MELIADINE GOLD PROJECT

ANNUAL REPORT: LICENCE 2BE-MEP1318

PRESENTED TO THE NUNAVUT WATER BOARD

MARCH 2014

Contacts:

David Frenette
Environment Coordinator
C.P. 87
765 Chemin de la mine Goldex
Val-d'Or, Québec, J9P 4N9
david.frenette@agnicoeagle.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 2013 so no camp waste needed to be disposed of. One hundred and two (102) drill holes were done under this licence and for these drillings, we used 5,558m^3 of water. The waste produced was transported to the Meliadine site to be managed.*

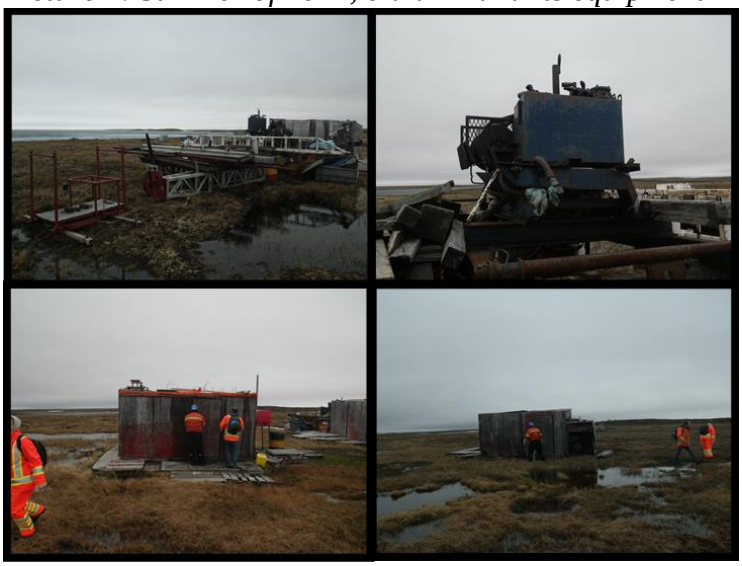
b) A list of unauthorized discharges and a summary of follow-up actions taken:
   - *There were no unauthorized discharges.*

c) An up-to date copy of the Spill Contingency Plan, including contact information:
   - *The spill management plan was updated in February 2014 and it is attached to this report in Appendix A.*

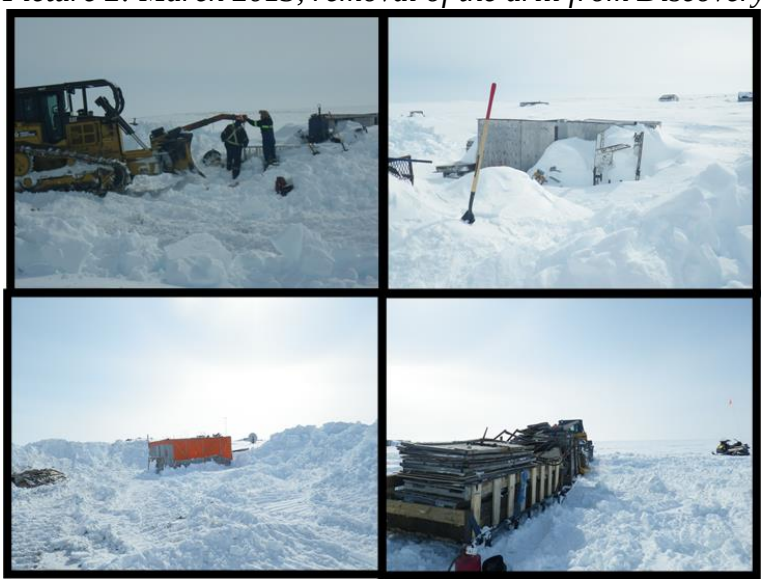
d) A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations:
   - *During the summer of 2012, cleaning work was undertaken at the Discovery camp and all the hazardous material was transported to the Meliadine camp and adequately packaged to be shipped to a southern facility.*

   - *During the winter of 2013, we used of the snow cover to remove an old diamond drill and its equipment that were left on the camp site.*

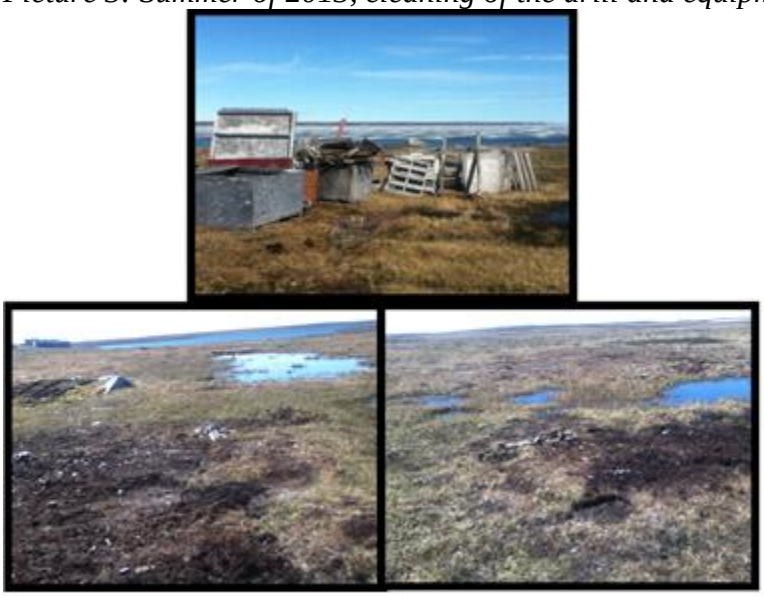
Picture 1: Summer of 2012, old drill and its equipment



Picture 2: March 2013, removal of the drill from Discovery camp site



Picture 3: Summer of 2013, cleaning of the drill and equipment sites



e) A summary of all information requested and results of the Monitoring Program; and
   - *There was 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:

- *No requests were received from the Water Board by November 1st.*

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 (angled drill hole exceeding 600 metres in length). 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 updated in February 2014 is attached to this report in Appendix A.*

I3. 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 reclamation and closure plan was updated in August 2013 and forwarded to the NWB. A copy is attached in Appendix B.*

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 2013; thus, 0 m^3 was used for the camp. The drills (up to 4) used an average of 94m^3 of water per day for a total of 5,558 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 drillings:*

UTM_East	UTM_North
561385.8	6978780.0
551840.6	6982839.5
554351.8	6981244.0
552206.7	6982222.2
569682.2	7000116.3
571355.3	6998039.9
574791.1	6997800.9

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

- *The drill waste (cutting) was deposited 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 number	UTM_East	UTM_North	Hole number	UTM_East	UTM_North
GT13-066	554378.1	6981663.6	CH13-009	573883.6	6997541.1
GT13-067	554333.1	6981640.0	CH13-010	573875.0	6997539.2
M13-2129	554786.9	6981939.3	CH13-011	573871.9	6997530.2
M13-2132	554620.1	6981868.1	CH13-012	573870.7	6997535.1
M13-2136	554829.0	6982014.8	CH13-013	571472.0	6997997.2
M13-2137	554587.0	6981824.8	CH13-014	571473.2	6997997.2
M13-2139	554446.0	6981896.3	CH13-015	571475.7	6997992.6
M13-2140	554260.8	6981639.2	CH13-016	571479.7	6997997.5
M13-2141	554631.0	6981777.1	CH13-017	571481.7	6997997.5
M13-2142	554229.9	6981663.5	CH13-018	571485.6	6997996.7
M13-2145	554489.9	6981887.3	CH13-019	571488.6	6997995.3
M13-2146	554520.9	6981871.8	CH13-020	571495.2	6997996.3
M13-2148	554161.6	6981835.4	CH13-021	571498.8	6997994.8
M13-2149	554307.7	6981668.6	CH13-022	571561.0	6998010.0
M13-2151	554566.8	6981797.1	CH13-023	571562.9	6998011.0
M13-2152	554182.6	6981941.6	CH13-024	571574.5	6998001.5
M13-2153	554274.6	6981636.3	M13-2147	552824.9	6982209.7
M13-2154	554575.0	6981909.0	M13-2150	552704.2	6982303.5
M13-2154A	554575.1	6981909.0	M13-2155	552755.0	6982499.5
M13-2156	554315.7	6981629.4	M13-2160	553605.7	6982257.3
M13-2157	554296.7	6981605.0	M13-2164	553699.4	6982220.5
M13-2158	554147.1	6981867.6	M13-2169	553809.4	6982226.4
M13-2159	554546.0	6981857.2	M13-2173	561393.9	6978599.7
M13-2161	554325.9	6981600.6	M13-2177	561262.7	6978704.4
M13-2162	554468.9	6981589.0	M13-2179	561348.1	6978757.2
M13-2163	554251.8	6981881.3	M13-2181	561273.8	6978786.5
M13-2165	554466.0	6981559.2	M13-2183	561412.9	6978729.4
M13-2166	554446.6	6981952.0	M13-2189	574630.0	6974356.9
M13-2167	554499.8	6981564.3	M13-2192	574730.1	6974356.7
M13-2168	554273.0	6981906.9	M13-2193	551481.3	6982817.5
M13-2170	554469.9	6981821.2	M13-2194	574880.0	6974306.6
M13-2171	554582.0	6981657.1	M13-2196	551590.5	6982794.9
M13-2172	554213.8	6981944.3	M13-2197	574825.5	6974357.3
M13-2174	554484.0	6981850.0	M13-2198	551739.8	6982845.5
M13-2175	554549.5	6981962.9	M13-2199	575340.0	6975886.0
M13-2176	554510.0	6981918.2	M13-2200	551631.5	6982895.6
M13-2178	554604.1	6981670.6	M13-2201	575319.9	6975971.7
M13-2182	554222.2	6981985.8	M13-2202	551553.2	6982955.2
M13-2184	554623.1	6981734.3	M13-2203	575460.3	6975971.5
M13-2186	554329.2	6981798.8	M13-2204	573670.0	6997232.0
M13-2188	554465.2	6981789.9	M13-2205	573900.0	6997575.0
M13-2190	554345.7	6981786.4	M13-2206	573371.0	6998046.0
M13-2191	554425.8	6981769.7	M13-2207	572285.0	6998109.0
CH13-001	573940.6	6997530.4	M13-2208	569750.0	7000090.0
CH13-002	573933.6	6997528.8	M13-2209	569870.0	7000095.0
CH13-003	573923.3	6997525.4	M13-2210	571482.7	6997990.3
CH13-004	573903.1	6997545.7	M13-2211	571482.9	6997989.6
CH13-005	573902.4	6997526.7	M13-2212	571481.4	6997998.4
CH13-006	573898.6	6997540.2	M13-2213	571481.1	6997998.6
CH13-007	573898.2	6997527.6	M13-2214	571496.7	6997996.7
CH13-008	573888.1	6997541.1	M13-2215	571572.5	6997995.7

Appendix A

Spill Management Plan Updated in February 2014

Appendix B

MGP Reclamation and Closure Plan - August 2013.pdf