km^2) site located on Inuit Owned Land (IOL) approximately 150 kilometres (km) north of the hamlet of Baker Lake and approximately 50 km northwest of the Meadowbank Mine in the Kivalliq region of Nunavut (Volume 1, Figure 1.1-1). The property was acquired by Agnico Eagle in April 2013 subject to a mineral exploration agreement with Nunavut Tunngavik Incorporated.

In June 2016, Addendums to Environmental Protection and Monitoring Plans (EPMPs) were prepared and submitted to the NWB with Agnico Eagle's Type A Application (refer to Appendices 8-E.1 to 8-E.8 of the FEIS [Agnico Eagle 2016]) to include mining of Whale Tail Pit and construction and operations of associated infrastructure.

The EPMPs provide the overarching direction to environmental and socio-economic management for the Project and describes the systematic means by which Agnico Eagle will consistently manage and control potentially adverse impacts, and enhance potential project benefits, identified through the EA process. The Plan is supported by a suite of Project-specific mitigation, monitoring, and/or management plans that set out the Project's standards and requirements for particular areas of environmental and socio-economic management.

This EPMP addendum in support of the Type B Water Licence application summarizes the specific monitoring and inspections to be conducted by Agnico Eagle in relation to the pre-development activities proposed in the Application; these pre-development activities include:

- pre-delivery of material (i.e., equipment, construction material, and fuel);
- construction of a pad, which under the pre-development will be used as a laydown area for pre-delivery of material;
- construction of service roads to undertake the other pre-development activities;
  - road between Quarry 2 and Waste Rock Storage Facility (WRSF)
  - a road and one culvert between exploration camp and proposed Nemo freshwater intake
  - temporary bridge crossing of the Mammoth Channel
  - a road between exploration area and new road between Quarry 2 and the WRSF
  - upgrade/widen Whale Tail Pit Haul Road from 6.5m wide to 9.5m plus bypasses.
- quarrying at Quarry 2; and
- construction of the waste rock berm.

A listing of the individual mitigation, monitoring, and/or management plans specific to various aspects, components, activities, and phases of the pre-development activities is included in Table F.1. Monitoring and adaptive management are essential tools for ensuring that a project is implemented as planned, that mitigation measures are successful, that the procedures and practices are effective, that potential adverse impacts are avoided or minimized, and that enhancement measures are effective.

Table F.1 Environmental Monitoring, Mitigation, and Management Plans

		Application and Project Phase				
		Type B	Type A Application			
Plan	**Purpose**	**Pre-development**	**Construction**	**Operation**	**Closure**	**Post-Closure**
Whale Tail Pit Haul Road Management Plan	To manage the Whale Tail Haul Road and associated quarries proposed in the Project, covering widening of the road, operations, and final closure (the Plan also covers temporary closure).	√	√	√	√	
Quarry Management Plan	To cover all environmental aspects associated with quarrying activities within Quarry 2.	√	√	√	√	
Spill Contingency Plan	The Plan describes lines of authority, responsibility, proper reporting requirements and detailed plans of action in the event of a spill.	√	√	√	√	
Environmental Protection and Monitoring Plans	To provide overarching direction for environmental and socio-economic management for the Project.	√	√	√	√	√

The performance of the management plans will be monitored periodically. Independent researchers or consultants may be engaged to review performance. The accuracy of the environmental impact predictions and the effectiveness of the mitigation measures will be verified through that process. If unusual or unforeseen adverse environmental impacts are noticed, corrective action will be put in place. Through the adaptive management process, the existing mitigation measures will be adjusted or new mitigation measures implemented if necessary.

EPMPs have been submitted in support of the Type A Application which will provide sufficiently robust data to support decisions in mine management. The monitoring activities specific to the pre-development activities proposed in the Type B Application are identified in Table F.2 and F.3; these tables were modified from Table 3-1 and Table 3-2 in the Water Quality and Flow Monitoring Plan (Appendix 8-B.3 [Agnico Eagle 2016f]).

Table F.2: Proposed Monitoring for the Project during Pre-Development Activities

Station	Description	Phase	Monitoring parameters/group	Frequency
ST-DD-1 to TBD	50 to 100 from Mammoth temporary bridge	Pre-development	Turbidity and TSS	Once daily during activities
ST-S-1 to TBD	Seeps (to be determined)	Pre-development	1	Monthly or as found
ST-WT-TBD	WRSF	Pre-development	total sulphur, total inorganic carbon and total arsenic	As required
Air Quality	Communications tower	DF5	TSP, PM_{10}, $PM_{2.5}$, passive NO_2, dustfall	As required

Table F.3: Monitoring Parameters

Group	Parameters
1	pH, turbidity, hardness, alkalinity, ammonia nitrogen, total metals (aluminum, arsenic, barium, cadmium, chloride, chromium, copper, fluoride, iron, lead, manganese, mercury, molybdenum, nickel, nitrite, nitrate, selenium, silver, thallium, zinc), sulphate, total dissolved solids (TDS), TSS, total cyanide. If CN total is detect in an analysis result; further analysis of CN Free and CN WAD will be trigger.
2	**Total and Dissolved metals:** aluminum, antimony, arsenic, boron, barium, beryllium, cadmium, copper, chromium, iron, lithium, manganese, mercury, molybdenum, nickel, lead, selenium, tin, strontium, titanium, thallium, uranium, vanadium and zinc **Nutrients:** Ammonia-nitrogen, total kjeldahl nitrogen, nitrate nitrogen, nitrite-nitrogen, ortho-phosphate, total phosphorous, total organic carbon, total dissolved organic carbon and reactive silica; **Conventional Parameters:** bicarbonate alkalinity, chloride, carbonate alkalinity, conductivity, hardness, calcium, potassium, magnesium, sodium, sulphate, pH, total alkalinity, TDS, and TSS, turbidity; Total cyanide and free cyanide. If CN total is detect above 0.05 mg/L in an analysis result for monitoring station in receiving environment; further analysis of CN WAD will be trigger.

Operationally, under a Type A Water Licence (if issued), Agnico Eagle would have sole responsibility for inspection and maintenance of all mine components, and the inspection and monitoring of mine activities. This includes, but is not limited to, mine components such as open pits, quarries, borrow pits, roads, storage pads, WRSFs, diversion channels, dikes, sumps, berms, tailings storage facility, landfill, incinerator, landfarm, explosives plant, and pipelines. It also includes such activities as the pumping of water and waste, discharge of waste to the receiving environment, spill clean-up, and fuel transport on Agnico Eagle's roads. Mine components subject to pre-development may include open pits, quarries, borrow pits, roads, storage pads, diversion channels, dikes, sumps, and berms.

Agnico Eagle proposes to implement an inspection program for the Project for the early identification of areas where improvements are needed. The early resolution of any deficiencies will result in less ongoing maintenance and repair of mine components, and a reduction in the risk of adverse environmental effects. The inspection activities specific to the pre-development activities proposed in the application are identified in Table F.4 below.

Table F.4 Summary of Proposed Inspections

Mine Components / Activities Inspected	Inspection Methods & Procedures	Qualitative Risk Level - High, Medium, or Low	Department Responsible	Frequency
Culverts	Visual inspection for snow and/or debris blockage of culverts.	Medium. Snow can be removed from the front and back of the culverts before freshet.	Road Superintendent	Just prior to freshet and daily during the first days of freshet; also following major rain events. Monthly in the open water season after freshet is over.
Roads	Visual inspection for evidence of seasonal freeze and thaw adjacent to the toe of the road embankment.	Low. Affected area will be repaired using granular material and/or crushed rock.	Road Superintendent	Weekly over the summer (approximately mid-May, from the start of the freshet period to October, prior to the fall freeze-up).
Water ponding against roads	Visual inspection of roads after freshet and major rain events.	Low. Ponding can be dealt with by pumping the water or by installing a culvert in the road where water is ponding.	Road Superintendent	Weekly over the open water season and following freshet and major rain events.
Bridges	Visual inspection for snow dams prior to freshet.	High. Snow dams could lead to the bridge being overwhelmed at freshet with resultant damage.	Road Superintendent	Prior to freshet to allow time for any snow dams to be removed and weekly during freshet to confirm that snow dams were breeched.
Snow removal from roads	Visual inspections to ensure skidoo trails are not being blocked by snow removed from the roads.	Low. Pushing snow onto skidoos trails that cross Agnico Eagle's roads will make it difficult for trail users to cross the roads.	Road Superintendent	Following each major winter storm and clearing of snow off the roads.
Road dust	Visual inspection of the road for excessive dust generation.	High. Dust can impact on the environment along the roads, and be a safety risk due to limited visibility in using the roads.	Road Superintendent	Weekly when roads are very dry and/or when road traffic is heavy. Inspections will be suspended during rainy days and over the winter.
Caribou near or on roads	Visual inspection of hunting activities along the road when large numbers of caribou are near-by.	High. Hunters should observe the 1 km no shooting zone along the road.	Environment	Weekly year round and more frequently when large numbers of caribou are near or on the roads.
Watercourses and watercourse crossing	Visual inspection of infrastructure to identify defects, cracks or any other risks to structural integrity, sediment or other debris accumulation, or bed erosion or scour.	Low. Infrastructure will be repaired after deficiencies are noted, when it is safe to do so.	Road Superintendent	Weekly during the open water, during the freshet period, and unscheduled inspections following a major rain event.

Table F.4 Summary of Proposed Inspections

Mine Components / Activities Inspected	Inspection Methods & Procedures	Qualitative Risk Level - High, Medium, or Low	Department Responsible	Frequency
Quarries / Borrow Pits	Visual inspection for slumping and seepage from the quarries/borrow pits.	Low. Loose rock will be pulled down from the quarry face. Seepage will be sampled.	Environment	Weekly at freshet and monthly thereafter over the open water period. Also, after major rain events.
Spills	Document the recovery of spilled material and clean-up of any remaining residuals.	This could range from low to high risk depending on what was spilled, where it occurred, and success of spill recovery efforts.	All departments; Environment to follow-up	Inspections begin when a spill is reported and continues on a regular basis until the spill is cleaned up. The frequency of inspections will be dependent on what was spilled, where it occurred, and success of spill recovery efforts.
Spill Kits	Inventory of spills response equipment and materials in each spill kit.	Low. Spills kits will be restocked after use.	Environment	Monthly by Environment Technician.
Archaeological Sites	Inspect archaeological sites and report annually.	Low	Environment	The location of archaeological sites has been identified and Agnico Eagle will take photos of the sites inspected and include these in the annual report.