

# CANADIAN MALARTIC MINE

 **AGNICO EAGLE** **YAMANAGOLD**



2014 SUSTAINABLE DEVELOPMENT REPORT  
**STRENGTHENING OUR  
FUTURE**

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# A NOTE FROM MANAGEMENT

2014 was a year of change for Canadian Malartic. Our proven success, ongoing growth and our strong future was appealing to others within the industry and in June 2014 the Canadian Malartic Mine was acquired by two well established and well respected mining companies: Agnico Eagle and Yamana Gold. Together these two companies have formed a partnership that will strengthen the future of the Canadian Malartic Mine and our exploration assets in the years to come.

2014 wasn't solely about the acquisition, it was also about improvement. All of the practices and systems in place at Canadian Malartic were reviewed in order to ensure our future operations would continue to be strong.

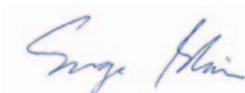
Several opportunities for improvement presented themselves throughout our review. A renewed approach which encompasses respect, listening, openness and collaboration has brought positive changes to Canadian Malartic. We have continued to strengthen the dialogue with our stakeholders and focussed on working with integrity and care.

Although many of our efforts have focussed on improving specific practices, we have also kept in mind the importance of sustainable development. The long term vision for Canadian Malartic is for social responsibility and respectful use of natural resources. Our ambition and growth is tempered by the careful consideration of our sustainable development objectives.

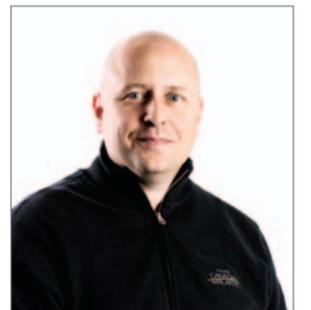
We are proud of our accomplishments this past year, but there still remains lots to do. In the face of the upcoming challenges, we remain optimistic and enthusiastic that we can continue to move forward and improve our practices.

We would like to extend our thanks to everyone who supported our work in 2014, and stood by us throughout the changes and growth that we have experienced. A special thank you is extended to our employees, contractors, local community members, Town of Malartic, Aboriginal partners and shareholders. Ongoing communication with our internal and external stakeholders is key to a successful and sustainable project.

Sincerely,



Serge Blais  
General Manager





## CANADIAN MALARTIC

The following report focusses on the Canadian Malartic Mine, in Malartic Quebec. The mine is owned by equal partners Agnico Eagle and Yamana Gold. The mine produces gold which is sold on the world-wide market.

This report details our sustainability performance and initiatives for the 2014 calendar year. Operating in a sustainable manner is an integral part of Canadian Malartic's business strategy. We strive to create value for our partners while contributing to the prosperity of our employees and our host communities. We believe that through on-going dialogue with our employees and stakeholders, a commitment to legislative compliance and a strong focus on continuous performance improvement, we will gain and maintain our social licence to operate and enhance our ability to develop new resources.

## OUR PROJECT

The Canadian Malartic Mine is an open pit mine and processing facility built on a brownfield site located in the heart of Quebec's prolific Abitibi Gold Belt, immediately south of the town of Malartic, approximately 20 kilometres west of the town of Val-d'Or.

Canadian Malartic GP holds 273 mining claims and a concession that covers approximately 5,655 hectares. The property is situated primarily within the city limits of Malartic, but extends into the municipality of Rivière-Héva and region of Val d'Or.

Thanks to ongoing exploration work, the knowledge of resources within our mining claims has increased. Two properties, Barnat and Jeffrey, located to the north-east and east of the current mining operations, have presented a potential profitable source of mining at current gold prices (~\$ 1,100/ounce). For this reason, Canadian Malartic is proposing an extension of the current open pit mine to include the Barnat reserve. The extension project includes two components: extending the mine and deviating a section of road 117. Upon government approval, the Canadian Malartic extension project would extend operations to the year 2028 and continue to employ approximately 700 workers throughout that time.

The current proven and probable gold resources at the Canadian Malartic Mine, combined with those from the proposed mine extension, total 10.8 million ounces at an average grade of 1.07 grams per tonne.

### Canadian Malartic by the numbers in 2014

Workforce: 693 employees  
Salaries and benefits : \$ 84 987 737.93

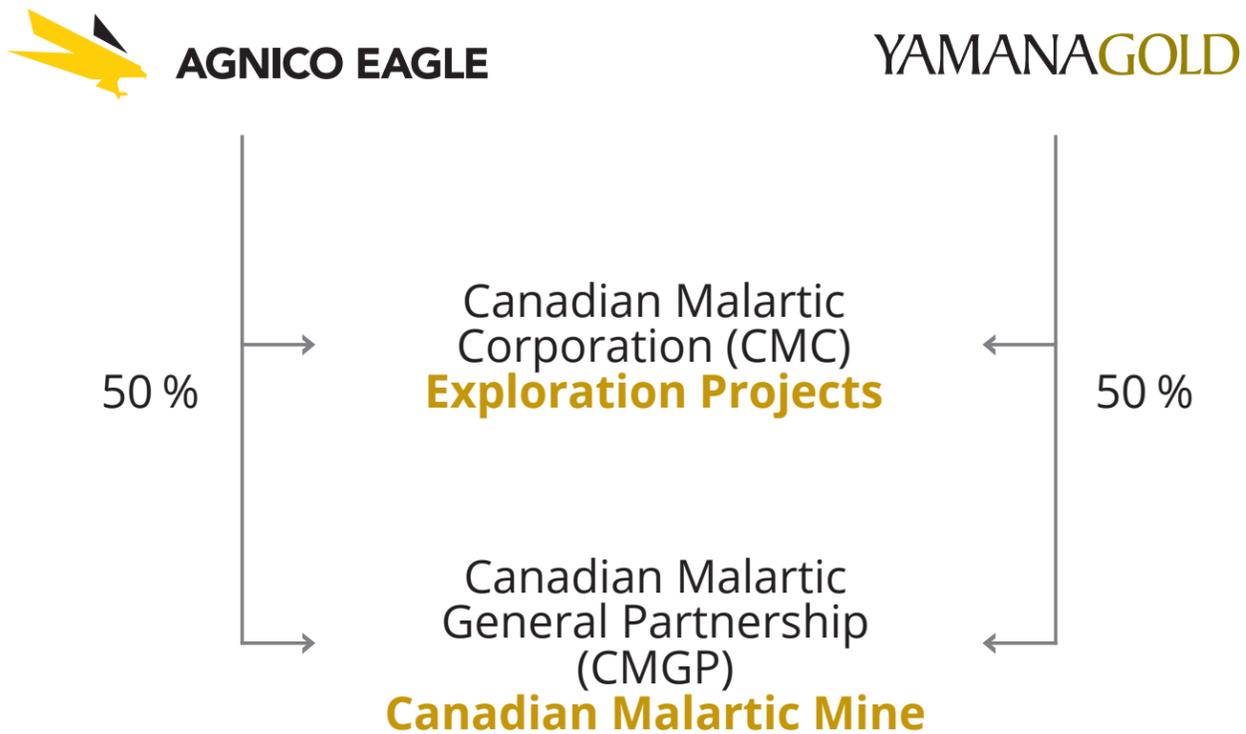
### CONTACT US

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# GOVERNANCE STRUCTURE

Canadian Malartic is governed by a Management Committee, which consists of a total of eight members, four from each of the two partner companies. As shown below, Canadian Malartic is made up of an exploration company (CMC) and a General Partnership (CMGP) which operates the mine in Malartic. This report is focussed on the activities of CMGP at the operating mine only.

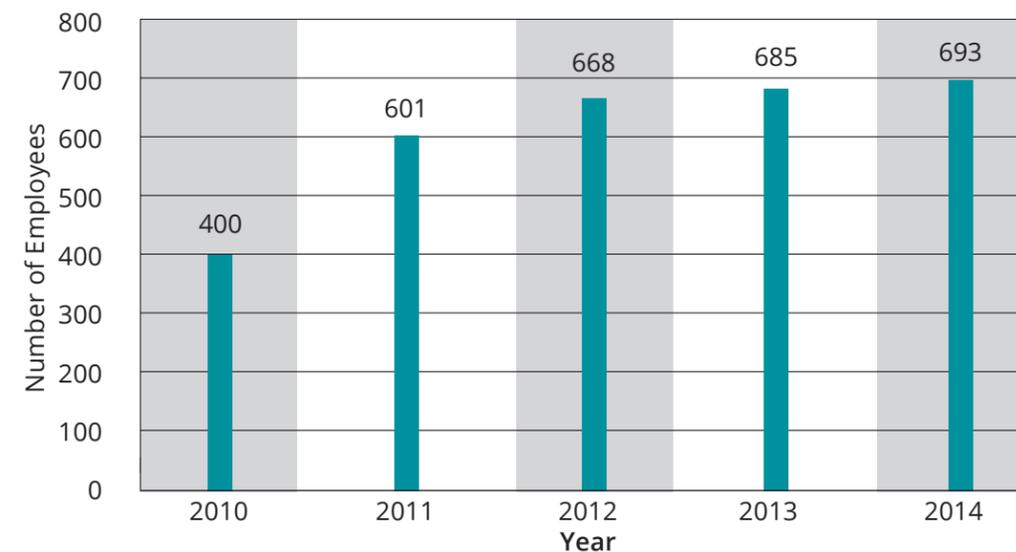
Figure 1: Canadian Malartic Governance Structure



# OUR TEAM

Since the acquisition the workforce has remained active and increased slightly. The teams have been changed and re-organized, namely the management. This restructuring has taken place while maintaining our efforts to reduce operational costs.

Figure 2: Canadian Malartic's Workforce



# CORPORATE AWARDS

## CHAMBER OF COMMERCE

Canadian Malartic was honored again to receive an award from the Rouyn-Noranda Chamber of Commerce and Industry. The award pays tribute to successful entrepreneurs through their Councours Extra competition, which recognizes the performance of businesses in the area and highlights their involvement, initiative and energy.

## HEALTH AND SAFETY

Fifteen of our supervisors at Canadian Malartic were recognized by the Quebec Mining Association for their achievements in health and safety. These supervisors were able to lead their teams for 50,000 to 300,000 consecutive hours without any lost time accidents.

Table 1: Health and Safety Awards

DEPARTEMENT	HOURS WITHOUT INCIDENT
Mill maintenance	
1 supervisor	50 000
Mill production	
2 supervisors	50 000
1 supervisor	100 000
Mine maintenance	
2 supervisors	50 000
2 supervisors	100 000
Mine production	
3 supervisors	50 000
1 supervisor	100 000
1 supervisor	150 000
1 supervisor	300 000
Environment	
1 supervisor	100 000



# ECONOMIC PERFORMANCE

We are proud of our economic performance in 2014, as we continued to strengthen our returns while investing in our community and ensuring sound environmental principles were applied to our operations. We invested a substantial amount into employee wages and benefits in 2014, totalling approximately \$ 84,987,738.

## TAXES AND ROYALTIES

Canadian Malartic paid more than \$41 million in taxes and royalties in 2014. This represents a significant financial investment in municipal, provincial and federal government.

Table 2: Taxes and Royalties

Type of Payment	Amount Paid
Government Royalties	\$ 15,000,000
Payroll Taxes	\$ 23,405,951
Municipal Taxes	\$ 2,512,167
Mining Leases and Claims	\$ 434,239
<b>Total Paid</b>	<b>\$ 41,352,357</b>

## ENVIRONMENTAL AND PUBLIC INFRASTRUCTURE INVESTMENTS

Canadian Malartic invested close to \$50 million in public infrastructure and environment in 2014.

Table 3: Public Infrastructure and Environmental Investments

Type of Investment	Amount Invested
Public Infrastructure Investments	\$ 1,723,897
Environmental Protection	\$ 7,977,862
Environmental Management	\$ 10,704,413
Environmental Infrastructure Expenditures	\$ 18,610,912
Waste Management Expenditures	\$ 10,829,750
<b>Total Environmental and Public Infrastructure Investments</b>	<b>\$ 49,846,834</b>



# SUSTAINABLE DEVELOPMENT APPROACH

With our sustainable development mandate in mind, we operate according to the following six key principles.

Respecting the Environment

Contributing to the Community

Ensuring the Safety of our Employees

Realizing our Potential for Growth

Developing our Employees

Increasing the Value of the Partnership

## COMMITMENT TO SUSTAINABLE DEVELOPMENT

As a new partnership, we have established clearly defined objectives in the areas of Safety and Health, Environment, Social Responsibility and Community. These objectives have been selected based upon the values of our partner companies and an understanding of the issues important to the long-term success of our business.

The following objectives provide a meaningful framework to measure and communicate our performance in the area of sustainable development.

**Social Responsibility and Community:** We are committed to the social and economic development of sustainable communities associated with our operations and to a fair and respectful relationship with our employees and external stakeholders.

**Environment:** We are committed to minimizing the effects of our operations on the environment and maintaining its viability and diversity;

**Safety and Health:** We are committed to operate a safe and healthy work place that is injury and fatality free;



# SUSTAINABLE DEVELOPMENT POLICY

Operating in a sustainable manner is an integral part of Canadian Malartic's business strategy. We strive to create value for our shareholders and partners while contributing to the prosperity of our employees and our host communities. We believe that through ongoing dialogue with our employees and stakeholders, a commitment to legislative compliance and a strong focus on continuous performance improvement, we will gain and maintain our social licence to operate and enhance our ability to develop new resources. This sustainable development vision is managed through the application of a Safety, Health, Environment and Community (SHEC) management system and translates into the following commitments:

## SAFETY AND HEALTH

We are committed to operate a safe and healthy work place that is injury free by:

- a) Using sound engineering principles in the design and operation of our facilities;
- b) Providing appropriate health and safety training to employees and contractors;
- c) Ensuring that effective occupational health and industrial hygiene programs are in place;
- d) Performing internal and external safety audits to review and establishing plans to improve performance;
- e) Assessing risk on a regular basis and investigating incidents in order to identify and minimize hazardous conditions and ensure that appropriate controls are in place;
- f) Implementing emergency response plans to manage the effects of unforeseen events; and
- g) Providing adequate resources and appropriate tools to carry out the work safely and efficiently.

## ENVIRONMENT

We are committed to minimizing the effects of our operations on the environment and maintaining its viability and diversity by:

- a) Making efficient use of natural resources including water and energy;
- b) Minimizing the footprint of our activities and emissions to air, water and land, including waste generation;
- c) Managing tailings, waste rock and overburden to ensure long term environmental protection;
- d) Assessing risk on a regular basis and investigating incidents in order to reduce the potential for environmental impact;
- e) Performing internal and external environmental audits to review and establishing plans to improve performance;
- f) Implementing measures to reduce greenhouse gas emissions and address climate change;

- g) Implementing emergency response plans to reduce impacts of unforeseen events;
- h) Integrating biodiversity conservation and land use planning considerations through all stages of business and production activities; and
- i) Rehabilitating sites to ensure physical and chemical stability in consultation with the communities and where possible through progressive rehabilitation.

## SOCIAL RESPONSIBILITY AND COMMUNITY

We are committed to the social and economic development of sustainable communities associated with our operations and to a fair and respectful relationship with our employees and external stakeholders by:

- a) Fostering an open, transparent and respectful dialogue with employees and external communities of interest;
- b) Treating all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- c) Employing and promoting employees on the basis of merit;
- d) Ensuring that no discriminatory conduct is tolerated in the workplace;
- e) Providing fair and competitive compensation;
- f) Implementing an employee grievance mechanism and a community response mechanism;
- g) Enforcing a drug and alcohol-free workplace;
- h) Contributing to the socio-economic development of our host communities by investing in local community initiatives in the areas of health and education, and in projects contributing to their long term socio-economic sustainability;
- i) Contributing to the economic development of our host communities by creating jobs and promoting local purchases;
- j) Upholding fundamental human rights and respect of cultures, customs and values of all affected by our activities;
- k) Providing assurance that our operations will not support, benefit or contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law; and
- l) Building long term relationships with local Aboriginal communities.



# ISSUES AND PRIORITIES

Our 2014 Sustainable Development report is inspired by the Global Reporting Initiative (GRI) a set of globally recognized indicators allowing companies and organizations to report their sustainability performance. This set of GRI indicators were used by Canadian Malartic to create the issues and topics of importance included in the 2014 Sustainable Development Report. A review of previous Osisko reports also allowed us to ensure that key economic, environmental and social results were reported in 2014 in a way that allowed continuity with reports published since 2008. Important topics and questions for inclusion in the report were determined based on Canadian Malartic's Sustainable Development Policy and meetings with internal and external stakeholders.

The key topics included in Canadian Malartic's first Sustainable Development Report are as follows:

## Corporation

General information about the mine, the production and operations.

## Economy

Key data about the economic value of production, salaries, infrastructure and community investments as well as energy consumption.

## Environment

Data about water withdrawal volumes, water discharge volumes and location, percentage of recycled water, greenhouse gas emissions, waste management, significant spills and hazardous waste management.

## Land

Information on our footprint on the land include the total disturbed and rehabilitated area and information closure planning.

## Workforce

Information about our workforce, working conditions, salaries, and career development opportunities.

## Health and Safety

Health and safety performance statistics, incident occurrences, accident rates, hours of training per year per employee, and the make-up of our joint health and safety committee.

## Community

Information about community relation efforts, community outreach events, and social development program.

## Governance

Information about the governance structure and outreach efforts to the workforce and external stakeholders.





## OUR SOCIAL PERFORMANCE

# SOCIAL RESPONSIBILITY

Open communication with the local and regional community is important to our success as an operating mine. We value the support of City of Malartic residents; as a neighbour we understand it is important to work together to maximize the benefits of our operations and minimize the potential for negative effects.

We have actively tracked communications from the local residents throughout our time in the community. The nature of the concerns and the trends over time allow us to understand the issues that are important to the community, and measure our success in mitigating their concerns.

There are three key pathways that allow community members to state their concerns, all of which are tracked, reported and addressed. Residents are able to get in touch our Community Relations Advisor directly or call our 24/7 toll-free complaint line.

We are proud to report that the number of complaints received in 2014 continues to decrease when compared to the two previous years. Peoples' concerns about noise have significantly reduced over time; however blasting is still a top community concern.

**Table 4: Record of Communications from Malartic Residents**

Nature of Concern	2014	2013	2012
Noise	18	47	153
Dust	5	5	18
Blasting	165	155	225
Other	3	4	10
<b>Total</b>	<b>191</b>	<b>211</b>	<b>406</b>

## MALARTIC COMMUNITY MONITORING COMMITTEE

The Malartic Community Monitoring Committee has been in place since 2009, with the goal of working towards understanding and bringing forward the community's concerns to the Corporation. The committee's mandates can be organized into the following themes:

1. Acting as a liaison between key stakeholders and Canadian Malartic
2. Creating public spaces for information sharing regarding the Canadian Malartic Mine
3. Working proactively to prevent misunderstandings and conflicts between the Corporation and the community

The Malartic Community Monitoring Committee has been structured to reflect the diversity of the population and allow for local representatives from the various sectors of the community. In addition to one delegate from the Canadian Malartic, the committee is made up of administrators from the local population and delegates representing the municipal and provincial governments.

### OUR COMMUNITY LIAISONS

- 3 individuals who live within 7 km of the mine site;
- 1 social representative from Malartic;
- 1 educational representative;
- 1 representative from the mining industry;
- 1 representative from the regional communities outside the City of Malartic.

There are five committee delegates from municipal and provincial governments, which include one delegate from:

- The Ministry of Natural Resources
- The Ministry of Environment
- Local Public Health
- City of Malartic
- Municipality of Riviere-Heva

### PUBLIC COMMUNICATIONS

The Malartic Community Monitoring Committee publishes an annual report which is available on their website. The most recent report was published in October 2014, and summarizes the activities spanning 2013 and 2014. The focus of

the committee throughout 2014 was to re-evaluate their mandates, while keeping in mind the concerns of the community and informing the local people about the ongoing and planned activities of the mine.

The Malartic Community Monitoring Committee holds themed meetings with the public in June, September and December. Information was also shared with the public through special flyers, notes to citizens and publications in Le P'tit Journal de Malartic.

**Table 5: Community Monitoring Committee Meetings with the public - 2014**

Date	Topic
June 2014	Groundwater
September 2014	Regional Public Health authority survey
December 2014:	Planned mine extension



**MORE THAN 3,500 VISITORS  
IN 2014.**

## COMMUNITY INFORMATION SHARING

Canadian Malartic is committed to facilitating community involvement through information sharing in a variety of ways. We focus our engagement on the people who live in the surrounding communities, as well as the identified Aboriginal people local to our projects.

### Mine Tours at Canadian Malartic

#### THE ABITIBI-TEMISCAMINGUE MUSEUM OF MINERALOGY

The Canadian Malartic Mine has a long standing partnership with the local Mineralogy Museum. In 2014, approximately 3,514 people visited the mine site on a tour provided by the Mineralogy Museum. This represented the highest number of visitors since the program began in 2010.

#### SENIORS AT MALARTIC

We understand that seniors represent an important segment of the community, though it may not always be easy for them to attend public meetings. In February 2014, we organized a special meeting, lunch and site tour for the seniors of our community. We were honoured to welcome approximately 130 local seniors to the Canadian Malartic Mine for a tour of our site. A presentation from our General Manager and Civil Engineer explained our plans for future extension of the mine, and a general discussion period took place where seniors could voice their questions and concerns.

### Public Meetings

In addition to the meetings held by the Malartic Community Monitoring Committee several public meetings were held both at Malartic and within the region to explain the planned extension project.

**Table 6: Community Meetings - 2014**

Participants	Dates
Residents of the eastern neighbourhood	February 2014
Malartic Chamber of Commerce Seniors Association of Malartic	February 2014
<b>Government</b>	
Mayor and Council of Riviere-Heva	March 2014
Vallée-de-l'Or RCM	March 2014

# EMPLOYEE RELATIONS

We are committed to providing fair and competitive compensation through pay equity, employee benefits and annual performance evaluations. We know that fairly compensating our workforce will strengthen our abilities to accomplish our goals together.

## PAY EQUITY

The wages offered by Canadian Malartic are far above minimum wage in the areas where we operate. Our wages have also shown to be competitive when compared to the average compensation provided in the mining industry.

## EMPLOYEE BENEFITS

Medical, dental, and life insurance benefits are provided to all full time permanent employees and part time employees working more than 20 hours a week. Full time permanent employees are also eligible for a retirement plan and a share purchase plan that is subsidized by the company. The majority of our workforce is permanent, with approximately 1 % working on a temporary contract basis.

## PERFORMANCE EVALUATIONS

Performance evaluations were conducted for 100 % of salaried positions. Approximately 36 % of our workforce is salaried. We are proud of the strong performance of the individuals who make up an outstanding team. The majority of those evaluated are meeting or exceeding the expectations of their supervisors.

## ANTI-DISCRIMINATION

We strive to provide a workplace where all people can excel regardless of their background, race, ethnicity or gender. We do not currently track ethnicity within our workforce, however we have begun measuring compensation and success of our workforce by gender. We know that in 2010, the average Canadian woman earned 19 % less than the average Canadian man (Conference Board of Canada).

Average wages paid to all male employees at Canadian Malartic Mine was \$ 86,148 approximately 12 % more than the average wages paid to all female employees of \$ 76,660. We also recognize that the industry within which we operate has been traditionally dominated by males. We are proud of the women within our workforce and seek to empower them to take on responsibility and advance within the organization. Women currently hold eleven of the leadership positions within Canadian Malartic, representing approximately 16 % of the leadership within the company.

## FREEDOM OF ASSOCIATION

Our "Comité Bonne Entente" is a working group of employees and managers that provide a communication link between these two levels of the Company. The Committee works together to understand and resolve workforce concerns internally. Outside of Canadian Malartic, the Committee also represents workers interests in the larger Quebec mining industry.



# INVESTING IN OUR COMMUNITY

In 2014, we created a new policy for corporate donations, which provides clear guidelines for what type of sponsorships we are seeking to provide and allows applicants to be evaluated using defined criteria. The application process and donation policy is open and transparent, and is available on our website.

Canadian Malartic is very active in our community. We provide sponsorships, donations and scholarships to local and regional individuals and organizations. In 2014, our donations totaled over \$338,000. The areas where we give back are focused on education, health, sports and environment. Table 7 below details our total corporate donations for 2014.

**Table 7: Corporate Donations in 2014**

Type of Donations	Amount
Corporate Sponsorships	\$ 190,734
Donations by Employee Requests	\$ 16,230
FECM	\$ 97,204
Education and Scholarships	\$ 34,625
<b>Total Community Donations</b>	<b>\$ 338 793</b>

## Corporation Victoire

Canadian Malartic supports the locally based Corporation Victoire, an independent non-profit organization whose mandate is to reduce the high school dropout rate in the town of Malartic. Founded in 2010, the organization continues to operate with the guidance of local community leaders and Canadian Malartic staff members dedicated to encouraging the youth of Malartic.

Three members of CMM sit on the board of the Corporation Victoire. The Corporation Victoire has shown to be a great encouragement to local youth and their great success was shown recently when the President of the local School Board announced that the high school dropout has reduced significantly from 23.8% in 2012-2013 to 16.8% in the 2013-2014 scholar year.



**IN 2014, FECM INVESTED MORE THAN \$ 198,000 IN THE COMMUNITY.**

## FECM – FONDS ESSOR CANADIAN MALARTIC

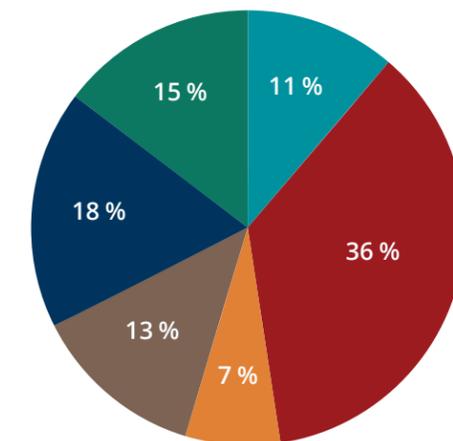
Canadian Malartic is proud to maintain a long-term beneficiary fund whose goal is to generate a lasting improvement in the lives of Malartic residents. FECM receives an annual sum of \$150,000 from Canadian Malartic each year, plus the profits from used oil sales which are donated by the mine. In 2014 the total donation from used oils was \$90,000. FECM invested more than \$198,000 in 2014 in the community for cultural events, education, sports and health.

The current FECM administration board includes:

- Vice President, Canada, Agnico Eagle
- Senior Vice President Northern Operations, Yamana Gold
- Canadian Malartic Staff Member
- External Financial Administrator
- Four citizen representatives from the community of Malartic

The charter of FECM identified six areas of focus for fund distribution: social services, environment, health and well-being, sports and recreation, arts and culture, and support for low income families.

**Figure 3: FECM's Local Contributions**



- Arts and Culture 36 %**
- Health and Well-being 18 %**
- Environment 15 %**
- Education 13 %**
- Support for Low Income Families 11 %**
- Sports and Recreation 7 %**

## CONTRIBUTING TO LOCAL EDUCATION

Our contributions to local education totalled more than \$40,000, plus the additional amount provided by FECM. In addition to the direct donations we provided, Canadian Malartic awarded 24 internships to university and CEGEP (college level) students. Additionally, 34 students worked at various summer job positions, representing a significant investment in youth and reflecting our commitment to education. We also hosted a “youth day” where young people were welcomed to the mine site to visit the different areas within the site, experience first-hand the conditions and work environment and discover for themselves if they would like to pursue a career in the mining industry.



We are proud of all the scholarships and educational donations and opportunities we provided, and would like to highlight two special projects that stood out in 2014.

### Grand Défi Pierre Lavoie

The Grand Défi Pierre Lavoie is an organization that was founded in 2008 with the mission to increase the health and well-being of youth in Quebec. The organization focuses on teaching youth to live a healthy lifestyle through nutrition, respect, teamwork and perseverance.

Canadian Malartic provided a \$10,000 donation for 30 local youths from Malartic to participate in the Grand Défi Pierre Lavoie. This project is a unique type of relay race that takes place over a period of 24 hours and sees youth from across Quebec work together to travel between Quebec City and Montreal on foot. Each youth must train hard, showing great discipline and perseverance before they are accepted onto the relay team. Team members are then transported by bus to Quebec City where they take turns running 1 km at a time for approximately 270 km.

### Youth Fitness Project

We know that youth can find it a struggle to stay engaged and find ways to stay busy and focussed in a small town such as the City of Malartic. Even youth that are focussed on staying fit may have difficulties maintaining their fitness regimes in the winter. In 2014, we contributed \$25,000 to an important local youth fitness project in collaboration with the school board and the high school. A fully equipped fitness gym was designed as an addition to the local high school. The fitness centre will allow youth to strengthen and train with the use of state of the art equipment such as treadmills, weights and stationary bicycles.



## VOLUNTEERING IN OUR COMMUNITIES

The Canadian Malartic team is made up of a diverse and caring group of individuals. We are a group of people who care deeply about our community and we are involved in strengthening and building a City that is based on giving back to those in need.

Since 2012, the Canadian Malartic Mine has had a program to encourage employees to volunteer within their local communities. Our team works with community leaders and organizations to find out where the volunteer needs exist. We compile a list and provide the information to our workforce by email and mail. The needs of the community are also promoted through signs and videos posted throughout the mine site.

When an employee is interested in volunteering, they talk to internal person who helps pair them with an organization. We have had great success with this program, with more than 20 employees contributing a total of 968 volunteer hours in 2014.

We plan to continue and improve this program in 2015 by tracking workforce participation in a more detailed way. We will also provide further incentives for participation such as holding a draw each quarter with the names of employees who participate in the program. The winner of the draw will be awarded \$1,000 to be donated to the winner's local charity of choice. Our long term goal for the Employee Volunteer Program is for each employee to volunteer at least one hour per year, which would represent an additional 650 hours of volunteer time being given back to the community from the Canadian Malartic workforce.



## Aboriginal Communities

The Canadian Malartic Mine is situated at the southern portion of the territory covered under the James Bay Cree Northern Agreement, although the James Bay Cree have formally stated they do not have an interest in the mine.

The Canadian Malartic Mine is located in an area of interest to the Algonquin Nation, including the following First Nations who have expressed an interest and begun discussions with CMC:

- Pikogan First Nation
- Winneway First Nation
- Lac Simon First Nation

Information sharing and relationship building with these communities will serve as a base for future discussions.

At Canadian Malartic, we understand that Aboriginal people can offer a unique understanding of the environment based on their special relationship with the land. Canadian Malartic recognizes the importance of building positive relationships with local First Nations communities.

We are committed to supporting community activities through sponsorships and we have participating in projects that will strengthen local communities. It is our plan to continue this work and build a collaborative relationship with local First Nations by through ongoing community investments.

# OUR ENVIRONMENTAL PERFORMANCE

## PROTECTING THE ENVIRONMENT

In 2014 we made a significant effort to meet our environmental objectives. We continue to work to reduce the impacts of the mine as much as possible, in order to maintain the viability and diversity of the natural environment. Our efforts to improve our environmental performance include new management initiatives, policies and procedures as well as encouraging innovation within our team. Because of our proximity to the residents of Malartic, Canadian Malartic Mine faces many challenges and is held to a high environmental standard. We are determined to face these challenges as a team and continue to improve our environmental performance.

### REGULATORY CONFORMANCE

We received 29 notices of non-compliance at the Canadian Malartic Mine in 2014. This represents a reduction from previous years, as seen in the table below. The majority of the notices of non-compliance that we received were related to blasts and noise. We continue to work towards improving our environmental record through improved

management systems, standardized policies and procedures, ongoing innovation and design improvements.

**Table 8: Notices of Non-Compliance at Canadian Malartic**

Notices of Non-Compliance	Number of Occurrences		
	2014	2013	2012
Dust	4	6	3
Environmental monitoring	0	0	1
Noise	11	14	11
Unauthorized waste rock deposition	0	0	1
Blast	11	16	19
Tailings pond	0	0	1
Water management	0	4	0
Other	3	1	1
<b>Total</b>	<b>29</b>	<b>41</b>	<b>37</b>

## SPILL RESPONSE AND MANAGEMENT

At Canadian Malartic, our spill response procedure includes the following step-wise approach:

1. Notify your supervisor immediately;
2. Ensure your own personal health and safety is protected;
3. Stop the spill at the source and recover the spilled product;
4. Put all contaminated materials into an identified spill container;
5. Analyse incident report and implement measures to reduce future occurrences.

We also require that staff document all spill events by taking photos of the spill before remediation, during remediation activities and after the remediation has taken place.

Although the total number of spills was lower in 2014 compared to 2013, the total volume was increased. This was the result of two major spills at the processing plant. One spill was caused by a power outage and the second was caused by a technical failure within the automated network system that controls the equipment and valves within the plant.

A number of actions and safe guards were initiated to reduce the likelihood that these types of major spills will occur again:

- The valve system was modified so that upon power failure or communication failure, the valves will automatically close.
- A special training program was put in place for all personnel to be aware of required actions in the case of a power outage.
- Increased maintenance of both the equipment and valves and the automated communication network has been implemented in a proactive manner to reduce the chance of failure.

**Table 9: Spill Reporting**

Spill Category	2014		2013	
	Number of Spills	Total Volume (L)	Number of Spills	Total Volume
Hydraulic oil	126	33,403	153	25,316
Compressor oil	5	520	17	970
Transmission oil	6	830	7	624
Motor oil	2	180	6	570
Pneumatic oil	0	0	1	50
Antifreeze	8	810	16	1,345
Diesel	12	7,400	13	643
Detoxified slurry	2	50,500	1	5,000
Process water	10	337,250	3	5,160
Gasoline	0	0	1	40
<b>Total</b>	<b>171</b>	<b>430,893</b>	<b>218</b>	<b>39,718</b>

## WATER MANAGEMENT

At Canadian Malartic, we are committed to responsible water management. We understand that water is a limited resource that must be conserved and work to reduce our total consumption by recirculating water through our processing plant.

Canadian Malartic uses water from several sources including:

- Water from the pit
- Precipitation and runoff from the site
- Water from the South-East basin
- Water fire protection
- Potable municipal water

Part of the underground dewatering is pumped directly to the processing facility, while the rest is sent to the final effluent. The runoff and tailings pond water is collected in the South-East Basin and in most part recirculated to the processing facility.

Total water use for the processing facility at the Canadian Malartic Mine was 14,349,522 m<sup>3</sup>, of which 12,377,522 m<sup>3</sup> was recycled water. The total rate of water recirculation was approximately 86 %.



### Pit Dewatering

Canadian Malartic Corporation actively de-waters the pit where mining occurs, since it is located below the water table. A portion of this water is pumped directly to our ore processing facility, and the surplus is pumped either into a polishing pond or into the South-East basin, depending on its quality.

### South-East Basin

The South-East Basin is an on-site water management pond constructed by Canadian Malartic Corporation. This basin is filled with precipitation and runoff from the site, as well as ground water inflow and water collected from the tailings pond. This water is then pumped to the processing facility for re-use, or sent to the polishing basin if water quality complies to regulation.

### Johnson Basin

The Johnson Basin is a fire and emergency back-up pond, which is sourced directly from the Raymond Creek.

### Potable Water

Municipal water is not used in the ore processing but is needed by our employees for drinking, washing and sanitary needs.

The table below presents the quantities of fresh water withdrawn for the Canadian Malartic Mine over the past three years.

**Table 10: Fresh Water Withdrawals at Canadian Malartic**

Water Source	2014 (m <sup>3</sup> )	2013 (m <sup>3</sup> )	2012 (m <sup>3</sup> )
South-East Basin	12,473,537	10,313,000	6,666,317
Tailings Pond	(a)	978,483	3,333,158
Pit dewatering (ground water)	5,890,700	5,512,087	5,726,495
Johnson Basin	78,144	66,880	30,460
Municipal Water	48,698	27,414	25,853
<b>Total</b>	<b>18,491,079</b>	<b>16,897,864</b>	<b>15,782,283</b>

(a) Water now flows directly from the tailings area into the South-East basin by gravity and is no longer pumped from the tailings pond

(b) Collected from on site stormwater

# SEEKING A SMALLER IMPACT



We actively seek to reduce our impact through waste management, water monitoring programs, noise, dust and greenhouse gas emission reduction efforts.

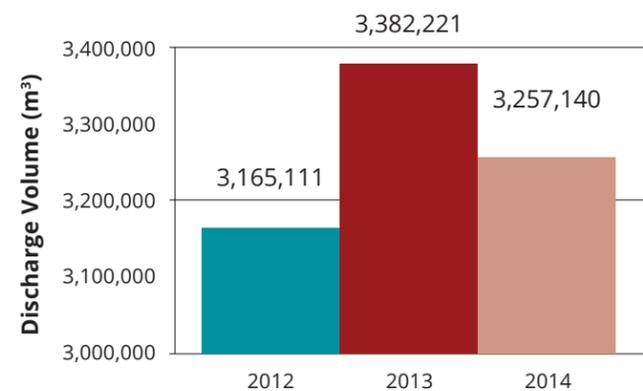
## WASTE GENERATION

Our industrial recycling program at Canadian Malartic saw 1,644 tonnes of waste diverted from landfill in 2014. Hazardous wastes are sent to management sites in the south of the province. We have substantially reduced our production of hazardous waste since 2012.

**Table 11: Waste Volumes and Recycling**

Waste Category	Volume Recycled (Tonnes)		
	2014	2013	2012
Wood	386	358	473
Paper	102	89	78
Metal and wire	1,108	899	1,025
Tires and rubber	48	8	S. O.
<b>Total</b>	<b>1,644</b>	<b>1,354</b>	<b>1,576</b>
Volume Created (Tonnes)			
Solid Waste	2,030	423	372
Hazardous Waste	724	820	2,322

**Figure 4: Annual Water Discharge at Canadian Malartic**



## WATER DISCHARGE

Water from the site is discharged into the former creek bed of the Raymond Creek, which ultimately joins the Piché River. Since 2009 we have monitored more than a dozen water quality parameters in our effluent. We are proud to report that we reduced our non-conformities to zero for water quality in 2014.

In 2014 we commissioned our Effluent Treatment Plant. Although it has not been active to date, the systems are now in place to treat our process water prior to discharge and minimize impact to the receiving water body.

Our total discharge volume in 2014 was 3,257,140 m³.

## NOISE MANAGEMENT

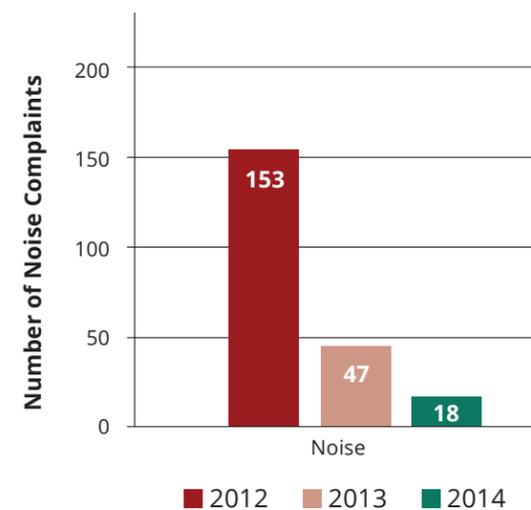
Noise management has been one of the key focuses of our environmental staff throughout construction and operations of the Canadian Malartic Mine. Because of our proximity to the City of Malartic, we have been challenged to find innovative noise reduction measures at our site.

In 2014, we received eleven notices of non-compliance for noise. This represents a modest decrease from 2013, when we received a total of fourteen notices of non-compliance for noise.

Our 2014 noise reduction program included running noise simulations to pin point areas where efforts would bring the most results. We found that by reducing ventilator speeds, installing new silencers and mufflers on our mobile equipment, substantial reductions could be realized. Measures for our stationary equipment included construction of a new container wall around the crusher.

An innovative solution for our drilling program included the development of a muffler prototype from new and stronger material. This prototype was designed specifically for the Canadian Malartic mine and has shown to be effective in its ability to withstand drill operation while muffling noise to the environment.

**Figure 5: Reduction of Noise Complaints**





## DUST MANAGEMENT

Five notices of non-compliance were issued by the government for particulate matter in 2014.

2014 was the first year our dust management action plan was implemented. The Canadian Malartic Dust Management Action Plan takes a step-wise approach to monitoring potential for high-dust conditions and initiates action to reduce dust levels through a variety of strategies. The first key step in our Dust Management Action Plan is to alert site managers and operational staff that potentially high dust levels are occurring. Communication and awareness is key to effective control. Trucks are then deployed to wet on site roadways immediately and reduce dust generation created by traffic. Should high levels of dust continue to be measured, on site traffic is reduced and slowed to further reduce dust. In the case that the initial measures do not result in reduced dust, on site activities are stopped until conditions improve and a non-compliance event can be avoided.

Our permanent air quality monitoring stations collect information on dust (particulate matter) 24-hours a day and data is reported to government on a regular basis. One new air quality station is planned for installation in 2015.

## GREENHOUSE GAS EMISSIONS

An estimate of our greenhouse gas emissions at the Canadian Malartic Mine for the past three years is provided below, based on our fuel consumption inventory.

**Table 12: Greenhouse Gas Emissions Inventory**

Emissions sources	Tonnes of CO <sup>2</sup> equivalent		
	2014	2013	2012
<b>Direct sources<sup>1</sup></b>			
Mobile equipment	134,659	122,723	114,168
Natural gas combustion by fixed equipment	8,400	7,965	6,134
Diesel combustion by fixed equipment	9,511	4,928	4,401
Use of explosives and sodium carbonate	160	n/a	n/a
Propane combustion by fixed equipment	13	6	10
<b>TOTAL</b>	<b>152,743</b>	<b>135,622</b>	<b>124,713</b>
<b>Indirect sources<sup>2</sup></b>			
Electricity purchased from Hydro-Quebec	2,180	2,165	1,218
<b>TOTAL</b>	<b>154,923</b>	<b>137,787</b>	<b>125,931</b>

<sup>1</sup> Direct sources were calculated by multiplying volumes of fuel consumed by the emissions factors provided by the Intergovernmental Panel on Climate Change in their 2006 Guidelines available at <http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

<sup>2</sup> Indirect sources were calculated by multiplying the total kilowatt hours consumed by the provincial conversion factors provided by Environment Canada in their Canadian Inventory Electricity Intensity Tables (2009) available <http://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=EAF0E96A-1>

## TAILINGS MANAGEMENT

The tailing thickener at the Canadian Malartic Mine is currently producing a 60 % solids underflow, short of the 68 % solids that it was designed to achieve. This extra water makes it more difficult and expensive to manage the tailings facility. Maintenance costs and environmental risks were evaluated in an audit undertaken by the new partners, and it was deemed that action should be taken to reduce these costs and risks.

This extra water causes a chain reaction of increased effort and cost within mining and milling operations. The increased water volume within the slurry demands an increased amount of chemicals during the detoxification process and an increased amount of cyanide added to the non-reclaimed volume of water. The mill operation must also now undertake additional cyanide detoxification prior to slurry release into the tailings pond.

In June 2014, an audit and test-works program was undertaken to evaluate all possible solutions. During that period, 9 different companies were approached and thickener retrofit, construction of new thickener(s), implementation of filter circuit and implementation of a cyclones system are all options that was investigated.

A retrofit option with a predicted solids content of 66 % was selected to be implemented within 2015 in order to reduce risks at the tailings pond while maintaining production and undertaking a re-evaluation of the necessity of further measures. The retrofit is anticipated to be fully operational by the fall of 2015.

The total volumes of overburden and waste rock mined in 2014, as well as the total volume amount of tailings created are provided in the table below.

**Table 13: Total amounts of overburden, waste rock and tailings**

Type of Material	Volume in tonnes
Overburden Mined	938,499
Waste Rock Mined (total)	48,433,618
Waste rock used in tailings dam construction	3,691,317
Waste rock used in other construction	2,787,260
Waste rock placed on surface waste rock piles	41,955,041
Mill tailings placed in surface tailings containment	18,679,108

# PLANNING FOR THE FUTURE

Effective tailings management, site rehabilitation and investing in responsible closure of our sites are the key areas where we have focused our plans for the future.

## SITE REHABILITATION

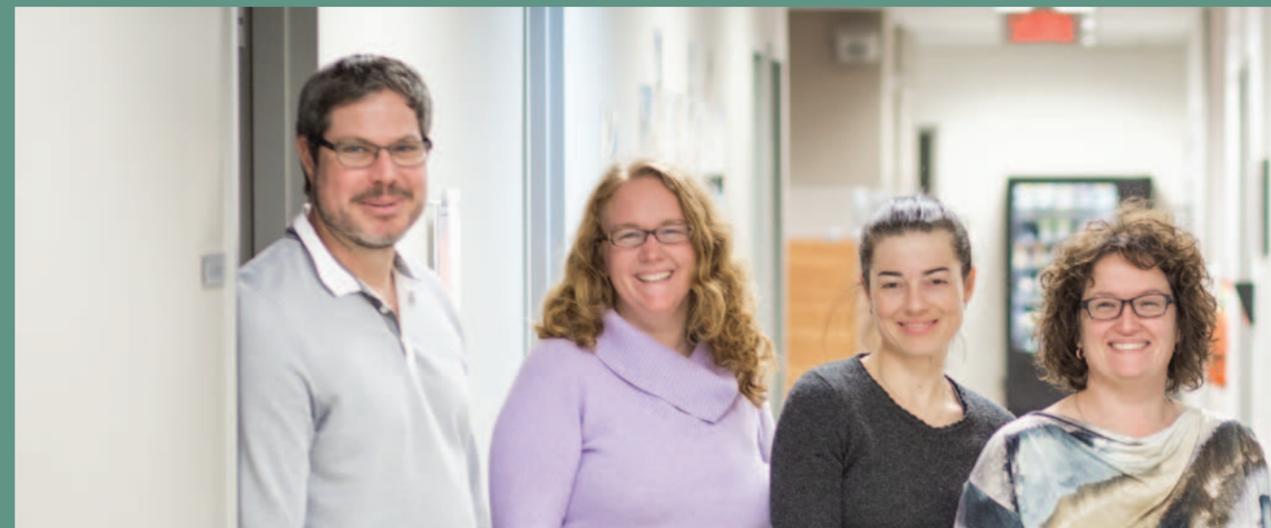
Canadian Malartic is committed to the careful management of tailings created by the Canadian Malartic Mine. We are working with the Research Institute of Mining and Environment of l'UQAT and Polytechnique (RIME) to identify the optimal plant and soil amendment combinations for successful revegetation of the Canadian Malartic tailings.

Active reclamation of the tailings began in 2013 and has continued in 2014 to include more than 12 hectares of fully re-vegetated tailings. Re-vegetation of waste rock has also taken place on site, spanning an area of approximately 3.4 hectares.

**Table 14: Canadian Malartic Land Disturbance and Vegetation**

	Activity	2014	2013	2012
<b>Canadian Malartic Land Disturbance and Vegetation</b>	Total land disturbance	643 ha	643 ha	643 ha
	On site re-vegetation - underway	16 ha	-	--
	On site re-vegetation - complete	10 ha	6 ha	-
	Vegetation of regional private lands	-	83ha	72 ha

**Note:** Area calculations rounded to the nearest whole number



## CLOSURE PLANNING

The Government of Quebec currently holds over \$46 million in trust to ensure the safe and timely closure of the Canadian Malartic site once mine operations have ceased. Progressive rehabilitation of the Canadian Malartic mine tailings has begun based on a long term research project which allowed the appropriate plants and substrates to be identified. To date 10 hectares of tailings and waste rock areas have been fully replanted, with an additional 16 hectares of planting underway.

In 2014, Canadian Malartic's closure plan was revised and updated. This revised plan was submitted to the Minister of Energy and Natural Resources for approval.



# OUR HEALTH AND SAFETY PERFORMANCE

## PREVENTION

We are committed to operate a safe and healthy work place that is injury and fatality free. We depend on emergency response planning, internal and external safety audits to allow for ongoing evaluation of hazards and risks within our work environment.

### REDUCING THE NUMBER OF ACCIDENTS

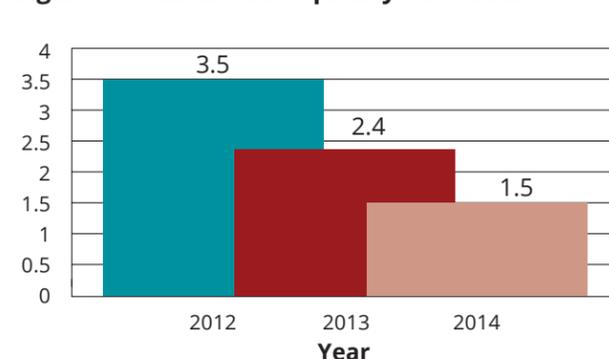
Our total number of accidents in 2014 was reduced from 159 to 128 and we met our target of a combined frequency of 2.7 or less. Our combined frequency for 2014 was 1.5, representing a significant decrease from our 2013 combined frequency of 2.4.

Table 15: Health and Safety Occurrences

Health and Safety Occurrences	CANADIAN MALARTIC MINE		
	2014	2013	2012
<b>Total Hours Worked</b>	<b>2,622,448</b>	<b>2,353,049</b>	<b>2,516,857</b>
First Aids	66	101	106
Medical Aids	42	22	22
Light duty assignment	16	23	34
Accidents with Lost Time	4	13	8
<b>Total Number of Accidents</b>	<b>128</b>	<b>159</b>	<b>170</b>

Note: Includes contractors

Figure 6: Combined Frequency Over Time



### SAFETY AUDITS

In 2014 we undertook six internal health and safety audits. One external health and safety audit also took place at Canadian Malartic. Field audits were also undertaken.

### EMERGENCY PLANNING

The Canadian Malartic Mine was developed with the goal of reducing risks of accidents and keeping safety as a priority. The mitigation measures inherent within the design of the mine were compiled into an Emergency Response Plan.

The Emergency Response Plan is one of the principal tools used to manage risks at the mine site. It allows for timely reaction to emergency situations by setting out action and communication plans ahead of time. The Emergency Response Plan can be activated at any time, but only by the General Manager or Emergency Response Coordinator.

Every work package begins with an evaluation of risks and a discussion of the potential for the work to tie in to the Emergency Response Plan if needed. All employees and contractors are aware of the Emergency Response Plan and are informed of updates through monthly meetings.

A key component of the Emergency Response Plan is the Regional Municipal-Industrial Committee that was formed to ensure a timely and coordinated response in the event of a potential event at the Canadian Malartic Mine. This committee is made up of local volunteers trained to be able to provide the communications and support needed in the event of an emergency.

The committee includes the following members:

- 1 representative from the Ministry of Environment (as required);
- 1 representative from the Ministry of Health and Social Services;
- 1 representative from the Ministry of Public Health;
- 2 representatives from the City of Malartic;
- 2 representatives from the Canadian Malartic Mine;
- 2 local citizens from Malartic;
- 1 representative from the police force (as required).



# TRAINING AND COOPERATION

## GROWING OUR KNOWLEDGE

Our training programs in 2014 focussed on the following areas:

- Health and safety
- Heavy machinery
- Mechanical operations
- Management

In 2014 the majority of our training was completed internally. Our efforts to focus on internal workforce training have allowed us to reduce costs and strengthen the links between our team members. The total number of training hours in 2014 was 26,154 representing an average of 38 hours per employee.

## COOPERATION

A Joint Health and Safety Committees (JHSC) is in place at Canadian Malartic as an integral part of our overall health and safety management system. The JHSC includes 7 managers from management and 11 employees, representing 2.6% of the overall workforce. The JHSC meets on a monthly basis to discuss safety strategies, share information regarding potential risks and develop initiatives to reduce risks to the workforce.



# CANADIAN MALARTIC MINE



AGNICO EAGLE YAMANAGOLD

## CANADIAN MALARTIC MINE

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