



AMARUQ EXPLORATION ACCESS ROAD

2016 Annual Report

Prepared for:

Nunavut Water Board
Indigenous and Northern Affairs Canada
Department of Fisheries and Oceans Canada
Kivalliq Inuit Association

Prepared by:

Agnico Eagle Mines Limited

TABLE OF CONTENTS

SECTION 1. INTRODUCTION.....	1
SECTION 2. ROAD CONSTRUCTION/QUARRIES	2
2.1 road construction.....	2
2.1.1 Summary of Construction Activities.....	2
2.1.2 Geotechnical Inspection	6
2.2 2017 Work plan	6
2.3 Quarries	7
SECTION 3. WATER MANAGEMENT ACTIVITIES.....	8
3.1 Summary of water use activities	8
3.2 unauthorized discharges	8
3.3 Seepage monitoring	8
3.4 Monitoring Program.....	8
3.5 Additional Information	9
SECTION 4. WASTE MANAGEMENT ACTIVITIES	10
4.1 General Waste Disposal Activity	10
4.2 Additional Information	11
SECTION 5. SPILL MANAGEMENT.....	12
SECTION 6. MONITORING.....	15
6.1 water crossings visual inspection.....	15
6.2 Archaeology	15
6.3 Blast Monitoring	15
6.4 Acid Rock Drainage and Metal Leaching.....	17
6.5 Wildlife monitoring.....	18
SECTION 7. CLOSURE.....	21
7.1 Progressive Reclamation	21
7.1.1 Road	21
7.1.2 Quarries	21
7.1.3 Plan modification	21
7.2 Reclamation Costs	22
SECTION 8. PLANS / REPORTS / STUDIES.....	23
8.1 Summary of Revisions	23
8.2 Executive Summary Translations	23

SECTION 9. MODIFICATIONS / GENERAL / OTHER.....24

9.1	Public Consultation	24
9.2	Inspections, Compliance Reports and non-compliances issues.....	25
9.3	AWAR Usage reports.....	25
9.3.1	Authorized usage.....	25
9.3.2	Unauthorized non-mine use	26
9.3.3	Safety Incidents	26

LIST OF TABLES

Table 4.1: 2016 Volumes of waste transferred to Meadowbank Mine Site	10
Table 5.1: 2016 Non-reportable spills	13
Table 6.1: 2016 PPV and IPC blast monitoring results.....	16
Table 6.2: Summary of ARD Guidelines used to classify rock	17
Table 6.3: 2016 Wildlife Log.....	18
Table 9.1: 2016 summary of Consultation	24

LIST OF FIGURES

Figure 1: Amaruq Exploration Access Road Layout	1
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LIST OF PHOTOS

Photo 1: Arial Photo showing Bridge at KM 16 and Esker 1.....	3
Photo 2: Bridge at KM 10.7 during construction	4
Photo 3: Esker 1.....	4
Photo 4: Esker 2.....	5
Photo 5: Road KM 29	5

LIST OF APPENDICES

Appendix 1:	NIRB Screening Decision 11EN010 Report
Appendix 2:	2017 Work Plan
Appendix 3:	Road Management Plan
Appendix 4:	Summary of Revision
Appendix 5:	2016 Regulators Inspection Report

DOCUMENT CONTROL

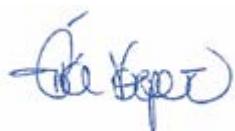
Version	Date (YMD)	Section	Page	Comment
1	2017/03/31	All	All	This has been reviewed by Environmental Staff and will be incorporated into training for all mine staff on behalf of the Mine Manager and Senior Management

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The information in this document has been presented to mine managers and is endorsed and approved by senior management at Agnico Eagle*.

* Agnico Eagle is a recent signatory of the Mining Association of Canada- Toward Sustainable Mining. This document presents information related to assessment tools related to: Biodiversity Conservation Management and Tailings Management. Look for the * marked footnotes for TSM related information.

SECTION 1. INTRODUCTION

The Amaruq Exploration property is a 408-square kilometre exploration property located on Inuit Owned Land (IOL) approximately 150 kilometres north of Baker Lake and approximately 50 kilometres northwest of the Meadowbank mine. Agnico Eagle purchased exploration rights to the Amaruq property from Nunavut Tunngavik Incorporated in April 2013.

The Amaruq Exploration Access Road (AEAR) was screened by NIRB on November 4th, 2015 and a Type 8BC-AEA1525 License was issued by the NWB on November 9th, 2016. The road is an important link to fuel and supplies for the advancement of the Amaruq Exploration project. Ultimately the rapid construction of the AEAR will allow Agnico Eagle to conduct year round exploration drilling at the Amaruq exploration project, to continue to aggressively drill the inferred deposit, to begin building an exploration ramp in 2018, and to continue to assess the feasibility of the future mine site.

The AEAR is approved to be a 6.5 metre (m) wide exploration sized road that is 64.134 km in length, and will connect the Meadowbank mine site, north of Vault Pit operations, to the Amaruq Exploration site. The AEAR, once complete, will have 11 bridges, 28 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 bridges and round culverts will allow normal river and stream flow, and fish migration at road water crossings.

The AEAR will have 12 borrow/hard quarry areas and with short spur roads along the road. Agnico will also use the Vault Pit as a Quarry. The AEAR will be a private road constructed on Crown Land and Inuit Owned Land by Agnico Eagle. To accommodate two ways traffic on the road, pullouts will be spaced approximately every 400m on one side of the road.

Safety will be emphasized in the use of the road, all road users, Agnico Eagle employees and contractors will undergo a road use orientation before being allowed to use it.

The routing of the AEAR is shown on Figure 1 below; it was selected to minimize possible effects of construction and operations on the environment. Considerations included the overall length of the road, a desire to minimize the number of water crossings, the availability of borrow material along the route, acid rock drainage/metal leaching (ARD/ML) potential of borrow and waste rock materials, and avoidance of archaeological resources.

Unmanned gate will be installed at both ends of the AEAR. It will be closed during periods of bad weather, in the event of a serious road accident, during periods of major road maintenance and for wildlife concern (See Road Management Plan Section 10). The AEAR will not have public access.

The AEAR will be constructed, inspected, and maintained by Agnico Eagle. Consequently, Agnico Eagle has sole responsibility for the construction, operation, and decommissioning of this road, including the road bed, bridges, culverts, open bottom arch culverts and borrows pits used in the construction of the road.

These various components and activities associated with the project require a number of different authorizations, leases and permits from regulatory agencies including the Nunavut Water Board (NWB),

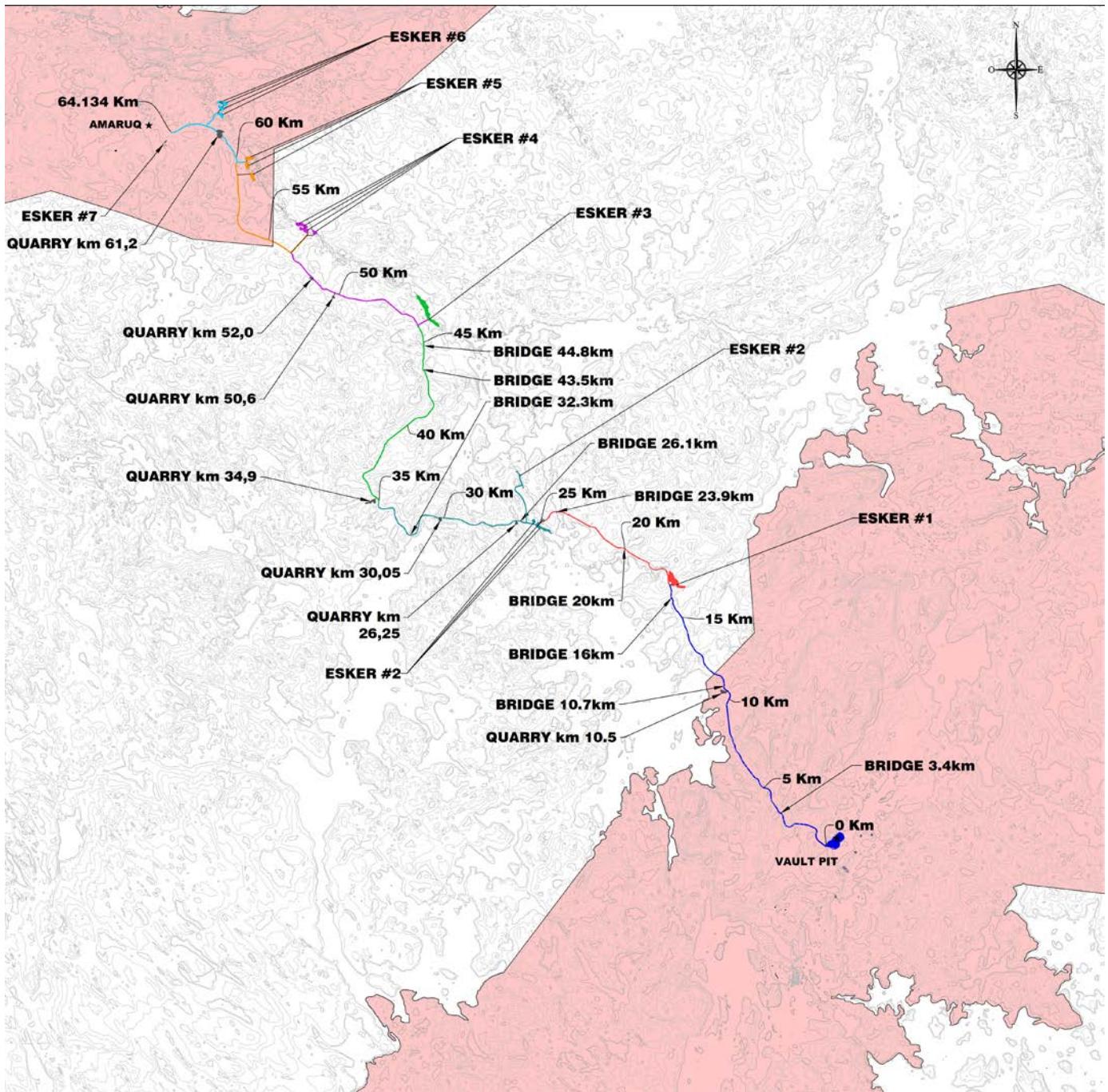
the Department of Fisheries and Oceans Canada (DFO), Indigenous and Northern Affairs (INAC) (formerly Aboriginal Affairs and Northern Development Canada (AANDC)); the Kivalliq Inuit Association (KIA) and the Nunavut Impact Review Board (NIRB).

This report is written to address all of the 2016 annual reporting requirements of the project under these authorizations:

NWB Type B Water License 8BC- AEA1525;
INAC Land Use permit (N2015F0026), Leases 66H/08-02-1 (AWAR) and 66H/08-01-1 (AWAR Quarries);
KIA Right of Way KVRW15F01 and Quarries KVCA15Q02: and
DFO Letter of Advice issued to Agnico by DFO on March 14, 2016

The Annual report for the NIRB Screening Decision 11EN010 has been submitted under a separate cover and can be found in Appendix 1.

Figure 1: Amaruq Exploration Access Road Layout



SECTION 2. ROAD CONSTRUCTION/QUARRIES

The following section discusses reporting requirements related to road construction.

2.1 ROAD CONSTRUCTION

2.1.1 Summary of Construction Activities

As required by Water License 8BC-AEA1525, Part B, Item 5c: A summary report of construction activities including photographic records before, during and after construction.

And

As required by INAC N2015F0026 Item 12: The annual report must contain, but not limited to, the following information: (a) a summary of activities undertaken for the year, (b) a map showing the following items with the exact coordinates (degrees/minutes/sec, in NAD 8), i. All drilling location, ii. All fuel caches, iii. any other location where activities were conducted

AEAR construction began end of February 2016. The first phase consists of constructing the 16.9 Km starting from Vault to Esker 1. This phase was completed end of May 2016. The construction team has been demobilizing to construct a dike at Meadowbank from June to October 2016. During this period the AEAR worksite has been closed. In September, Agnico did some refection on the first 16.9km to adjust the road after the first unfreeze cycle. The second phase has restarted in October 2016 and consists of constructing the road from Esker 1 to Amaruq site for an additional 47 Km. This Phase is ongoing until the completion of the road planned end of Q3 2017. As of December 31, 2016, 27.5 Km (from KP 16+900 to KP 47+000) of road has been completed. Agnico also installed four bridges at Km3.4; Km10.7, km16 and km20. Those bridges are partially installed. By pass with temporary bridges has been installed to allow access to the other side or the shore during the construction of permanent bridges. Some temporary bridges installed in 2016 are steel bridge or Ice Bridge.

Beginning of November 2016, Agnico Eagle started to use Esker and hard rock quarry material from Esker 1 and 2. In 2016, Agnico Eagle blasted 118,075 m³ of NPAG material from Esker #1 and 98,775 m³ of borrow material from Esker #1 and #2. This material has been used for the construction of the road only.

Photos 1 to 5 below show some sections of the road during the 2016 construction.

Photo 1: Aerial Photo showing Bridge at KM 16 and Esker 1



Photo 2: Bridge at KM 10.7 during construction



Photo 3: Esker 1



Photo 4: Esker 2



Photo 5: Road KM 29



2.1.2 Geotechnical Inspection

As required by Water License 8BC-AEA1525, Part B, Item 5f: Results of annual geotechnical inspections of the road, including stream crossings and quarry and borrow areas, and descriptions measures taken to address inspection findings

An annual geotechnical inspection on the AEAR was not conducted in 2016. Agnico anticipate an inspection to be completed in Q3 2017.

Amaruq Road Supervisor and Environment Department however typically conduct a weekly inspection to make sure that there are no geotechnical or environment issues during construction of the AEAR.

2.2 2017 WORK PLAN

As required by KIA KVRW15F01 Item 11: No construction or other work, operations or activity may be conducted on the Land until a Work Plan or amended Work Plan has been approved by KIA. AEM shall deliver to KIA not later than January 1st of each year of the Term a work plan.

And

As required by INAC N2015F0026 Item 12: The annual report must contain, but not limited to, the following information: (c) a work plan for the following year, including any progressive reclamation work undertaken

The “2017 Work Plan” for the AEAR, prepared for the Kivalliq Inuit Association as required by Right Of Way KVRW15F01, is attached in Appendix 2. This report was submitted to the KIA on December 22nd, 2016 and outlines the activities planned for the road throughout the 2017 year.

This 2017 Work Plan covers the proposed activities for the Amaruq Gold Project under the AEAR Right of Way. The AEAR is located under both Inuit Owned Land and Crown Land and this Work Plan covers principally the part of the road located on Inuit Owned Land (IOL) administered by the Kivalliq Inuit Association. See Figure 1 above for location of the portion of the road located on IOL.

The work on IOL land located on the South section (first 11.2 Km starting near Vault Pit) of the road has been completed in May 2016 with NPAG material coming from Vault Pit. The top layer on this section will be installed in July 2017 with aggregate produce with Vault Pit NPAG material. Culverts and erosion protection has been installed under the Engineer recommendation. Also:

- The road construction on Crown Land from Km 11.2 to 27.5 will be completed by December 2016. In June 2017, Agnico is planning to complete the road section on Crown Land including construction of 6 bridges from Km 27.5 to 55.
- Works planned for 2017 include the construction of the road's sub-foundation from Km 27.5 to 64.1 and 150mm thickness of 0-20mm aggregate as top layer along the 64.1 Km road. Work will be performed between January 2017 and September 2017 with permitted Eskers and quarries material.

- In North section of IOL (Km 55 to 64.1) there is no bridges to installed and culverts will be installed has recommended in the engineering drawings.
- Road construction will continue north from January 2017 to the end of September 2017 (from Km 27.5 to 64.1).
- The area located on Inuit Owned Land at the North, that is planned to be constructed in 2017, is the last 9.1 km of road from Km 55 to 64.1.

Environmental monitoring (wildlife, blast, ARD/ML, water quality, dust) will continue or begin through 2017 in support of all operational undertakings at AEAR as required by the NWB Type B Water License 2AM-MEA1525, NIRB Screening Decision and DFO Letter of Advice.

2.3 QUARRIES

The annual reporting requirements listed in the following sections apply only to quarries located along the AEAR. Esker 7 (see Figure 1) permitted under KIA Lease KVCA15Q01, located inside the Amaruq Commercial Lease is not detailed in this report.

As required by INAC Land Lease 66H/8-01-1, Item 9(a): *The lessee shall file a report, annually, with the Minister in the manner and format stipulated by the Minister, no later than sixty days following the anniversary date of the effective date of the lease.*

And

As required by KIA KVCA15Q02, Item 16: *Prior to the ten day of each month the Permittee shall submit a report to the Association indicating the quantity of material quarried and the quantity of material removed from the Land during the prior month, together with the applicable fees, calculated in accordance with this Permit*

In 2016, Agnico did not removed material from borrow pits located KIA leased lands along the AEAR.

The material use for the road construction, starting in November, came from Esker #1 and #2 located on INAC leased lands along the AEAR. In 2016, Agnico Eagle blasted 118,075 m³ of NPAG material from Esker #1 and 98,775 m³ of borrow material from Esker #1 and #2. The material was used only for the construction of the road. The 2016 Annual quarry report was sent to INAC on February 17, 2017. No material was blasted in other quarries situated on INAC leased land in 2016.

SECTION 3. WATER MANAGEMENT ACTIVITIES

The following section addresses reporting requirements related to water management activities.

3.1 SUMMARY OF WATER USE ACTIVITIES

As required by Water License 8BC-AEA1525 Part B Item 5a: *A summary report of water use activities.*

And

As required by Water License 8BC-AEA1525 Part I Item 2: *The Licensee shall measure and record, in cubic metres, the daily volume of water utilized for dust suppression.*

In 2016, Agnico Eagle did not pump or use any freshwater as approved in the Water License Part C Item 1: *"The Licensee shall obtain all water for use in dust suppression from Pipe Dream Lake, Innuguguayalik Lake, ponded water (against the road), and ponds and lakes proximal to the road as indicated in the Application. The volume of water for the purposes of this Licence shall not exceed two hundred and ninety nine (299) cubic meters per day."*

No additional details were requested by the NWB regarding the water use.

3.2 UNAUTHORIZED DISCHARGES

As required by Water License 8BC-AEA1525, Part B, Item 5d: *A list of unauthorized discharges and a summary of follow-up actions taken.*

No unauthorized discharge of water to receiving environment has occurred in 2016 along the AEAR.

3.3 SEEPAGE MONITORING

As required by Water License 8BC-AEA1525, Part B, Item 5e: *A list of seeps originating from borrow pits, water quality monitoring results, and measures taken to prevent the flow of seep water into nearby water bodies.*

Exploitation of borrow pit was commenced in November 2016 under winter conditions. The water was frozen during esker operation, therefore no seepage was observed. If seepage is observed during the 2017 freshet, the seepage will be managed as per the Road Management Plan (March, 2017) found in Appendix 3.

3.4 MONITORING PROGRAM

As required by Water License 8BC-AEA1525, Part B, Item 5h: *A summary of all information requested and results of the Monitoring Program.*

And

As required by KIA KVCA15Q02 Item 17: *The permittee shall prepare a water monitoring plan for quarries in which explosives are in use. Prior to the tenth day of each month the Permittee shall submit a report to the Association indicating water quality results. Water results are to be tabulated and compare to applicable CCME and MMER Guidelines*

In 2016, there was no water monitoring done along the AEAR and on esker/quarries along the road as no water was observed. Exploitation of quarries on Crown Land started in November 2016 under frozen conditions. For 2017, quarries water monitoring will follow the Road Management Plan available in Appendix 3.

3.5 ADDITIONAL INFORMATION

As required by Water License 8BC-AEA1525 Part B Item 5m: *Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.*

No additional information was requested in 2016.

SECTION 4. WASTE MANAGEMENT ACTIVITIES

4.1 GENERAL WASTE DISPOSAL ACTIVITY

As required by Water License 8BC-AEA1525 Part B Item 5b: *A summary of waste disposal activities.*

A monthly summary regarding the amount of waste is presented in Table 4.1. From January 2016 to mid-September 2016, no waste was generating directly along the AEAR as the construction offices were at Vault mine site, so no differentiation between Vault and Amaruq waste was possible. Starting mid-September, portable office was temporary (only for the construction phase) put along the road and domestic waste generate was brought on a daily basis back to Meadowbank mine site. Due to the very low level of waste generated by the construction of the road, it's very difficult to estimate in cubic meter or tons the volume of waste. The quantity of waste is presently reported as waste bag of 127L, not always full to capacity, which could lead to an over estimate of waste generated. A log of waste has been put in place on November 9, 2016 to track the quantity of waste generated. The waste was disposed of in the bin at Vault site and then burn at the incinerator with the flow of waste generate by Meadowbank. More details regarding the Meadowbank incinerator by referencing to Section 5.2 of the 2016 Meadowbank Annual Report. Agnico Eagle didn't see an increase in the incinerator usage following the fact that Amaruq bring waste and consider the generation of Amaruq waste to be very negligible. Also, no more waste will be generated by road once complete so in Q3, 2017.

Table 4.1: 2016 Volumes of waste transferred to Meadowbank Mine Site

Month	Number of 127L bag disposed at Meadowbank mine site
January	0
February	0
March	0
April	0
May	0
June	0
July	0
August	0
September*	49
October*	50
November	36
December	51
Total	186

*Official waste log have been put in place on November 9 so September and October are estimated based on the daily log of November and December.

Sewage and grey water were also collected in the AEAR offices approximately every second day. Unfortunately, the volume of sewage pumped was combined with the volume of sewage pumped at Vault mine site so no differentiation was done. However, as per personnel communication with the construction team, the volume pumped should be very negligible. All the sewage pumped is then disposed of at the Meadowbank Sewage Treatment Plan Lift Station #2.

4.2 ADDITIONAL INFORMATION

As required by Water License 8BC-AEA1525 Part B Item 5m: *Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported*

The Board did not request any additional details on waste disposal in 2016.

SECTION 5. SPILL MANAGEMENT

As per Water License 8BC-AEA1525 Part G Item 5c: *For each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.*

And

As per Water License 8BC-AEA1525 Part B Item 5d: *A list of unauthorized discharges and a summary of follow-up actions taken*

No reportable spills were reported to the GN Spill hotline in 2016. Non-reportable spills can be found in Table 5.1.

In 2016, fourteen (14) spills were reported to the environment department. Spills are mainly due to mechanical issues with the equipment. There was no off site impact to any watercourses as a result of spills in 2016 and all contaminated material have been disposed adequately as per the Spill Contingency Plan.

To prevent and ensure all spills are reported internally, spill prevention training was provided to employees in 2016. Training activities include the following:

- All employees and contractors must participate in an induction session online prior to the arrival at the mine site, which includes a training section on spill management (prevention, reporting and cleaning);
- Every employee and contractor who operates a vehicle on the site must participate in training on vehicle operation. Spill management is a component of this training session;
- Toolbox meetings were given by the Environmental Department to road construction team to discussed about the spill response and reporting.

Table 5.1: 2016 Non-reportable spills

Date of Spill	Hazardous Material	Quantity (L/Kg)	Location	Cause of spill	Clean-up action taken
March 9, 2016	Fuel	60 L	Amaruq Exploration Access Road	The nozzle was not completely closed and when the worker restarts the pump, the fuel came out.	Contaminated soil was picked up and adequately disposed of.
March 13, 2016	Hydraulic oil	40 L	Amaruq Exploration Access Road	Broken hydraulic hose.	Contaminated soil was picked up and adequately disposed of.
April 2, 2016	Hydraulic oil	30 L	Amaruq Exploration Access Road	Hydraulic cylinder broken	Contaminated soil picked up and disposed of adequately.
September 15, 2016	Coolant	20 L	Amaruq Exploration Access Road entrance	Broken coolant line.	Contaminated soil was picked up and disposed of at the landfarm
October 8, 2016	Hydraulic oil	50 L	Amaruq Exploration Access Road KM 3.2	Broken hydraulic hose	Contaminated soil was picked up and disposed of adequately.
November 3, 2016	Coolant	1.5 L	Amaruq Exploration Access Road KM 16.5	Coolant leak	Contaminated soil was picked up and disposed of adequately.
November 11, 2016	Hydraulic oil	10 L	Amaruq Exploration Access Road KM 12.76	Broken hydraulic hose	Contaminated soil was picked up and disposed of adequately.
November 17, 2016	Hydraulic oil	20 L	Amaruq Exploration Access Road KM 19.3	Engine oil pan valve broke	Contaminated soil was picked up and disposed of adequately.

November 22, 2016	Coolant	4 L	Amaruq Exploration Access Road KM 19	Overflow	Contaminated soil was picked up and disposed of adequately.
December 5, 2016	Hydraulic oil	5 L	Amaruq Exploration Access Road KM 18.7	Broken hydraulic hose	Contaminated soil was picked up and disposed of adequately.
December 19, 2016	Engine oil	70 L	Amaruq Exploration Access Road KM 24	Broken engine head gasket	Contaminated soil was picked up and disposed of adequately.
December 19, 2016	Hydraulic oil	20 L	Amaruq Exploration Access Road KM 17	Hydraulic filter froze	Contaminated soil was picked up and disposed of adequately.
December 19, 2016	Hydraulic oil	65 L	Amaruq Exploration Access Road KM 24	Broken hydraulic hose	Contaminated soil was picked up and disposed of adequately.
December 29, 2016	Hydraulic oil	5 L	Amaruq Exploration Access Road	O'ring failure on hydraulic line	Contaminated soil was picked up and disposed of at the landfarm

SECTION 6. MONITORING

6.1 WATER CROSSINGS VISUAL INSPECTION

As required by Water License 8BC-AEA1525 Part I Item 1: *The Licensee shall implement the Inspection and Maintenance procedures of Amaruq Exploration Access Road in accordance with the approved Road Management Plan under Part E, Item 1.*

And

As required by Water License 8BC-AEA1525 Part I Item 7: *The Licensee shall implement water crossings visual inspection and maintenance program prior to and during spring freshet and after heavy rainfall events to identify issues relating to watercourse crossings structural integrity and hydraulic function.*

Agnico Eagle's Road Management Plan includes a program of inspection and monitoring associated with the freshet and after heavy rain event. Agnico Eagle refers you to Section 8 of the Road Management Plan (Appendix 3) for a complete review of the monitoring and inspection program.

6.2 ARCHAEOLOGY

As required by INAC 66H/8-01-1 Item 66: *If an archaeological site is discovered with the Land, the lessee shall immediately advise the Minister and the Territorial Archaeologist in writing.*

In 2016, archaeological impact assessments and mitigation within the Amaruq exploration property were conducted at the Whale Tail zone and along the proposed exploration road between the Meadowbank mine area and the Amaruq property. Archaeological studies were conducted to identify sites that could potentially be impacted by project components and to ensure avoidance and/or to recommend mitigation measures for sites that cannot be avoided. Mitigative activities were conducted at various sites along the road and no grave sites were impacted. On February 28th, 2017, Agnico Eagle submitted to the GN Cultural and Heritage department the "Archaeological Site Status Report to 2016 Meadowbank Gold Project and Exploration Activities, Nunavut." (This report and the information contained in it are confidential and therefore were submitted directly to the GN Cultural and Heritage department. Requests for information should be made directly to the GN.)

6.3 BLAST MONITORING

Quarry operations required explosives. The design, size, and shape of the blasts are planned with safety being the foremost consideration. A predetermined pattern of drill holes are drilled to a depth not exceeding the overall depth of the quarry and filled with explosives. Prior to a blast, a notice is sent to all employees to inform of the blast location and time. All personnel and equipment are moved to a safe distance from the blast area.

Approved ammonia management procedures at the Meadowbank Mine are adopted to ensure blasting practices monitor explosive quantities and blast performance to optimize the blasting practices while reducing impacts to nearby water quality from blast residue. Agnico Eagle Meadowbank Division

developed a blasting program which complies with *The Guidelines for the Use of Explosives In or Near Canadian Fisheries Water* (Wright and Hopky, 1998) as modified by the DFO for use in the North. As a result, Agnico conducts monitoring to evaluate blast related peak particle velocity and overpressure to protect nearby fish bearing waters. For any blast along the Amaruq Road, Agnico will follow the same standard as Meadowbank and the Meadowbank Blast Monitoring Program (March, 2017). It includes the following requirements:

1. No explosive is to be detonated in or near fish habitat that produces an instantaneous pressure change (IPC) greater than 100 kPa in the swim bladder of a fish; representatives from DFO requested that Agnico use a value of 50 kPa instead of 100 kPa; and
2. No explosive is to be detonated that produces a peak particle velocity greater than 13 mm/s in a spawning bed during the period of egg incubation (for lakes near the Meadowbank mine, it takes place between August 15 and June 30).

In 2016, blast monitoring where conducted from only one monitoring station as blast occurred only in Esker 1. The monitoring station named Esker 1 is located X: 632860 Y: 7232495. This location was choosing to protect the potential fish habitat with most value.

The results of the 2016 blast monitoring program are provided in Table 6.1 below.

Table 6.1: 2016 PPV and IPC blast monitoring results

Date of Blast	Station	Blast Pattern	Peak Particule Velocity (mm/s)	Peak Sound Pressure (kpa)	(sec)
<i>DFO limit</i>			13	50k	
13-11-2016	Esker 1	1780QY100-1	5.75	0.0105	1.733
15-11-2016	Esker 1	1780QY100-2	4.00	0.0190	2.833
18-11-2016	Esker 1	1780QY100-3	5.76	0.0170	1.986
20-11-2016	Esker 1	1780QY200-1	3.88	0.0155	2.125
25-11-2016	Esker 1	1780QY100-4	10.50	0.0125	2.533
30-11-2016	Esker 1	1780QY100-5	8.72	0.0160	1.969

04-12-2016	Esker 1	1780QY100-6	9.04	0.0115	2.101
09-12-2016	Esker 1	1780QY100-7	11.3	0.0160	2.097
15-12-2016	Esker 1	1780QY100-8	5.44	0.0133	2.236
18-12-2016	Esker 1	1780QY100-9	5.77	0.0170	2.352

In 2016, monitoring was conducted on 10 blasts at Esker 1. The average PPV recorded was 7.02 (CI +/- 1.65) with a maximum of 11.3 mm/s. PPV concentrations do not exceed the DFO limit of 13 mm/s in 2016.

6.4 ACID ROCK DRAINAGE AND METAL LEACHING

Initial testing of borrow/quarry pit materials was completed and found that the esker and quarry sample show no potential to generate acid drainage.

As per the Road Management Plan Section 7.3, additional testing for ARD/ML was conducted during construction of the roads. Each Esker/Quarry pits extracting less than 1 million metric tons (~ 400,000 m³) require a minimum of 26 samples, distributed representatively between the bedrock material and the granular material. Samples were then sent to the Meadowbank assay lab for ARD testing. The samples are also sent to an external lab analysis which will test for ABA, Bulk Metal, WRA and SFE.

Table 6.2 below presented a summary of Acid Rock Drainage (ARD) Guidelines used to classify rock.

Results from the Assay lab versus External lab results are then compared to ensure compliance or any major differences between both laboratories. In 2016, 38 samples were analyzed to determine if they are PAG or NPAG. From these 38 samples, only two samples from Esker 1 are classified as uncertain from the external accredited laboratory. The comparison of the result from the on-site Assay Lab and the External lab also permit to validate the ARD method of Agnico and result.

Table 6.2: Summary of ARD Guidelines used to classify rock

Initial Screening Criteria	ARD Potential
NPR < 1	Likely Acid Generating (PAG)
1 < NPR < 2	Uncertain
2 < NPR	Acid Consuming Non Potentially Acid Generating (NPAG)

6.5 WILDLIFE MONITORING

No accidents involving any wildlife were reported along the road in 2016. Please find below in Table 6.3 the 2016 Wildlife Log. This information is sent to the GN Wildlife Officer on a monthly basis along with the observations from Meadowbank mine site.

Refer to the Road management Plan Section 10 to see the management and monitoring of the wildlife.

Table 6.3: 2016 Wildlife Log

Date	Wildlife Species	Quantity	Behavior	Observer Name #1	Observer Name #2	Action
24/03/2016	Wolverine	1		Amaruq road crew		
24/03/2016				Serge Tremblay		No action required
29/03/2016	Caribou	10		Amaruq road crew		
29/03/2016	Caribou	6		Amaruq road crew		
01/04/2016	Wolverine	1		Amaruq road crew		
05/04/2016	Wolverine	1	Crossing the road	Amaruq road crew		
05/04/2016	Wolverine	1	Crossing the road	Amaruq road crew		
07/04/2016	Caribou	1		Amaruq road crew		
11/04/2016	Caribou	15		Amaruq road crew		
12/04/2016	Caribou	20		Amaruq road crew		
12/04/2016	Caribou	8		Amaruq road crew		
14/04/2016	Caribou	12		Amaruq road crew		
14/04/2016	Wolverine	1		Amaruq road crew		
17/04/2016	Wolf	2		Amaruq road crew		
17/04/2016	Caribou	10		Amaruq road crew		
17/04/2016	Caribou	15		Amaruq road crew		
17/04/2016	Fox	1		Amaruq road crew		
17/04/2016	Wolverine	1	Running	Amaruq road crew		
18/04/2016	Caribou	10		Amaruq road crew		
18/04/2016	Caribou	10	Crossing the road	Amaruq road crew		
18/04/2016	Caribou	50	Walking	Amaruq road crew		Closed the road
05/05/2016	Fox	1		Amaruq road crew		
07/05/2016	Wolf	2	Resting	Amaruq road crew		
08/05/2016	Wolverine	1	Crossing the road	Amaruq road crew		
08/05/2016	Musk-ox	25	Immobile	Amaruq road crew		Monitored the area
10/05/2016	Caribou	15		Amaruq road crew		
11/05/2016	Wolf	2	Crossing the road	Amaruq road crew		
12/05/2016	Caribou	15		Amaruq road crew		
14/05/2016	Caribou	5		Amaruq road crew		
15/05/2016	Caribou	10		Amaruq road crew		
16/05/2016	Wolverine	1		Amaruq road crew		
17/05/2016	Caribou	10		Amaruq road crew		
19/05/2016	Caribou	12		Amaruq road crew		
19/05/2016	Caribou	12		Amaruq road crew		
20/05/2016	Wolf	2		Amaruq road crew		
24/05/2016	Wolf	2		Amaruq road crew		

09/06/2016	Caribou	6		Amaruq road crew		
12/06/2016	Wolverine	1		Amaruq road crew		
15/06/2016	Caribou	2		Amaruq road crew		
19/06/2016	Musk-ox	1		Amaruq road crew		
19/06/2016	Musk-ox	1		Amaruq road crew		
20/06/2016	Musk-ox	1		Amaruq road crew		
22/06/2016	Musk-ox	1		Amaruq road crew		
22/06/2016	Wolf	1	Sick or wounded	Amaruq road crew		
01/07/2016	Arctic hare	1	Eating	Amaruq road crew		
01/07/2016	Arctic hare	1	Walking	Amaruq road crew		
07/07/2016	Ptarmigan	1	Walking	Amaruq road crew		
30/07/2016	Arctic hare	1	Walking	Amaruq road crew		
06/08/2016	Musk-ox	22	Walking	Amaruq road crew		
06/08/2016	Arctic hare	1	Running	Amaruq road crew		
07/08/2016	Ptarmigan	7	Walking	Amaruq road crew		
07/08/2016	Arctic hare	2	Running	Amaruq road crew		
07/08/2016	Arctic hare	1	Running	Amaruq road crew		
07/08/2016	Arctic hare	1	Running	Amaruq road crew		
08/08/2016	Arctic hare	1	Running	Amaruq road crew		
18/08/2016	Caribou	4		Amaruq road crew		
18/08/2016	Caribou	17		Amaruq road crew		
18/08/2016	Caribou	40		Amaruq road crew		
21/08/2016	Wolf	1	Observing	Amaruq road crew		
24/08/2016	Musk-ox	1	Walking	Amaruq road crew		
25/08/2016	Fox		Walking	Amaruq road crew		
25/08/2016	Caribou	3	Running	Amaruq road crew		
28/08/2016	Arctic hare	1	Walking	Amaruq road crew		
29/08/2016	Caribou	4	Walking	Amaruq road crew		
31/08/2016	Caribou	5	Walking	Amaruq road crew		
03/09/2016	Caribou	22	Walking	Amaruq road crew		
03/09/2016	Caribou	9	Walking	Amaruq road crew		
14/09/2016	Wolf	2	Walking	Amaruq road crew		
15/09/2016	Wolverine	1	Walking	Amaruq road crew		
16/09/2016	Wolverine	1	Running	Amaruq road crew		
16/09/2016	Wolverine	1	Walking	Amaruq road crew		
16/09/2016	Arctic hare	5	Immobile	Amaruq road crew		
22/09/2016	Fox	1	Observing	Amaruq road crew		
22/09/2016	Wolverine	1	Walking	Amaruq road crew		
22/09/2016	Caribou	3	Eating	Amaruq road crew		
22/09/2016	Wolf	7	Walking	Amaruq road crew		
22/09/2016	Wolf	2	Walking	Amaruq road crew		
23/09/2016	Wolverine	1	Running	Amaruq road crew		
23/09/2016	Fox	1	Walking	Amaruq road crew		
30/09/2016	Caribou	3	Walking	Amaruq road crew		
02/10/2016	Caribou	15	Walking	Amaruq road crew		
02/10/2016	Caribou	6	Walking	Amaruq road crew		

02/10/2016	Wolverine	1	Walking	Amaruq road crew		
04/10/2016	Caribou	12	Crossing the road	Amaruq road crew		
05/10/2016	Caribou	20	Crossing the road	Amaruq road crew		
05/10/2016	Caribou	2	Crossing the road	Amaruq road crew		
06/10/2016	Wolverine	1	Crossing the road	Amaruq road crew		
07/10/2016	Wolverine	1	Crossing the road	Amaruq road crew		
10/10/2016	Wolf	2	Walking	Amaruq Operator		No action required
16/10/2016	Caribou	1	Unknown	Amaruq Operator		No action required
18/10/2016	Wolverine	1	Walking	Amaruq Operator		No action required
18/10/2016	Wolf	2	Walking	Amaruq Operator		No action required
19/10/2016	Wolverine	1	Unknown	Amaruq operator		No action required
19/10/2016	Wolf	2	Unknown	Amaruq operator		No action required
20/10/2016	Wolverine	1	Walking	Amaruq Operator		No action required
20/10/2016	Wolverine	1	Crossing the road	Amaruq Operator		No action required
20/10/2016	Wolverine	1	Walking	Amaruq Operator		No action required
21/10/2016	Caribou	10	Walking	Amaruq Operator		No action required
25/10/2016	Wolverine	1	Crossing the road	Amaruq operator		No action required
31/10/2016	Fox	1	Walking	Randy S		No action required
02/11/2016	Wolf	1	Walking	Amaruq Operator		No action required
03/11/2016	Fox	1	Walking	Randy S	Tom T	Monitored the area
03/11/2016	Wolf	1	Unknown	Yan C		No action required
11/11/2016	Wolf	2	Walking	Amaruq road crew		
18/11/2016	Wolverine	1	Walking	Amaruq road crew		
19/11/2016	Caribou	6		Amaruq road crew		
20/11/2016	Wolverine	1	Walking	Amaruq Operator		No action required
21/11/2016	Wolverine	1	Walking	AMQ		No action required
02/12/2016	Caribou	1	Unknown	Amaruq Operator		No action required
05/12/2016	Fox	1	Crossing the road	Patrick Ahern	Randy Schwandt	No action required
10/12/2016	Wolf	1	Walking	Amaruq Operator		No action required
12/12/2016	Wolverine	1	Walking	Amaruq operator		No action required
15/12/2016	Wolverine	1	Running	Amaruq operator		No action required
26/12/2016	Wolverine	1	Walking	Troy O		No action required

SECTION 7. CLOSURE

7.1 PROGRESSIVE RECLAMATION

7.1.1 Road

As required by Water License 8BC-AEA1525 Part B Item 5j: *A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations.*

And

As required by INAC 66H/8-02-1 Item 25: *The lessee shall file annually a report for the preceding year, outlining the ongoing restoration completed in conformity with the approved Abandonment and Restoration Plan; as well as any variation from the said plan.*

No restoration work was completed in 2016

7.1.2 Quarries

As required by INAC 66H/8-01-1 Item 35: *The lessee shall file annually a report for the preceding year, outlining the ongoing restoration completed in conformity with the approved Abandonment and Restoration Plan; as well as any variation from the said plan*

And

As required by Water License 8BC-AEA1525 Part B Item 5j: *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 restoration work was completed in 2016.

7.1.3 Plan modification

As required by KIA KVRW15F01 Item 34: *AEM shall submit to KIA a revised Plan whenever there is a material variation from the Plan previously provided to KIA. An updated Reclamation and Closure Plan shall also include progress reports on ongoing reclamation work that has been completed and will outline the ongoing borrow area operations completed, the whole in accordance with such Plan*

No modifications to the Conceptual Closure and Reclamation Plan occurred in 2016.

7.2 RECLAMATION COSTS

As required by Water License 8BC-AEA1525 Part B Item 5g: *Any updates on reclamation cost estimate*

And

As required by INAC 66H/8-02-1 Item 26: *The lessee shall submit to the Minister a reclamation cost estimate pertaining to the leased are by March 31, 2016. The Lessee shall deposit and maintain with the Minister a security deposit reflecting the cost estimates no later than September 1, 2016 in an acceptable form.*

Agnico Eagle maintains with INAC a security deposit reflecting the cost estimates of the Amaruq Exploration Access Road in the prescribed deadline.

SECTION 8. PLANS / REPORTS / STUDIES

8.1 SUMMARY OF REVISIONS

As required by Water License 8BC-AEA1525 Part B Item 5i: *Any updates or revisions to plans as required by changes in operation and/or technology.*

The following monitoring and management plans were revised in 2016:

- Road Management Plan, Version 2 (Appendix 3);

Emergency Response and Spill and Contingency Plan as well as the Conceptual Closure and Reclamation Plan will be revised once the road is completed.

A brief description of revisions made regarding the Road Management Plan is provided in Appendix 4.

8.2 EXECUTIVE SUMMARY TRANSLATIONS

As required by Water License 8BC-AEA1525 Part B Item 5L: *An executive summary in English and Inuktitut of all plans, reports, or studies conducted under this Licence*

Appendix 4 includes an executive summary in English, French and Inuktitut for the Road Management Plan listed in Section 8.1 above.

SECTION 9. MODIFICATIONS / GENERAL / OTHER

9.1 PUBLIC CONSULTATION

As required by Water License 8BC-AEA1525 Part B Item 5K: A public consultation/participation report describing consultation with local organizations and the residents of the nearby communities

And

As required by INAC 66H/8-02-1 Item 65: The lessee shall give notice of any closure of the road to the Minister and the reasons thereof, and post any notice of closure at the access point and along the road.

Summary of consultation conduct in 2016 are presented in Table 9.1 below.

Table 9.1: 2016 summary of Consultation

Date	Location	Forum	Purpose	Attendees	Implementation
February 3, 2016	Baker Lake	Focus Group Discussion	Focus group discussion to seek input from youth about what they would like to see regarding opportunities, training or information about work in the mining and related industries.	Students from the local high school (17), third party consultant (Outcrop Nunavut and Nanuk Enterprises), community representative and Agnico Eagle representative	Provided a brief Project overview, and gathered information related to socio-economics, interest in employment in the mining industry, traditional lifestyles and concerns related to the mine
February 3, 2016	Baker Lake	Focus Group Discussion	Focus group discussion to gather information related to their experience working at the mine, and viewpoints on the positive and negative effects of the mine on their community.	Women from the community(8), third party consultant (Outcrop Nunavut and Nanuk Enterprises), community representatives	Provided a brief Project overview, and gathered information related to socio-economics, and concerns related to the mine
February 3, 2016	Baker Lake	Consultation Meeting	Consultation meeting to provide an overview of the Project to date, and address and record concerns raised related to the Project.	HTO, third party consultant (Outcrop Nunavut and Nanuk Enterprises), community interpreter, Agnico Eagle representatives	Provided a brief Project update and recorded issues and concerns
February 4, 2016	Baker Lake	Consultation Meeting	Consultation meeting to provide an overview of the Project to date and address and record concerns raised related to the Project.	CLARC, third party consultant (Outcrop Nunavut and Nanuk Enterprises), community interpreters, Agnico Eagle representative	Provided a brief Project update and recorded issues and concerns
February 5, 2016	Baker Lake	Consultation Meeting	Consultation meeting to inform the community about the Project to date, to review the IQ information gathered for the Project area to date, and to record additional concerns.	Baker Lake Elders (13), third party consultant (Outcrop Nunavut and Nanuk Enterprises), community interpreter, Agnico Eagle representative	Provided a brief overview of the Project to date, reviewed the IQ information gathered for the Project area to date and recorded additional IQ information and issues and concerns related to the Project.
March 2-3, 2016	Baker Lake	NIRB Hearings	Whale Tail Pit Project was presented as a future development project	NIRB members, INAC, ECCC, DFO, KIA, GN, NRCan, HTO, Elders, and Baker Lake and Chesterfield Inlet community members	Provided a brief Project overview
March 3, 2016	Baker Lake	Consultation Meeting	The focus was mainly on Amaruq Exploration Access road	CLARC members and KIA staff	Provided a brief Project update and discussed access road concerns

Date	Location	Forum	Purpose	Attendees	Implementation
June 6, 2016	Rankin Inlet	Consultation Meeting	Discussion about Amaruq Exploration Road and Whale Tail Project	Rankin Inlet community	Provided a brief Project overview
June 7, 2016	Baker Lake	Consultation Meeting	Discussion about Amaruq Exploration Road and Whale Tail Project	Baker Lake Community	Provided a brief Project overview
July 16, 2016	Amaruq Exploration Access Road and Amaruq site visit	Consultation Meeting and Site Visit	Consultation meeting and Archaeological site visit with HTO and CLARC, took participants to visit archaeological sites near the proposed Exploration Access Road, and reviewed 2014 traditional land use / IQ workshop results.	CLARC members, HTO board members, KIA, Kivalliq Wildlife Board, and Agnico Eagle representatives	Visited archaeological sites located in the Project area. Reviewed mitigation plans and permits for archaeological mitigation. Recorded additional concerns regarding the study area and recommendations to reduce potential negative effects.
February 10, 2017	Amaruq Exploration Access Road and Meadowbank Site Visit	Consultation and Site Visit	Consultation meeting with the HTO to discuss the Meadowbank AWAR and Amaruq Exploration Access Road update	HTO and Agnico Eagle	Provided a summary of the Meadowbank monitoring and discussed the location of the Traditional Land Use crossings for the Amaruq Road.

As a reminder, the road is not a public road so no notice of closure has been given in 2016.

9.2 INSPECTIONS, COMPLIANCE REPORTS AND NON-COMPLIANCE ISSUES

As required by Water License Annual report guideline: *Any responses or follow-up actions on inspection/compliance reports*

On March 3, 2016, a construction road inspection was complete by KIA. No concerns were raised by KIA. The inspection report can be found in Appendix 5.

On June 20, 2016, ECCC flight over the whole Amaruq road alignment and slowdown over crossings area to take pictures, no concerns as the water was clear. No concerns were raised by ECCC and no report received.

On July 27, 2016 INAC came to the Amaruq Exploration Camp site to conduct a site inspection. In the report received, INAC mentioned the Amaruq Exploration Access Road construction but didn't mention any concerns with the construction.

On September 6, 2016, the GN conducted a site visit of the Amaruq road by helicopter at the same as the site visit of Meadowbank and Amaruq Exploration Camp. No concerns were raised during the visit.

9.3 AWAR USAGE REPORTS

9.3.1 Authorized usage

As required by INAC 66H/8-02-1 Item 60: *The lessee shall before the 1 day of September in each and every year during the term of the lease, provide to the minister, a report of that years road activities. The report shall*

include, but not limited to (A) total number of loafs hauled in that year (B) total road operating costs for that year (c) additional info as required

This will begin to be reported once the mining in Whale Tail Pit starts and ore hauling will start between Amaruq and Meadowbank.

9.3.2 Unauthorized non-mine use

As required by INAC 66H/8-02-1 Item 63: The lessee agrees to monitor and report unauthorized non-mine use of the road, and collect and report this data to the Minister, who shall make this report accessible to the NIRB, one year after the road is opened and annually thereafter

No unauthorized non-mine use was reported on the road in 2016. As a reminder the road is not open to public.

9.3.3 Safety Incidents

As required by INAC 66H/8-02-1 Item 64: The lessee agrees to report any information received, including accidents or others safety incidents on the road, including the locked gates, to the minister, who shall make this information accessible to the GN, KIA a, the Hamlet of Baker Lake immediately

A total of fourteen (14) environmental spills occurred along the road in 2016. Section 5 provides details on each of these spills. All spills were managed appropriately according to Agnico's spill contingency plan. The spills were remediated and contaminated material was deposited at the Meadowbank Landfarm. There were no impacts to any watercourses.

In 2016, no roads kills were reported along the road.