

Appendix 2

2017 Work Plan



AMARUQ GOLD PROJECT

**Right Of Way KVRW15F01
2017 Road Construction Work Plan**

December 2016

EXECUTIVE SUMMARY

Condition 11 of KIA Right of Way Lease KVRW15F01 for the Amaruq Gold Project states:

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 workplan ("Work Plan") which shall include:

- (i) A description of the activities on the Land that AEM proposes to perform in that year;*
- (ii) A description of the topographical features and any natural or manmade features, structures or works that may be affected by AEM's Operations;*
- (iii) Socio-economic terms as contemplated by this lease;*
- (iv) Pursuant to Environmental Action Plan, a reclamation plan detailing the activities to be undertaken in that year and planned for the balance of the Term that includes, but not limited to, the proposed methods and procedures for the progressive:*
 - 1) Removal of all structures, equipment, and other manmade debris;*
 - 2) Rehabilitation of the area;*
 - 3) Replacement of overburden and soil;*
 - 4) Grading of the area back to its natural contours; and*
 - 5) Re-establishment, to the extent possible, of flora; and*
 - 6) A report on the estimated costs of implementing the reclamation plan for the year and for the balance of the Term, in the form approved by KIA; and*
 - 7) Initiatives to be taken by AEM to implement the socio-economic provisions set out in section 16.*

This document presents the 2017 Annual Road Construction Work Plan for the Amaruq Gold Project.

TABLE OF CONTENT

SECTION 1 • INTRODUCTION	5
SECTION 2 • LAND USE AUTHORIZATION.....	7
SECTION 3 • PERMITTING SUMMARY	9
SECTION 4 • 2017 PLANNED CONSTRUCTION ACTIVITIES.....	13
SECTION 5 • 2017 PLANNED MONITORING	14
5.1 Wildlife Monitoring	14
5.1.1 Breeding Bird Nest Survey prior to any construction.....	14
5.1.2 Raptor Nest Surveys.....	14
5.1.3 Caribou Satellite-Collaring Program	14
5.1.4 Checklist Surveys and Wildlife Logs.....	14
5.1.5 Wildlife Monitoring Program.....	14
5.2 Waste management	15
5.3 Archeology.....	15
5.4 Blast Monitoring.....	16
5.5 ARD / ML Leaching Monitoring	16
5.6 Water Quality Monitoring	16
5.7 Dust Suppression	17
SECTION 6 • APPLICATION OF INUIT IMPACT BENEFIT AGREEMENT.....	18
SECTION 7 • RECLAMATION PLAN.....	19

LIST OF TABLE

Table 1: Authorizations summary.....	10
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LIST OF FIGURE

Figure 1: Amaruq Exploration Access Road Location.....	8
Figure 2: AEAR current and proposed Quarry Location	11
Figure 3: Hovercraft Proposed Access Roads	12

SECTION 1 • INTRODUCTION

The Amaruq Exploration Property (Amaruq) is a 408-square kilometers site located on Inuit Owned Land (IOL), approximately 150 kilometers north of Baker Lake, and approximately 50 kilometers northwest of the Meadowbank mine. Agnico Eagle Mines Limited (Agnico Eagle) leased exploration rights to the Amaruq Exploration Property from Nunavut Tunngavik Incorporated in April 2013, and maintains an exploration camp on the site.

Advanced exploration at Amaruq has continued over the past three years to grow the resource estimate to approximately 3.7 million ounces of gold, and it continues to grow. Currently the Amaruq exploration site can only be operated safely on a seasonal basis as it is dependent upon either helicopter or snow cat access. Drilling activities can only be conducted when there are immediate and safe access to off-site medical care (in the event of a potential accident) for when there are periods when neither helicopter nor snow cat access is reliable (due to weather or ground conditions). These constraints limit the rate at which exploration and resource conversion drilling activity can be conducted at the Amaruq exploration site.

Accelerating development of the site by moving to year-round exploration activity is important to Agnico Eagle. As a result, on March 31 2015, Agnico Eagle applied to the NWB for a Type B exploration road license. Following a conformity determination by the Nunavut Planning Commission on July 16, 2015, Agnico Eagle received a positive screening decision from the Nunavut Impact Review Board (NIRB) on November 4, 2015 (file #11EN010) for the construction and operation of the Amaruq Exploration Access Road (AEAR). On November 9, 2015, the Nunavut Water Board (NWB) issued a Type B license (8BC-AEA1525) to construct the 64.1 kilometers road to connect the Vault Pit at Meadowbank to the Amaruq Exploration project.

The approved exploration road is 6.5 meters wide, with 11 clear span bridges, 28 corrugated embedded round culverts to pass watercourse crossings, and many other localized drainage culverts to prevent erosion, reduce thaw susceptibility, and prevent washout of the road during freshet. The bridges will allow normal river and stream flow, and fish migration at road water crossings. The Amaruq Exploration Access Road has 7 borrow areas approved for use (referred to as Esker #1 to 7 borrow sources) with short spur roads, and an approved Vault Pit as a quarry. It is a private road constructed and operated by Agnico Eagle on both Crown and Inuit Owned Lands.

Agnico Eagle's has acquired the necessary permits to build a single lane gravel surfaced exploration access road linking the Amaruq Exploration site to the Meadowbank mine to facilitate safe, efficient, economical year round operations, including the transport of fuel, equipment, and personnel in support of ongoing advanced exploration, camp operations, and environmental baseline data collection.

Information related to the construction and operation of the Amaruq Exploration Access Road is presented in the Amaruq Road Management Plan that was submitted to the Nunavut Water Board and Nunavut Impact Review Board in support of the Type B Water License application. This management plan will be update and submitted as part of the 2016 Annual Report.

The following sections outline the land use authorization, permitting, construction, environmental activities and IIBA activities planned for 2017 on the Amaruq Exploration Access Road, conducted in accordance with KIA Right of Way KVRW15F01.

SECTION 2 • LAND USE AUTHORIZATION

This 2017 Work Plan covers the proposed activities for the Amaruq Gold Project under the Amaruq Exploration Access Road (AEAR) Right of Way. The Amaruq Exploration Access Road 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 below for location of the AEAR located on IOL.

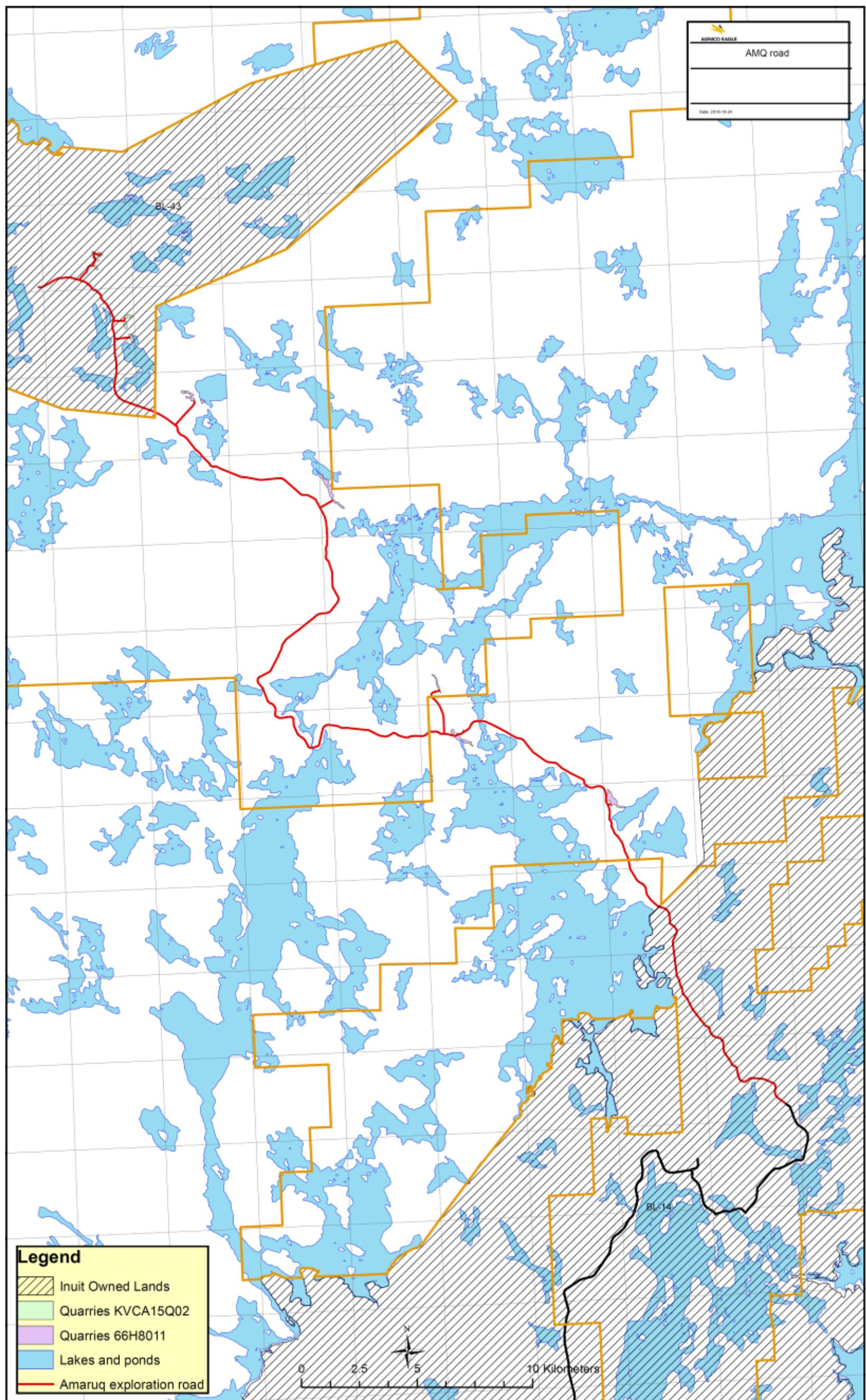


Figure 1: Amaruq Exploration Access Road Location

SECTION 3 • PERMITTING SUMMARY

The following Table 1 summarizes permits issued related to the Amaruq Exploration Access Road.

The road is an important link to fuel and supplies for the advancement of the Amaruq Exploration project. Ultimately the rapid construction of the road 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. Additional hard rock quarries will allow for the road to be constructed in a timely fashion that minimizes thaw susceptibility, and will ensure the construction of the access road is economical.

As a result, Agnico Eagle applied on November 30, 2016 to NPC, for his conformity review, an amendment to the Nunavut Water Board Type B 8BC-AEA1525 to include 6 additional quarries (Q 10+500; Q 26+250; Q 30+050; Q 34+900; Q 50+600; and Q 52+00;) located immediately adjacent to the approved AEAR. The proposed quarries are composed of non-potentially acid draining/ non-metal leaching (NPAG/ML) material, are small in size, are within the previously assessed local study area of the approved Amaruq Exploration Access Road, and are in locations that avoid impacts to archaeological and cultural sites. No significant environmental impacts are predicted as a result of adding these additional quarries to the construction and operation of the Amaruq Exploration Access Road. Please refer to figure 2 below. If approved, only quarry Q 10+500 will be located on IOL.

Agnico Eagle also applied to NPC on December 6, 2016 for a Hovercraft Pilot Study. Hovercrafts have resolved numerous logistical and transportation problems in Northern and Arctic territories of Siberia and the Far East. It is expected that they will also be applicable in Nunavut and may have future all- season benefits for Nunavummiut. The hovercrafts, by design, can be interchangeably used on water and land, while transporting people or industrial loads over small and large rivers, lakes, swamps, snow soil, packed ice bogs, tundra, and coastal seas throughout the year. Noise levels for one unit are about the same as two snowmobiles, the low ground pressure prevents impacts to the terrestrial environment and aquatic environment. Agnico Eagle is proposing to purchase and transport 2 hovercraft units (3 tonnes) to the Meadowbank site in the third quarter of 2017 summer sealift season to be used to transport personnel and light cargo on the Amaruq Exploration Access Road, on the approved winter roads and designated trails to drilling properties on the Amaruq property on a year round basis. The intent is to perform a one-year pilot program starting in the summer of 2017 continuing through the winter of 2017/2018 to validate its operational performance, to demonstrate its viability for search and rescue activities in the area around Meadowbank and to de-risk the later stages of a larger implementation strategy. Depending on the success and findings of the pilot study, the operation of these two hovercrafts is expected to continue beyond 2018. Please see Figure 3 below for the proposed access roads for the Hovercraft Pilot Study.

Table 1: Authorizations summary

License Number	Details	Work authorised	Issued by	Status
KVCA15Q02	AEAR Borrow Pit Lease	Borrow Pits on IOL	KIA	Active
KVRW15F01	AEAR Right of Way	Road on IOL	KIA	Active
11EN010	NIRB Screening Decision	Exploration works and AEAR	NIRB	Active
N2015F0026	AEAR Land use permit	Road on Crown Land	INAC	Active
66H/8-02-1	AEAR Right of Way	Road on Crown Land	INAC	Active
66H/8-02-2	AEAR Quarry Lease	Quarry on Crown Land	INAC	Active
8BC-AEA1525	AEAR Water License	Water usage on AEAR	NWB	Active
11-HCAA-CA7-00006	AEAR Letter of Advice	AEAR implementation of mitigation measures to avoid impacts to fish and fish habitat	DFO	Active

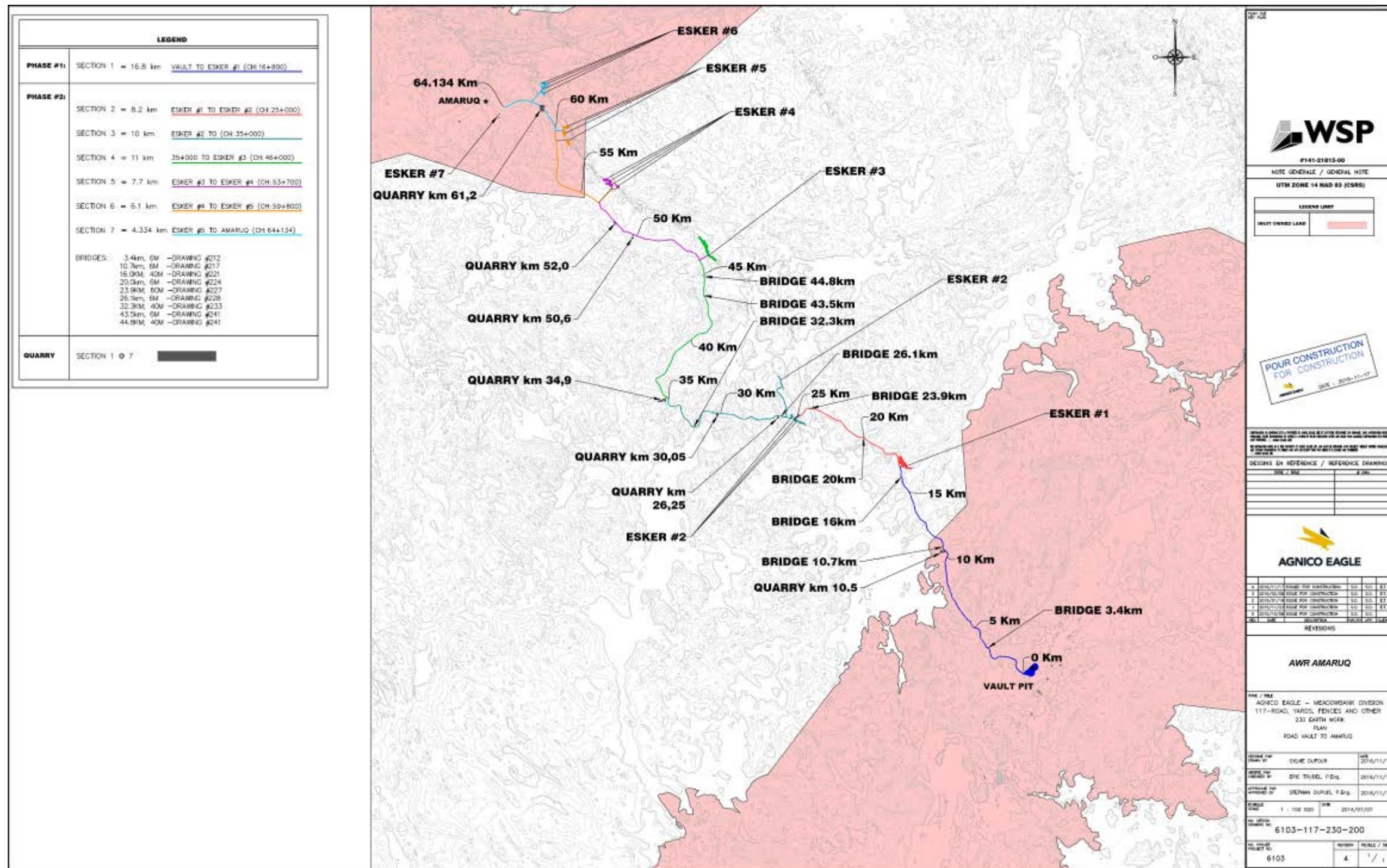


Figure 2: AEAR current and proposed Quarry Location

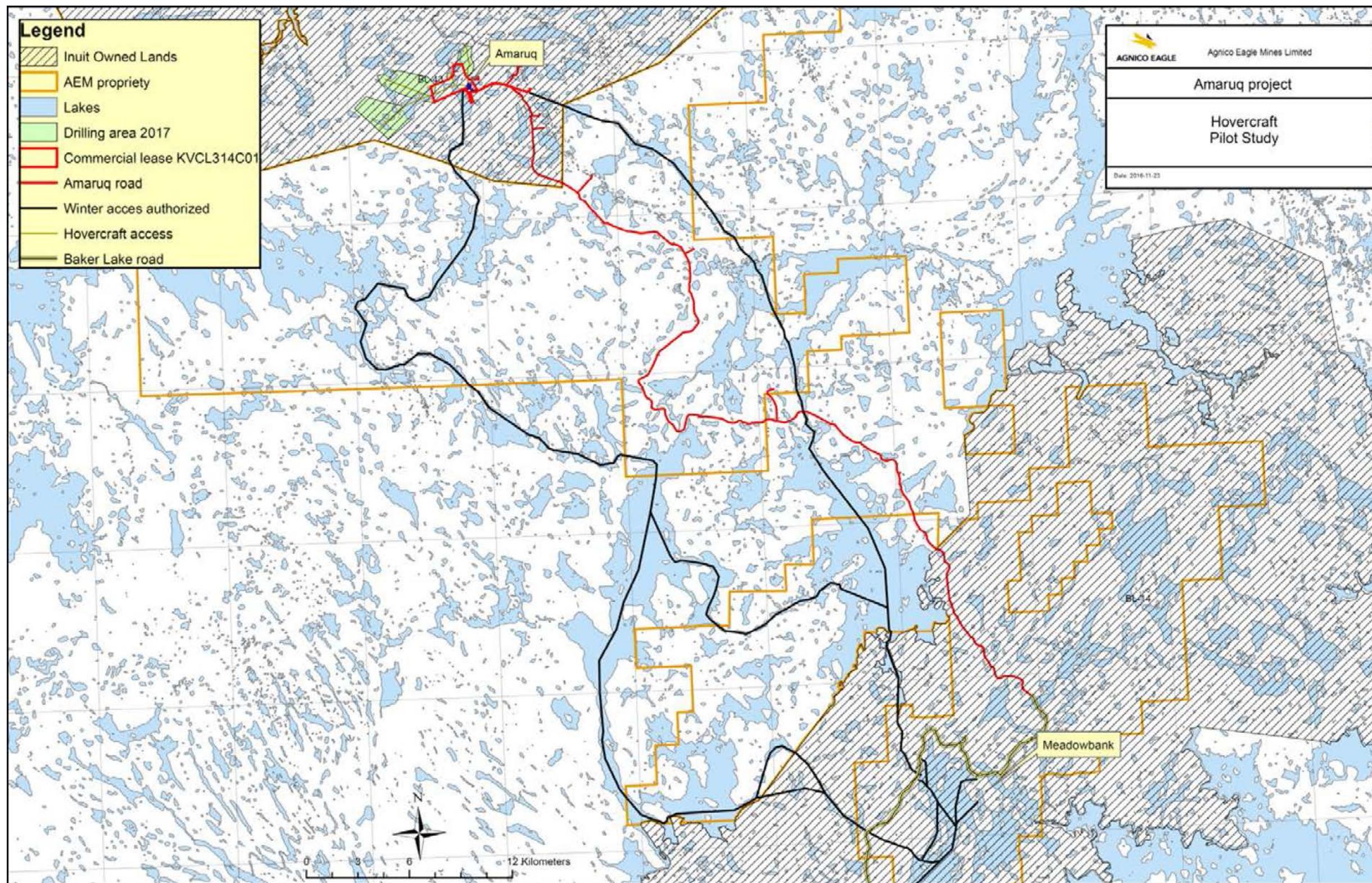


Figure 3: Hovercraft Proposed Access Roads

SECTION 4 • 2017 PLANNED CONSTRUCTION ACTIVITIES

- 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.
- 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) we don't have any bridges to installed and we will installed the culverts has recommended in the engineering drawings.
- Eskers 5-6 located in the North section of the road are on the IOL. Those eskers will be used to construct the last 5 km of road.
- The width of the road surface will be 6.5m.
- Turn around bays will be constructed each 100m instead 150 to increase the safety of haul truck operator.
- Work perform from January to September 2017 will be completed by local contractors.
- Road construction will continue north from January 2017 to the end of September 2017 (from Km 27.5 to 64.1)

Figure 2 above shows the entire exploration road between Meadowbank Mine and the Amaruq site. 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.

SECTION 5 • 2017 PLANNED MONITORING

The Road Management Plan and the Emergency Response and Spill Contingency Plan will be updated to reflect all of the new survey/program to be implementing prior, during and after construction and during the road operation and submitted as part of the 2016 Annual Report.

5.1 WILDLIFE MONITORING

5.1.1 Breeding Bird Nest Survey prior to any construction

Agnico Eagle will complete in 2017 a breeding bird nest surveys prior to any construction between mid-May and the end of July. It's an Agnico legal obligation (from the Migratory Birds Act) to ensure we avoid destroying nest during the road construction. The protocol will be revised, but Agnico will use the same protocol that was used for the Meadowbank – Baker Lake AWAR construction. The results of these surveys will be provided in the 2017 Annual Report.

5.1.2 Raptor Nest Surveys

As part of the weekly road and quarry inspection, Agnico Eagle will conduct a raptor nest survey. The results of these surveys will be provided in the 2017 Annual Report.

5.1.3 Caribou Satellite-Collaring Program

Agnico Eagle is assisting the GN in a Caribou satellite-collaring program within the Meadowbank Regional Study Area (RSA). Information on the status and location of various herds that use the RSA at different times of the year is an important component of on-going monitoring and management efforts at the mine site and along the AWAR. The collaring program was initiated in May 2008 with subsequent deployments in November 2009, April 2011, April 2013 and in April of 2015. These collaring data will be used to assist Agnico in anticipating large herds passing near the Amaruq AEAR and contribute to appropriate management decisions.

5.1.4 Checklist Surveys and Wildlife Logs

On the Amaruq AEAR, noteworthy wildlife sightings are recorded in an on-site wildlife log. These data will be tabulated at the end of each year and included in the Annual Report. Meadowbank and Amaruq employees are also encouraged to record wildlife sightings on a daily basis. A monthly wildlife report is sent to the GN-DOE along with the Meadowbank wildlife reporting.

5.1.5 Wildlife Monitoring Program

Once the road is operational, Agnico Eagle will implement a complete monitoring program to record on a systematic basis the prevalence of wildlife seen along the road. In advance of the road

opening, the program will be developed with the input of the local HTO and the KIA. The program will focus on caribou, muskoxen, bears, wolves, migratory birds, and raptors.

The program as envisioned will consist of a periodic ground survey of wildlife observed along the road. At the current time, Agnico Eagle thinks that the minimum frequency would be weekly and will increase to twice weekly during migration periods. The survey would log type of wildlife observed, estimate of numbers, and nearest kilometre marking along the road. The data would be aggregated and presented in the annual report. Furthermore, Agnico Eagle intends to install motion sensing cameras in predetermined transects to monitor caribou. Complete details on wildlife management and monitoring will be developed prior to the operation of the road and will be consistent with the Meadowbank AWAR monitoring.

5.2 WASTE MANAGEMENT

Waste management procedures will be in accordance with the practices already in place at the Meadowbank Mine and the Amaruq Exploration site. Details of these practises are contained in the Meadowbank “Incinerator Waste Management Plan” and “Hazardous Materials Management Plan” which were previously submitted to the KIA as part of the Type A Water License renewal process. The following is a summary of the management practices for the waste that will be created during the road construction:

- Putrescible waste such as paper, food packaging, and foodwaste will be incinerated at the Meadowbank mine.
- Untreated wood will be incinerated or disposed of in the landfill at the Meadowbank mine.
- Scrap metal and used tires will be stocked in containers at the Meadowbank mine and transported to southern facilities to be recycled.
- Non-hazardous, solid “inert” waste (plastics, glass, etc.) will be disposed of in the Meadowbank mine landfill.
- All hazardous wastes and waste items that cannot be incinerated or landfilled will be securely packaged at the Meadowbank mine and sent to a proper treatment facility in the south.
- Prior to disposal, the hazardous waste will be properly packaged, labeled, stored and manifested in a Transportation of Dangerous Goods (TDG) approved shipping container; the container will have the appropriate hazardous waste labels.

5.3 ARCHEOLOGY

Archaeological investigations were conducted by Nunami Stantec in 2014, 2015 and 2016 to assess the archaeological sites. The archaeological sites found during this investigation will be protected or mitigated by the archeologist as guided by the directions of the GN's Territorial Archeologist on a site by site basis.

If any new 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.

5.4 BLAST MONITORING

A blast monitoring program will be developed and submitted to KIA and INAC. This blast monitoring program will be similar to the one we have for the Meadowbank Mine Site. The program will monitor blasting peak particle velocity and overpressure in the receiving environment and ensure that Agnico uses the specific charge weight/delay/set back necessary to meet DFO requirements. This blast monitoring program will be included in the Road Management Plan and provided with the 2016 Annual Report.

5.5 ARD / ML LEACHING MONITORING

Initial testing of borrow pit materials was completed in 2014 and found, “The esker samples show no potential to generate acid drainage.” Further, based on criteria devised by MEND 2009, “...all samples are classified as non-acid generating”.

Leach tests of the esker samples were carried out on samples collected from Eskers 1 to 6 inclusive. Metal concentrations did not exceed the Metal Mining Effluent Regulations criteria. There were exceedances of Canadian Environmental Quality Guidelines (CEQG) for the protection of aquatic life for some samples. The parameters are namely As, Cu, and Pb. It was found that: “Exceedances in leachates from laboratory tests do not necessarily imply non-compliance of contact water quality. The quality of drainage water will depend on a number of factors that are difficult to reproduce in static leach test such as the SFE test, including, but not necessarily limited to, material exposure, drainage patterns and site climate, which affect the ratio of leaching solution to solid material and water-rock contact time. Rather the results discussed underline the propensity of the till material to release metals in dissolved form when in contact with water.

The marginality of exceedances for some parameters is discussed and that they are not expected to be a concern to receiving water quality. However, to confirm that the best available road building materials are being used in constructing the road, additional samples will be collected during the construction of the road.

The ARD / ML Leaching monitoring program will be detailed in the Road Management Plan and submitted with the 2016 Annual Report.

5.6 WATER QUALITY MONITORING

A complete water quality monitoring will be carried out once the road is constructed to confirm that the road building materials and new structures erected are not negatively affecting nearby water quality. During construction a Freshet and Incident Action Plan will also be implemented.

While ARD/ML testing is a measure to avoid using questionable road 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. However, any significant seeps originating from the borrow pits that are likely to reach receiving waters will be sampled and analyses for a full suite of water quality parameters. Any problematic water will be directed away from water bodies, 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 and/or small dikes.

All details related to the above monitoring will be added in the Road Management Plan and submitted with the 2016 Annual Report.

5.7 DUST SUPPRESSION

The amount of dust generated along a road is dependent on the 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 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 areas 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 impacting 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, and/or watering of the road surface. However, if there are safety concerns, chemical dust suppressants will 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 2014).

SECTION 6 • APPLICATION OF INUIT IMPACT BENEFIT AGREEMENT

The Kivalliq Inuit Association and Agnico Eagle are currently conducting a review of the Meadowbank Inuit Impact Benefit Agreement (IIBA). Both the KIA and Agnico have agreed to amend the existing Meadowbank IIBA so that the terms and conditions are consistent (similar) to those contained in the Meliadine IIBA that was signed by both parties in July of 2015. Both KIA and Agnico hope that the revised Meadowbank IIBA will be signed in Q1 2017 and will extend the current scope to include the proposed Vault Pit expansion into Phaser Lake. Consequently this IIBA may well be in place prior to the completion of the Amaruq Exploration Access Road.

If the revised Meadowbank IIBA is signed prior to the start of this construction then Agnico will follow the terms and conditions of this revised IIBA in the construction activities involved under this 2017 work plan. If this revised IIBA is not completed before the start of the construction covered by this work plan then Agnico Eagle proposes to:

- Apply the contracting provisions contained within the new Meliadine IIBA for any activity covered under this 2017 work plan that is contracted out to a third party (Schedule B – Business Opportunities).

For any activity covered by this work plan that Agnico elects to contract to a third party, Agnico Eagle will conduct Pre-Qualification checks as part of the RFP (request for proposal) phase and during the subsequent evaluation of proposals received. Such work will be advised on the Agnico Eagle website to get out announcements to all businesses operating in the region. Local newspaper and radio ads will be placed regularly to direct businesses to our website.

Agnico Eagle will conduct the qualification of potential bidders on goods and services as part to fits RFP process, qualifying firms who express an interest on bidding in response to work announcement. Evaluation of tenders and award of any contracts covered by this 2017 work plan would follow the process as laid out in Schedule B of the Meliadine IIBA.

In accordance with the Terms and Conditions contained in the Meliadine IIBA, Agnico Eagle will propose and then work with the Business Opportunities Committee already established under the Meliadine IIBA to reach agreement on target Inuit employment objectives for any work that Agnico Eagle elects to contract out to a third party covered by this 2017 work plan.

It should be noted that the proposed Amaruq exploration road starts on Inuit Owned Land (first 11.2 Km) and then moves onto Federal Crown Land and then crosses back onto IOL as the road approaches the Amaruq exploration site. For this 2017 work plan construction will be the completion of the road from Km 27.5 to 55 on Crown Land and from Km 55 to 64.1 on IOL.

SECTION 7 • RECLAMATION PLAN

Agnico Eagle has submitted to regulators and Conceptual Closure and Reclamation Plan. This plan will be update once the Amaruq Exploration Access Road in completed and ready for operation or if a major change from the initial design in encounter. The update plan will then be submitted to regulators for approvals.