



AGNICO-EAGLE MINES LTD.
Meadowbank Division

December 19, 2007

Mr. Greg Black, NWPP Officer
Navigable Waters Protection Program
Transport Canada
1100 – 9700 Jasper Avenue
Edmonton, AB
T5J 4E6
Canada

Reference: 8200-14-1: Meadowbank Gold Project
Navigable Waterways Protection Act Approvals
Dewatering Dikes – East Dike

I am writing in follow up to your letter of October 26, 2007 regarding obtaining Transport Canada approval under the Navigable Waterways Protection Act for the first phase construction of the dewatering dikes, specifically the East Dike, for the Meadowbank Gold Project in the Kivalliq Region of Nunavut. The East Dike is to be constructed in July thru October of 2008 (pending all required approvals) in Second Portage Lake.

The Meadowbank Gold Project underwent a full Part V environmental assessment under Article 12.5.12 of the Nunavut Land Claims Agreement under the Nunavut Impact Review Board that led to the issue of a Project Certificate, signed by the Minister of Indian and Northern Affairs on December 30, 2006. Transport Canada was a party to the various technical meetings and public hearings held under this multi-year process. Indian and Northern Affairs Canada completed an environmental screening of the Meadowbank Project under the Canadian Environmental Assessment Act to ensure that the INAC Minister had met his CEAA obligations prior to signing the Project Certificate. The Meadowbank Project is now moving through the permitting process under the Nunavut Water Board and Fisheries Act.

The three ore bodies to be mined over the life of the Meadowbank Gold Project lie partially under water cover. Figure 1 provides a general location map to site the Meadowbank Project in relation to the communities in the Kivalliq Region of Nunavut. The project is located north of the community of Baker Lake and will be connected to the community of Baker Lake via an all-weather access road. The first deposit to be mined is the Portage deposit which lies partially under Second Portage Lake. Figure 2 presents a regional map showing the local lakes and the location of the three known ore bodies that make up the Meadowbank Project: the Goose Island Deposit, the Portage deposit and the Vault Lake deposit.

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A series of dikes are planned for construction to isolate the sections of lake that will require dewatering to allow for mining of the Goose Island and Portage deposits. The arm of Second Portage Lake located to the northwest of the Portage pit is to become the tailings storage facility for the Meadowbank Project.

The planned arrangement of the proposed dewatering dikes and the tailings storage facility is shown in the attached drawing "Meadowbank Gold Project General Site Plan". The finger dikes shown off of the Goose Island Dike are to be man made underwater reefs constructed as part of the fisheries compensation agreement being negotiated with Fisheries and Oceans Canada for this project.

The first dewatering dike to be constructed will be the East Dike. This is scheduled (pending approvals) to be constructed in July thru October of 2008. The Bay Zone dike would be constructed in 2009 and the Goose Island dike in 2010. The Stormwater Dike in the Tailings Storage Facility would also be constructed in 2008.

The purpose of this letter is to apply for approval from Transport Canada under the Navigable Waterways Protection Act for the construction of the East Dike in 2008. By separate letter I will similarly make application to Transport Canada for approval for the Stormwater Dike and Tailings Storage Facility.

The section of Second Portage Lake that will be isolated by construction of the East Dike will be dewatered in the fall of 2008 to allow development of the Portage Pit to commence in the winter of 2008-2009. The construction of the East Dike will remove this section of the lake including the Tailings Storage Facility (TSF) from its current condition as Lake Surface. The TSF will be a permanent loss of lake as the tailings will over the mine life infill this arm of the lake. It is planned to allow the Portage Pit to re-flood at the end of the mine life using natural runoff over a period of ~15 years. Once it is established that water quality within the re-flooded pit will not adversely impact water quality in the remaining portion of Second Portage Lake it is intended that the East Dike be breached by excavating a slot through the dike.

Name of Property Owner:

The Meadowbank Project is owned by Agnico Eagle Mines Ltd., a Canadian based mining company with its head office located in Toronto at the following address:

Agnico-Eagle Mines Limited
145 King Street East, Suite 500
Toronto, Ontario, M5C 2Y7
Canada

The Meadowbank Project office is located in Vancouver at the following address:

Agnico-Eagle Mines Limited – Meadowbank Division
555 Burrard Street, Suite 375
Vancouver, BC, V7X 1M4
Canada

The Meadowbank Project is located on Inuit Owned Land as shown on the attached claim map administered by the Kivalliq Inuit Association. The IOL parcel identifier is Keewatin IOL BL-14. The sub-surface rights on the mineral claims under the Portage pit are crown leases (3783 and 3784) as shown on the attached claims map. The land to the south of IOL BL-14 is crown land. There are no other adjacent land owners.

I have attached a copy of a completed “Navigable Waters Protection Program Application – Prairie and Northern Region” form for the East Dike.

I have also attached six copies of each of the following plans of the proposed East dike prepared for Agnico-Eagle Mines Limited by our geotechnical consultant, Golder Associates Ltd:

- Drawing 6000-01 Meadowbank Gold Project Overall Site Plan;
- Drawing 6000-02 Meadowbank Gold Project Borehole Locations Plan;
- Drawing 6000-05 Meadowbank Gold Project – Proposed Dike Layout Plan (3 of 3) East Dike – Plans 1 and 2 in this series are of the Goose Island and Bay Zone dikes;
- Drawing 6000-09 Meadowbank Gold Project Proposed Dike Layout Plan (3 of 3) East Dike with Depth of Lakebed Contours;
- Drawing 6000-13 Meadowbank Gold Project Proposed Dike Layout Plan (3 of 3) East Dike Soil Thickness Isopach Contours;
- Drawing 6000-28 Meadowbank Gold Project Proposed Sections (1 of 2) East Dike & Typical Section;
- Drawing 6000-29 Meadowbank Gold Project Proposed Sections (2 of 2) East Dike & Typical Section;
- Drawing 6000-30 Meadowbank Gold Project Dewatering Dike Instrumentation Plan Locations;
- Drawing 6000-31 Meadowbank Gold Project Dewatering Dike Instrumentation Typical Section (1 of 2);
- Drawing 6000-32 Meadowbank Gold Project Dewatering Dike Instrumentation Typical Section (2 of 2); and
- Drawing 6000-40 Meadowbank Gold Project Geology Profile (1 of 3) East Dike.

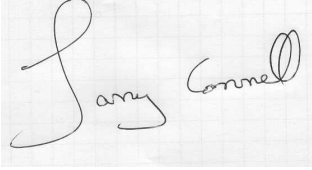
I have also included a copy of the following reports prepared for Agnico-Eagle Mines Limited by Golder Associates Ltd:

- Report on Bathymetric Surveys Meadowbank Project Nunavut, dated November 24, 2006;
- Final Report Detailed Design of Dewatering Dikes Meadowbank Gold Project Volume 1, dated March 13, 2007;
- Final Report Detailed Design of Dewatering Dikes Meadowbank Gold Project Volume 2, dated March 13, 2007;
- Final Report Detailed Design of Dewatering Dikes Meadowbank Gold Project Volume 3, dated March 13, 2007; and
- Report Addendum Detailed Design of Dewatering Dikes Meadowbank Gold Project, dated July 12, 2007.

The construction of the East Dike does not require any dredging activity and consequently there will be no spoils to be disposed of. The dikes will be constructed by Agnico-Eagle Mines Limited using open pit mining equipment with support of additional contractors for specialty work, such as the placement of the filter material and construction of the cutoff trench. These specialty contractors have not yet been chosen.

Please contact the undersigned if any additional information is required to enable Transport Canada to reach a decision on the construction of this dike under the Navigable Waterways Protection Act.

Regards,
Agnico-Eagle Mines Ltd.

A handwritten signature in black ink on a light blue grid background. The signature is written in a cursive style and appears to read "Larry Connell".

Larry Connell, P. Eng.
Regional Manager of Environment, Social & Government Affairs

cc:

Mr. Luis Manzo, Lands Administrator
Kivalliq Inuit Association
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