

5 October 2011

Ms. Phyllis Beaulieu
Licencing Coordinator
Nunavut Water Board
P.O. Box 119
Gjoa Haven
NU, X0B1J0

**Re: Water License Application for the Phase 1 Meliadine All Weather Access Road (AWAR):
Agnico-Eagle Mines Limited (AEM)**

Dear Ms. Beaulieu;

On September 29th, AEM delivered the Phase 1 – Meliadine All-weather Access Road Project Description and Environmental Assessment to the Nunavut Impact Review Board's office in Cambridge Bay. This was immediately followed by the same report being couriered to other agencies, including the Nunavut Water Board. Hopefully it has arrived in your office or will do so shortly.

The Meliadine Phase 1 AWAR Project Description and Environmental Assessment is a document that was jointly prepared by both AEM and Golder Associates, who are working on behalf of AEM on this project. AEM has reviewed all of the statements, conclusions, predictions, recommendations and commitments that have been made in this document. The NWB, along with all other parties should take it that all statements, predictions, recommendations and commitments made within this document have been approved by AEM and should be taken as commitments made by AEM for this specific Phase 1 AWAR project.

It is AEM's preference that it be allowed to construct the Meliadine Phase 1 AWAR in early 2012 (nominally starting on March 01, 2012) as reflected in this document. AEM recognizes that obtaining such approval in a time and manner to allow this "plan A" approach is not a certainty. Thus AEM will simultaneously make application to the NWB and to the KIA to allow AEM to expand its on-site fuel storage capacity at its Meliadine site by an additional 1.6 Million litres in early 2012 through an amendment of its existing water license 2BB-MEL0914. AEM considers this to be a backup plan (a Plan B) to minimize the adverse effect on our exploration plans should AEM not be able to construct the Phase 1 AWAR in early 2012. This amendment request is nearing completion and will be sent to the NWB and KIA in the immediate future.

With this letter AEM is sending the NWB the following:

1. A completed application for a water licence for the AWAR;
2. A completed Supplemental Technical Information Required for Water Crossings (linear/bridge/culverts) form;
3. Non-technical summaries in English and Inuktitut; and
4. A cheque for \$60 (sixty dollars) made out to the Receiver General of Canada for the water application fee and 2012 water use fee. This will follow in a separate letter.

This is all being sent in anticipation of receiving a water licence from the NWB in early 2012 so that construction of the Phase 1 all-weather access road can commence as planned.

Finally, on February 5, 2011, AEM applied for an amendment to its existing Water Licence 2BB-MEL0914 for an all-weather road between Rankin Inlet and the Meliadine site. AEM would like to withdraw this amendment request as the company will no longer be pursuing this option.

Should you have any questions or concerns, please do not hesitate in getting in touch with me at 819 277 5444 or jwitteman@agnico-eagle.com.

Yours sincerely;



John Witteman

Cc. Larry Connell, Eric Lamontagne, Sylvain Doire - AEM
Kelli Gillard, Nunavut Impact Review Board
Gary Ash, Golder Associates