MELIADINE GOLD PROJECT



2011 Annual Report

Water Licence 2BE-MEP0813

Nunavut Water Board

APR 0 5 2012

Public Registry

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Contacts:

Denis Vaillancourt

Exploration Manager C.P. 87 765, Chemin de la mine Goldex Val d'Or, Québec, J9P 4N9 denis.vaillancourt@agnico-eagle.com

David Frenette

Environment and Health & Safety Coordinator C.P. 87
765 Chemin de la mine Goldex
Val-d'Or, Québec, J9P 4N9
david.frenette@agnico-eagle.com

- B 2. The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than March 31st of the year following the calendar year being reported which shall contain the following information:
 - a) A summary report of water use and waste disposal activities:
 - The camp was inactive in 2011 and there was no disposal of waste. Twelve (12) drill holes were done under this licence. The waste produced by the drills was transported to the Meliadine site.
 - b) A list of unauthorized discharges and a summary of follow-up actions taken:
 - > There were no unauthorized discharges.
 - c) An up-to date copy of the Spill Contingency Plan, including contact information:
 - ➤ The "Meliadine Gold Project Spill Plan November 2010" can be found on the NWB public registry. The spill management plan was updated November 2010 and forwarded to the NWB. An updated version is being prepared by Agnico-Eagle and will be available during 2012.
 - d) A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations:
 - No reclamation work was undertaken in 2011.
 - e) A summary of all information requested and results of the Monitoring Program; and
 - > There were no requests for information.
 - f) Any other details on water use or waste disposal requested by the Board by November 1st of the year being reported:
 - \triangleright There were no requests received from the Water Board by November 1^{st} .
- F3. If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including (GPS coordinates) and dates.
 - > No drill holes had artesian flow.
- F4. Where drilling activity has penetrated below the permafrost layer, the NWB requests that proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.

- The lower permafrost boundary varies from point-to-point. AEM's estimate for this boundary is from approximately 425 to 450 metres. No holes deeper than 425 metres were done under this Licence.
- H3. The Licensee shall review Spill Contingency Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report.
 - The spill management plan was updated November 2010 and forwarded to the NWB. An updated version is being prepared by Agnico-Eagle and will be available during 2012.
- 13. The Licensee shall review the Abandonment and Restoration Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum included with the Annual Report.
 - ➤ The Abandonment and restoration plan was updated November 2010 and forwarded to the NWB. An updated version is being prepared by Agnico-Eagle and will be available during 2012.
- J1. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and other purposes.
 - The camp was inactive in 2011 thus 0 m^3 was used for the camp. The drills used an average of 42m^3 of water by day for a total of 855 m^3 .
- J2. The Licensee shall provide the GPS coordinates of all locations where sources of water are utilized for all purposes.
 - ➤ Here are the coordinates of the water sources used for the drilling:

| EASTING | NORTHING |
|----------|-----------|
| 550763.7 | 6983733.5 |
| 552296.9 | 6983000.9 |
| 551841.5 | 6982839.4 |
| 551680.2 | 6982925.9 |
| 551518.8 | 6982879.8 |
| 561420.8 | 6978762.8 |
| 561213.3 | 6978586.9 |

J3. The Licensee shall determine the GPS coordinates of all locations where waste operations and drilling operations are deposited.

➤ The drill waste (cutting) was disposed at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body. Here are the coordinates of the drill holes:

| HOLE | EASTING | NORTHING |
|----------|------------------|-------------------|
| M11-1274 | 561282.477000000 | 6978581.125000000 |
| M11-1246 | 551550.028000000 | 6982835.274000000 |
| M11-1253 | 551678.522000000 | 6982839.676000000 |
| M11-1256 | 551769.551000000 | 6982745.198000000 |
| M11-1263 | 561413.844000000 | 6978585.179000000 |
| M11-1269 | 561523.887000000 | 6978537.537000000 |
| M11-1294 | 552347.265000000 | 6983053.647000000 |
| M11-1302 | 550994.819000000 | 6983871.157000000 |
| M11-1281 | 552254.864000000 | 6983145.180000000 |
| M11-1308 | 550902.083000000 | 6983961.275000000 |
| M11-1311 | 550807.792000000 | 6984056.761000000 |
| M11-1287 | 552143.264000000 | 6983189.510000000 |