

SUMMARY AUDIT REPORT

for the September 2022
International Cyanide Management Code Certification Audit



Prepared for:

Agnico Eagle Mines Limited
Meliadine Mine

Submitted to:

International Cyanide Management Institute
1400 "I" Street NW, Suite 550
Washington, D.C. 20005

Final

22 December 2022



Lambert
Environmental

1040 Chamberlain Drive
North Vancouver, British Columbia, V7K 1N9, Canada

SUMMARY AUDIT REPORT

Name of Transporter: Agnico Eagle Meliadine Mine

Name of Owner: Agnico Eagle Mines Limited.

Name of Responsible: Mr Jean-Claude Blais, General Manager

Address: Agnico Eagle Mines Limited – Meliadine Mine
Suite 879 – Rankin Inlet
Nunavut
Canada X0C 0G0

Telephone: +1 (819)759-3555 x 4603170

E-mail: jean-claude.blais@agnicoeagle.com

Location detail and description of operation:

Agnico Eagle Mines Ltd. (AEM) Meliadine Cyanide Transportation Operation trucks solid cyanide in briquette form in intermodal shipping containers (sea cans) delivered to Itivia Beach near Rankin Inlet to the Meliadine Mine along an approximately 30 km all weather access road (AWAR). The cyanide is purchased from Draslovka Holdings a.s (formerly Chemours Canada Company FC LLC.). Draslovka operates the certified supply chain from their production plant in Memphis, Tennessee to the Port of Bécancour in Quebec, and Agnico-Eagle Meadowbank Supply Chain (AEMSC) is the certified consignor that contracts marine shipping company (Nunavut Sealink & Supply Inc. /Desgagnés Transarctik Inc. (Desgagnés)) to ship between the Port of Bécancour and Nunavut. This marine contract also includes shipping and offloading the cyanide containers onto Itivia Beach. These cyanide shipments occur once a year during the Arctic summer months when the marine route is ice free.

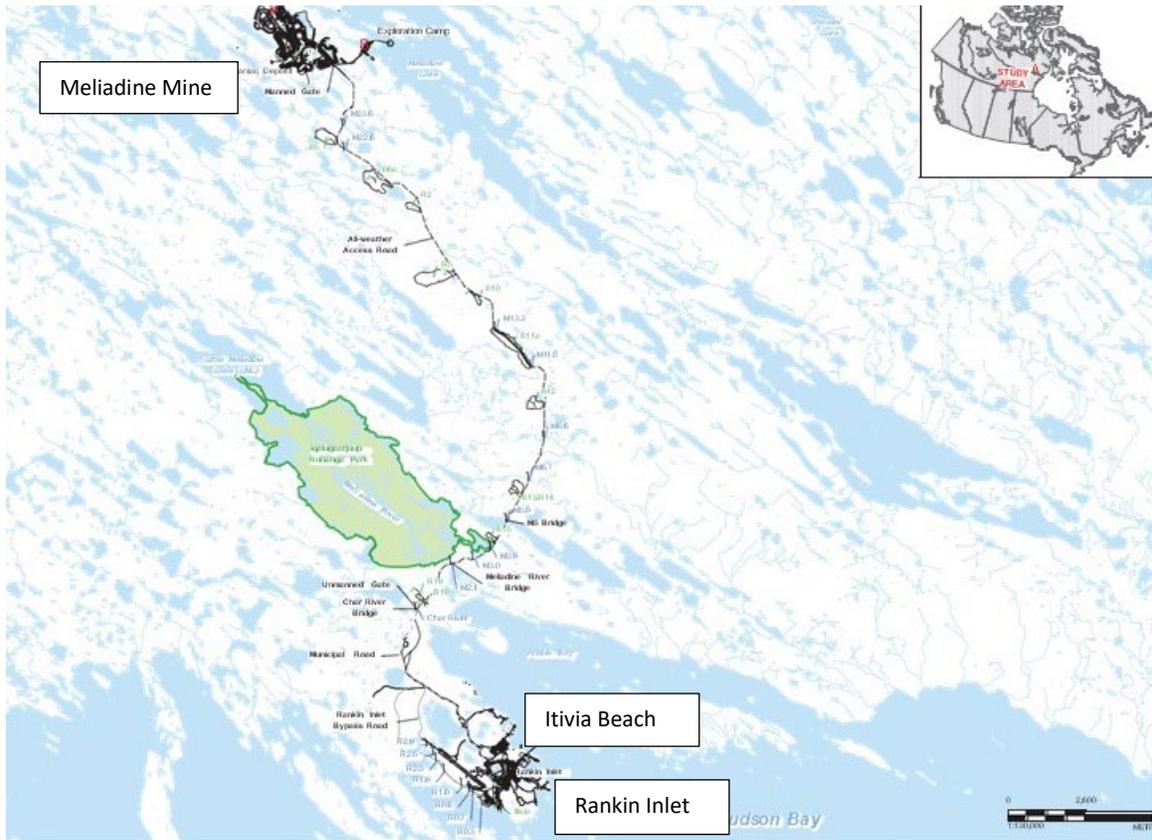
The cyanide is shipped and stored in standard 20-foot steel sea cans. Within each shipping container the solid cyanide is packaged in 1,000 kg 'bag-in-box' plywood intermediate bulk containers (IBC). The cyanide briquettes in each IBC are packed in nylon supersacks lined in plastic (bag in bag).

The Meliadine Mine operation takes possession of the cyanide once the sea cans are set down on the beach. The Meliadine Mine Cyanide Transportation Operation is then responsible for loading the sea cans onto flatbed trucks using a Hyster or similar reach stacker and transporting the cyanide along the AWAR to a dedicated cyanide storage area at the Meliadine Mine where a reach stacker is used to unload the sea can. It has a compacted gravel pavement maintained fulltime by AEM. An interim storage facility in the form of a laydown pad has been constructed at Itivia in the event that all of the received sea-cans cannot be transported to the mine site on the same day. Unless there is a bad weather event

or operations require a large quantity of cyanide to be delivered in a given year, AEM does not foresee the need to use the laydown.

The route is shown on Figure 1.

Figure 1 – Meliadine Mine Cyanide Transportation Operation Route



SUMMARY AUDIT REPORT

Auditors' Finding

The operation is: ■ in full compliance
in substantial compliance
in compliance

Audit Company: **Lambert Environmental**
1040 Chamberlain Drive
North Vancouver, BC V7K 1N9

Lead Auditor: Jean-Marc Léger
e-mail: jean-marc.leger@terrapex.ca



Names and Signatures of Other Auditors

Technical Auditor: John Lambert, EP(CEA)
e-mail: john.lambert@telus.net



Date(s) of Audit: 6 to 12 September 2022

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Certification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the *International Cyanide Management Institute* for Code Certification Auditors.

I attest that this Summary Audit Report accurately describes the findings of the certification audit. I further attest that the certification audit was conducted in a professional manner in accordance with the *International Cyanide Management Code Transportation Verification Protocol* and using standard and accepted practices for health, safety and environmental audits.

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

SUMMARY AUDIT REPORT

1. TRANSPORT: Transport cyanide in a manner that minimizes the potential for accidents and releases.

Transport Practice 1.1: Select cyanide transport routes to minimize the potential for accidents and releases.

■ **in full compliance with Transport Practice 1.1**

The operation is

in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

The Meliadine supply chain route is on a 30 km long purpose built mine road that is operated and maintained as an all-weather access road (AWAR) between Rankin Inlet and the Meliadine Mine. The road provides the only land access to the mine site and was designed for use by conventional tractor trailers and is maintained full time by the AEM. During the winter months maintenance is generally snow and ice removal. The cyanide transport only occurs during the summer months when the sea route is ice free.

The area is sparsely populated but the AWAR provides convenient access for local hunters and trappers for carrying out traditional activities. AEM restricts public use to all-terrain vehicles (ATV)s or similar and the public are required to stop and provide identification at the gatehouse prior to using the road. Public access may be further restricted for safety reasons during periods of heavy mine traffic, when weather conditions are unsafe, if there are incidents on the road, during the transportation of dangerous goods, for road maintenance, or during caribou migration.

AEM has evaluated the risks associated with using the AWAR and roads at the mine site and implemented plans and procedures to minimize those risks to prevent accidents. These include requirements for: radio communication with Dispatch and other road users when approaching identified hazards (curves, blind hills, pitch and grade, ice or fog, etc), rights-of-way, overtaking rules, and designated maximum speed limits for certain sections of road. AEM requires employees and contractors to be trained in these rules prior to using the road. In addition, AEM has implemented a procedure for the safe escort of cyanide to minimize the risks of handling and transporting cyanide. The procedure details the pre-transport preparation, training requirements, and transport procedures necessary to manage the risks and reduce the potential for accidents, releases, and cyanide exposure.

AEM periodically reviews the risks associated cyanide transportation and updates their cyanide transport procedure as necessary to minimize risk. Such a risk review was undertaken in July 2022, prior to the upcoming cyanide transport from Itivia to the cyanide storage area at the mine. Each aspect of the transport was risk ranked and controls were implemented to reduce

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

the risk to an acceptable level using engineering or administrative controls. In addition, users of the AWAR are required to report any potential hazards or poor road conditions to Dispatch.

AEM has a no tolerance drug and alcohol policy, and driver fitness to work is checked at the beginning of the shift. Drivers work a maximum 12-hour shift with a minimum of an 8-hour rest between shifts. Because of the relatively short distance between Rankin Inlet and the mine site, drivers do not drive long hours between breaks. A cyanide transport readiness plan is used to track completion pre-transport tasks to ensure system readiness for the cyanide transport.

AEM seeks input from stakeholders on route selection and development of risk management measures and has a comprehensive community relations program which includes maintaining a community office in Rankin Inlet to provide information on all aspects of the mining operation including cyanide transport operations. AEM provides notifications to the community on the schedule for the cyanide transport, and an advisory on road closures. Employees of Sarliaq Holdings in Rankin Inlet are also retained by AEM to provide security assistance with traffic diversion away from the AWAR road prior to a transport. In addition, notifications are also sent to the health centre and National Defence/Police when the dates of a cyanide shipment are finalized. After complaints from residents, AEM, in consultation with the community, constructed a 6 km By-pass Road around Rankin Inlet to the AWAR, to mitigate the generation of dust and noise and reduce risk from transport of heavy equipment or hazardous goods on the community.

Because the transport corridor is in a remote area on northern Canada security is not a significant concern. Nevertheless, the road crosses sensitive tundra with shallow water bodies and streams, so to minimize risk, AEM transports cyanide in convoys (maximum of five vehicles) with an emergency response escort vehicle and ambulance (with nurse) equipped with cyanide antidote to provide quick response to a possible cyanide release or exposure. If the cyanide transport is delayed by bad weather or another situation, or the cyanide shipment is large and cannot be completed in one day, AEM has prepared a dedicated laydown pad at Itivia for temporary cyanide sea can storage. The pad is located away from other hazardous materials and is visible from a nearby security camera. Procedures are also in place to ensure the containers are stored door to door to prevent unauthorized access, and for retain a security guard to man the area 24/7 to monitor the containers.

Contracted drivers are not involved in route selection but are required to provide feedback on the road conditions and notify Dispatch of any observed hazards while using the AWAR. All drivers that use the AWAR are required to complete on the rules of driving on the AWAR

Transport Practice 1.2: *Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.*

- in full compliance with Transport Practice 1.2

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

practice, however, AEM only loads one sea can (~23,000 kg) per trailer to provide adequate factor or safety.

The tractors and trailers are inspected and maintained to safely transport the specified loads. The tractors are on a six-week preventative maintenance (PM) program and the trailers on an eleven-week PM program. The PM schedule is based on manufactures recommendations modified to account for the harsh northern Canada climate and gravel road surface. The reach stackers are on a two-month, six-month and annual PM schedule that includes an annual inspection by a third-party contractor for structural integrity.

The contract drivers are responsible to conduct a documented pre-operational equipment /vehicle safety inspection and to report any defect prior to operation, and also to check that the load is secure prior to and at a designated stop on the AWAR. The Convoy Lead is also required to check that these checks are completed during a cyanide transport convoy.

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.

■ **in full compliance with Transport Practice 1.4**

The operation is

in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

As per the Supply Contract, the seller (Draslovka) is responsible for packing and labelling the containers. The sea cans are loaded and sealed by Draslovka in Memphis, and the seal is not broken until the container reaches the mine site. Each IBC within the container is labelled to identify the shipment as sodium cyanide, including the required international UN Number (UN 1689), name of goods, production date, batch number, supplier's name, and buyer's name. The sea cans are owned and maintained by AEM, and the content of each container is clearly identified on each side by "Poison" and UN 1689 placards, and Marine Pollutant placards.

AEM has implemented a safety program for cyanide transport that includes vehicle inspections prior to use of a loader or tracker/ trailer; a preventative maintenance program of tractors and trailers that checks of the brake systems, suspension, electrical components, wheel seals and bearings, tires, trailer coupling device and hold down device, and integrity of the frame and cross members; a driver work schedule in which journeys are relatively short, and include frequent breaks to minimize fatigue; load checks before and during transport to ensure the load is secure; procedures to modify or suspend transport in the event of adverse conditions such as severe weather or wildlife migration; a no tolerance alcohol and drug abuse policy; and a quality management system, in which records documenting conduct of each of the above safety procedures are retained.

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

All contracted truck drivers and reach stacker operators work on a fulltime basis and are required to complete the same cyanide awareness and safety training and refresher training as fulltime AEM employees and follow AEM procedures.

Transport Practice 1.5: Follow international standards for transportation of cyanide by sea.

The operation is **■ in full compliance with Transport Practice 1.5**
in substantial compliance with
not in compliance with

This practice is not applicable as AEM does not transport cyanide by sea.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

The operation is **■ in full compliance with Transport Practice 1.6**
in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

The AWAR is a radio-controlled road, and all vehicles are required to be equipped with a radio to communicate with other road users and Dispatch at designated points along the AWAR. In addition, the ambulance carries an Iridium® satellite phone, and drivers carry mobile phones that can be used as a backup for communication if required. During a cyanide convoy the Convoy lead has additional radio communication requirements for initiating road closure and security measures prior to start of the convoy and for reopening the road on the convoy's arrival at the mine. A check that radios are operating in each convoy vehicle is confirmed by the Convoy lead prior to departure of the convoy as each truck driver is required to call in their vehicle and name to dispatch prior to travelling on the AWAR.

Although the trucks are not fitted with global positioning system (GPS), their position on the AWAR is able to be tracked by Dispatch as drivers are required to call Dispatch at designated points along the AWAR. There are no radio blackout areas along the AWAR.

Inventory controls and chain of custody documentation are used to prevent loss of cyanide during shipment. A Bar Code identifier label is applied to each container at the Port of Bécancour which is used by AEM to track containers between the Port and the Mine site. The Pro-forma manifest lists each container, Bar Code number, container seal number, gross weight, and contents. The AEM Warehouse can electronically track the location of each sea can during marine shipment and trucking to the Mine. On delivery to Itivia landing beach, the sea can is inspected, and the Bar Code is read to track delivery and again when off-loaded at the Mine.

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

Each driver carries a Freight Haulage Form that details the date of shipment, origin and destination, container barcode, gross weight. The form also includes a checklist confirming that a SDS is carried with the shipment. An IMO Dangerous Declaration Document that provides detail of the container content (20 IBC boxes of UN 1689 sodium cyanide solid), seal number, supplier, and origin of the shipment is attached to the Freight Haulage Form.

2. INTERIM STORAGE: Design, construct and operate cyanide interim storage sites to prevent releases and exposures.

■ **in full compliance with Transport Practice 2.1**

The operation is in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

Because the trucking distance between Itivia and the Mine is only about 25 km, AEM can transport all sea cans in one or two convoys, and this can normally be completed the same day the sea cans are landed at the beach in Itivia. Therefore, under normal conditions and mine operations AEM does not foresee the need to use an interim storage facility unless there is a bad weather event or operations require a large quantity of cyanide to be delivered in a given year. In preparation for such an event, AEM has constructed a laydown pad at Itivia dedicated for temporary storage of cyanide. The pad is renovated each year prior to the transport season in case a situation arises requiring temporary cyanide storage.

In the event that the pad is used warning signs are required to be placed at the pad to alert workers that cyanide is present; smoking, open flames, eating, and drinking are prohibited; and personal protective equipment must be worn. The signage was observed in a nearby storage container in readiness for use.

Security measures are prescribed to prevent unauthorized access to cyanide. If the pad is used, cyanide may not be stored for more than 72 hours. AEM is not able to fence any of the Itivia marshalling area as Nunavut regulation prohibits the erection of fences. Security therefore includes storing the cyanide sea cans door-to-door at the designated laydown pad to prevent unauthorized access and posting a security guard 24/7 while the sea cans are present. The storage pad area is also flood lite and a security camera is nearby allowing the pad to also be monitored remotely. The temporary cyanide laydown pad is located well away from other containers or incompatible materials.

The sea cans are stored in the open and remain sealed during storage. The potential for build-up of hydrogen cyanide gas around the containers is therefore considered insignificant. The sealed sea container and the waterproof lined IBC boxes in which the cyanide is stored protect the solid cyanide briquettes from exposure to moisture. To minimize the potential for contact of solid cyanide with water in the event of a spill, the pad is constructed on a raised

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

engineered compacted gravel base that is surrounded by a 0.15 m high berm. The pad acts as a drain to prevent puddling, so in the event of a solid cyanide spill resulting from a container rupture during handling, the potential for cyanide to contact water will be minimal. Also, the emergency response team will be onsite throughout the cyanide handling to respond in the event of a spill. The opportunity for cyanide to go into solution and commingle in a drainage or containment from another area with incompatible materials is unlikely.

3. EMERGENCY RESPONSE: Protect communities and the environment through the development of emergency response strategies and capabilities

Transport Practice 3.1: Prepare detailed emergency response plans for potential cyanide releases.

■ **in full compliance with Transport Practice 3.1**

The operation is

in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

Meliadine developed and implemented a comprehensive *Emergency Response Plan (ERP)*. The ERP is further supported by a *Spill Contingency Plan (SCP)* and *Cyanide Management Plan (CMP)*. The ERP applies to all Meliadine activities including the cyanide transportation from Itivia to the mine. The SCP informs on an emergency response on land, on water, on ice and snow, disposal of spilled material, response equipment available in two sea cans located on the AWAR. Both ERP and SCP details a response to a solid sodium cyanide spill that may result in the release of hydrogen cyanide (HCN) gas from land transportation. There is no railway or port infrastructure involved in the Meliadine Transport certification. Four supplementary documents complete the ERP for road transportation activities on the AWAR. These are a *Safe Escort of Cyanide During Bulk Transport procedure; Cyanide Unloading Health and Safety (H&S) Emergency Response Worksheet; Cyanide Transportation H&S Emergency Response Worksheet; Energy and Infrastructure (E&I) AWAR Inspection Form*.

Due to its isolation, Meliadine does not rely on external responders to address or support an accidental cyanide-related release. Although there is a mutual agreement with other mining operators in the territory of Nunavut, the participation of external Emergency Response Team (ERT) from other mine operations would be on a relief basis only for scenarios lasting more than 24 hours (e.g., an underground mine rescue scenario). Similarly, the Rankin Inlet Fire Department is not expected to deploy to an AWAR cyanide emergency scenario as this could compromise its ability to protect the hamlet's citizens and infrastructures. The Rankin Inlet community is also not involved in any cyanide-related emergency response. The only external involvement in a cyanide-related event concerns an emergency air evacuation of an

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

exposed employee or contractor during transport. In this case, and in agreement with the Nunavut Public Health authority and policy, Meliadine will communicate immediately with Kivalliq Regional Physician on call if a worker exposed to cyanide shows a need for air evacuation to the nearest provincial hospital.

Transport Practice 3.2: Designate appropriate response personnel and commit necessary resource, for emergency response.

- **in full compliance with Transport Practice 3.2**
- The operation is in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

A *Cyanide Task Training for Transportation* is offered to employees involved in moving the sea cans from the Itivia landing beach to the mine's dedicated cyanide storage area, as well as from the cyanide storage area to a specific area next to the process plant building. A PowerPoint document presents hazard recognition information, call out procedure, use of PPE, cyanide exposure symptoms recognition, etc. Truck driver and reach stacker operators are thus trained to react to a cyanide emergency during transportation. However, they are not expected to play a role in a cyanide emergency response. The cyanide refresher training is annual for *Cyanide Awareness* and *Cyanide Task Training for Transportation*. The onsite ERT is trained to address a cyanide emergency. Training of ERT members is driven by mining regulatory obligations in the Nunavut territory. The Meliadine Emergency Measures Counselor manages the training program which includes emergency response to a cyanide and other chemical spills.

Information about emergency response duties and responsibilities for first responder, ERT, ERT Incident Commander, Environment Incident Coordinator is presented in the SCP and CMP documents. Similarly, the SCP document and the *Safe Escort of Cyanide* procedure present a list of available emergency response equipment. Meliadine's *Safe Escort of Cyanide During Bulk Transport* procedure states that a cyanide convoy will include an ambulance, with the ERT Captain, nurse, Cyanokits and oxygen therapy equipment that leads the road followed by transport tractor-trailers. The convoy is completed with the emergency decontamination vehicle at the rear. The decontamination vehicle contains PPE. The CMP confirms the responsibility of the Emergency Measure Counselor for ensuring emergency response equipment readiness through programmed maintenance and regular inspection. The health clinic nurse also ensures the readiness of Cyanokits and other medical equipment. Cyanokits are stored within the manufacturer's temperature recommendation (ref. 25°C with excursions permitted to 15°C to 30°C) at the health clinic and in a dedicated storage cabinet in the process plant as evidenced from inspection records.

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

Transport Practice 3.3: Develop procedures for internal and external emergency notification and reporting.

- in full compliance with Transport Practice 3.3

The operation is in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

The ERP provide contact details for Meliadine management, AEM management, medical emergency, law enforcement, Nunavut territory and federal government agencies, rescue, wildlife, hazmat and spills, aviation companies. Similarly, the CMP provides contact details for external reporting notification to International Cyanide Management Institute (ICMI), Nunavut government (for spill reporting) and Workers Safety and Compensation Commission.

Meliadine ensures emergency response documentation is updated annually through the implementation of *Intelex* document management system. The software's functions include the assignment of a document update task to a management team member while manager is responsible for ensuring assignment is completed. Task update email reminders are sent to assigned person and supervisor until completion is confirmed.

The CMP confirms the requirement to inform ICMI should any cyanide exposure, release, and/or impact that is considered to constitute a significant cyanide incident. The instruction provided includes ICMI email information and that the notification will be performed by the corporate sustainability team.

Transport Practice 3.4: Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

- in full compliance with Transport Practice 3.4

The operation is in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

Remediation measures as appropriate for a possible solid cyanide accidental release are documented in the SCP. The SCP provides guidance for the recovery of spilled cyanide on land, ditch, or wetland. The recovered material is to be placed in labelled drums, containers, or Quatrex bags for re-use in the grinding circuit or off-site disposal at a licensed disposal facility. The SCP also provides guidance on the decontamination of soil which is then excavated until no visible sign of spilled material. A warning to minimize cyanide dust formation is provided. Additional information is provided in the *Cyanide Spill Sampling Plan*. The intent of this document is to give environmental monitoring guidance following a cyanide

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date

spill and ensure desired end points after remediation on land or water. The SCP clearly prohibits the addition of any chemical or neutralizing solution to a cyanide spill near a drainage system, or near or into a water body or any situation where there is a potential for impacting surface water.

Transport Practice 3.5: Periodically evaluate response procedures and capabilities and revise them as needed.

- **in full compliance with Transport Practice 3.5**

The operation is

in substantial compliance with
not in compliance with

Summarize the basis for this Findings/Deficiencies Identified:

The *Meliadine Crisis Management Plan* was last updated in August 2022. The Plan states that the document must be updated on an annual basis and the list of resources every 6 months. The first version of the CMP is dated August 2022. The Document Control section of the CMP states that Meliadine's document management system (Intelex) will ensure that the CMP is reviewed on an annual basis. The current ERP dated August 2022 is the 20th version. The Document Control section shows that the ERP has been updated five (5) times since April 2018. The ERP document states that it will be reviewed at least once a year or more frequently to meet legal obligations, continuous improvement, or greater effectiveness.

The CMP states that cyanide specific mock drills are to be conducted every three years. A transport related mock drill was conducted on 27 October 2022. The mock drill scenario involved a KCG loader operator accidentally tearing open a cyanide sea can while clearing snow at the mine cyanide storage area. A post-mortem of the mock drill was recorded in the Intelex document control system. The mock drill debriefing notes include the names of the participants, the ERT callout duration, as well as positive aspects and needs for improvement from the mock drill. Provisions are in place for the annual review of the CMP. Similarly, provisions are in place to update or improve the ERP after mock drill, incidents, or other reason.

The Document Control section of the ERP suggests complete reviews of the emergency response plan were performed in September 2018 and November 2021.

Agnico Eagle -Meliadine Mine.
Name of Transporter


Signature of Lead Auditor

22 December 2022
Date