AGNICO EAGLE

MELIADINE GOLD PROJECT

ENVIRONMENTAL REPORT: FEBRUARY 2016

WATER LICENCE 2BB-MEL1424

PRESENTED TO THE NUNAVUT WATER BOARD

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<u>This monthly report is delivered under water license 2BB-MEL1424, PART J, item 13.</u>

1. The Licensee shall maintain Monitoring Stations at the following locations:

Table 1: Monitoring stations

Monitoring Program Station Number	Description	Status
MEL-1	Raw water supply intake at Meliadine Lake	Active (Volume cubic metres)
MEL-2	Raw water supply intake at Pump, A8 or other Lakes	Active (Volume cubic metres)
MEL-5	Point of discharge for the Bermed Fuel Containment Facilities	Active
MEL-6	Effluent from the Landfarm Treatment Facility prior to release	New
MEL-7	Final Effluent Discharge from the BIODISK treatment system	Active
MEL-8	Point of discharge or runoff from the Non-Hazardous Waste Landfill	(New) Active

2. ***The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and other purposes from all sources.***

   The daily average consumption of fresh water for the site was **49.1 m^3/day** for the month of February; 0 m^3/day for the drilling, 31.5 m^3/day*** for the camp and 17.6 m^3/day for the underground.

   *** The volume includes the indirect water use.

3. ***The Licensee shall measure and record the volume of all soil from all locations entering the Landfarm Treatment Facility.***

   No new material added.

4. ***The Licensee shall assess and record the concentration of F1 – F4 fractions in petroleum hydrocarbon contaminated soil, according to the CCME Canada-Wide Standard for Petroleum Hydrocarbons (PHC) in Soil that is entering the Land Treatment Unit from all sources and excavations.***

   No new material added.

5. ***The Licensee shall provide the GPS coordinates of all locations where sources of water are utilized for all purposes.*** *In UTM nad 1983 zone 15.*

- Camp water source: East 541943.0 ; North 6989174.0
- Underground water source: East 540076.0 ; North 6987731.0

6. ***The Licensee shall provide the GPS coordinates (in decimal degrees) of all locations where wastes associated with camp operations and exploration activities are deposited.***

   The landfill has not been constructed yet, so most of the waste continues to be managed in containers. These containers are transported by barge during the summer and disposed of in an approved southern facility.

7. ***Licensee shall sample at Monitoring Program Station MEL-7, monthly during wastewater effluent discharge. Samples shall be analyzed for the parameters listed under Part G Item 11.***

   Biochemical Oxygen Demand – BOD5
   Total Suspended Solids
   Oil and Grease (and visual)
   Fecal Coliforms
   pH

   The effluent at MEL-7 was compliant with the licence excepted for 1 pH reading that was too low. The pH on February 8th was 5.94 and the licence lower limit is 6.0. As the pH reading is near the license limit, this situation also occurred once in January. We are working towards correcting this. The low pH is still due to the installation and commissioning of the Bionest waste water treatment system that was used in recirculation for the commissioning. The waste water in recirculation in the Bionest had a pH lower than what the Biodisk normally released. The situation was returned to normal in the next sample collection. AEM will use soda ash to buffer the pH if the effluent pH continues to be lower than expected.

Station: STP-FINAL

DATE	Limits	February			
		2016-02-01	2016-02-08	2016-02-15	2016-02-24
Ammonia as N		<0.01	<0.01	0.1	<0.01
Biochemical Oxygen Demand	80	7.0	7.0	8.0	5.0
Heterotrophic Plate Count (AAHB)		215 000	266 000	400 000	32 200
Nitrate-N		27.8	30.0	16.0	18.6
Nitrate and Nitrite as N		28.2	30.2	16.8	19.1
Nitrite-N		0.38	0.12	0.75	0.47
Oil & Grease-(IR)	5	1	<1	<1	<1
Phosphorus (P)-Total		9.1	11.5	10.7	8.9
TKN		7.14	8.32	13.80	21.20
Total Suspended Solids	100	22.0	6.0	<1	4.0
Transmitance %		43.0	46.0	46.0	44.0
pH	6.0 - 9.5	6.1	5.9	7.1	7.0
Fecal Coliforms	1000	<2	<2	2	<2
Total Coliforms		200 000	<100 000	<100 000	100 000
Atypical		15700000	11 100 000	1 600 000	17600000

8. ***The Licensee shall, prior to the release of effluent from the Bermed Fuel Containment Facilities at Monitoring Program Station Mel-5 and the Landfarm Treatment Facility at Monitoring Program Station MEL-6 for the purpose of demonstrating compliance, sample for the parameters listed under Part D item 15.***

    - No release in February.

9. ***The Licensee shall obtain representative samples of the water column below any ice where required under part F, Items 5 and 6. Monitoring shall include but not limited to the following:***

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

    - No drilling was done in February on lake.

10. **The inspector, Christine Wilson (INAC inspector), requested AEM to** continue monitoring the ponded water at the rear of these facilities during times of flow with the same parameters as MEL-8 and the result must be included in the monthly monitoring report provided to the Nunavut Water Board ("the Board") and the Inspector.

    - No sampling possible during the winter.