

NIRB File No.: 03MN107

August 20, 2008

Larry Connell Regional Manager: Environment, Social and Government Affairs Agnico-Eagle Mines Ltd. 555 Burrard, Suite 375 Box 209, Bentall Centre Vancouver, BC V7X 1M8

Via email: lconnell@agnico-eagle.com

Re: Agnico-Eagle Mines Ltd's request for modification to Condition 32 of NIRB Project Certificate No. 004 – Meadowbank Gold Project

Dear Mr. Connell:

I am writing in response to Agnico-Eagle Mines Ltd's (AEM's) July 29, 2008 request of the Nunavut Impact Review Board (NIRB) to amend Condition No. 32 of the Meadowbank Project Certificate No. 004 (December 30, 2006). On August 13, 2008, AEM formalized this request, identifying it as an application under Section 12.8.2 of the Nunavut Land Claim Agreement (NLCA) for the NIRB to reconsider Condition 32(a) of the Meadowbank Project Certificate (No. 004). Amendments to NIRB project certificates are discussed in Section 12.8.2 of the NLCA as follows:

"NIRB may on its own account or upon application by a DIO, the proponent, or other interests, reconsider the terms and conditions contained in the NIRB certificate if it is established that:

- *a)* The terms and conditions are not achieving their purpose;
- b) The circumstances relating to the project or the effect of the terms and conditions are significantly different from those anticipated at the time the certificate was issued; or
- c) There are technological developments or new information which provide a more efficient method of accomplishing the purpose of the terms and conditions."

Condition 32 of the Meadowbank Project Certificate as it is currently written states that:

"Cumberland shall operate the all-weather road as a private access road, and implement measures to limit public access to the road, including:

- *a)* The installation of locked gates at bridges 1 and 4;
- b) The posting of signs in English and Inuktitut at each gate, each major bridge crossing, and each 10 kilometers of road, stating that public use of the road is prohibited;
- c) The posting of signs in English and Inuktitut along the road route to identify when entering or leaving crown lands;
- d) Place notices on the radio and television to inform the residents of the Hamlet of Baker Lake that the road is restricted to mine use only;

- e) Require all mine personnel using the road to monitor and report unauthorized nonmine use of the road, and collect and report this data to NIRB one (1) year after the road is opened and annually thereafter; and
- f) Report any information received, including accidents or other safety incidents on the road, including the locked gates, to the GN, KivIA, and the Hamlet immediately, and to NIRB annually."

In correspondence of July 29, 2008 (attached), AEM indicated that a road gate and gatehouse were installed – and are currently in use – at Km 5 of the all-weather private access road (AWPAR), beyond the last private cabin along the road right of way. The gatehouse is manned by an AEM employee while the AWPAR is being utilised. This employee functions as a "dispatch" for all authorised traffic using the AWPAR; maintaining both radio contact with all vehicles and telephone contact with Baker Lake. Vehicles are required to report to the gatehouse prior to entering and exiting the AWPAR (going to or coming from the Meadowbank site). Dispatch records the vehicle number, the number of vehicle occupants, purpose of the trip, and ensures firstly, that the vehicle is equipped with a radio which functions on the road frequencies and secondly, that the vehicle contains proper safety equipment – a buggy whip, appropriate safety lighting, and personal protective equipment for all occupants. To date, locked gates at bridges 1 and 4 have **not** been installed in accordance with Condition 32.

As you may be aware, in June 2006, Cumberland Resources Ltd (now Agnico-Eagle Mines Ltd) provided correspondence to the NIRB¹ which addressed a number of questions and issues raised by the Board. With respect to the AWPAR, and more specifically, to address the potential for unauthorized uses of the road, Cumberland submitted the following:

"It appears that the Board is not satisfied that the collaborative approach we proposed would eliminate unauthorized use and is concerned that unanticipated impacts may still occur. Consequently, Cumberland has decided to gate the road... We will do so by installing locked gates at each of the major bridges. It will not be possible for unauthorized vehicles to travel on the road once the gates are installed. These gates will be locked all the time and will be regularly monitored." (Section 1.1, pp 5)

In the same document, Cumberland further stated:

"In light of Cumberland's commitment to gate the road, NIRB can be confident that unauthorized uses will be prevented." (Section 1.1, pp 6)

"...Cumberland has committed to banning all unauthorized use of the road. This will be accomplished by establishing a series of controlled access gates strategically situated on bridges and patrolling the road on a daily basis to ensure that unauthorized use is minimized. These gates are expected to be effective in controlling access for most types of vehicles, particularly larger vehicles such as trucks." (Section 2.1, pp 15)

Based on subsection 12.8.2 of the NLCA, information provided by AEM, the June 2006 commitments made by Cumberland, and the condition in question, it is the Board's opinion that AEM's request to accommodate the manned gatehouse currently in place and to consider it in place of the gates required by Condition 32(a) of the Meadowbank Project Certificate necessarily triggers an application to reconsider the term and condition under Section 12.8.2 of the NLCA.

¹ Cumberland Resources Ltd.'s Response to the NIRB's April 24th, 2006 Letter Regarding the Meadowbank Part 5 Review. June 2006.

All information pertaining to this application can be obtained from the NIRB's ftp site at: http://ftp.nirb.ca/MONITORING/03MN107-MEADOWBANK/01-PROJECT%20CERTIFICATE/FOLLOW-UP/CONDITION%2032/, including the following:

- *AEM email confirmation to NIRB Re: 12.8.2 Application (August 13, 2008)*
- AEM Letter to NIRB Requesting Amendment to Project Certificate Condition 32 (July 30, 2008)
- Excerpt from Cumberland's Response to NIRB's April 24, 2006 Letter (June 9, 2006)
- NIRB Letter to Meadowbank Mining Corporation Re: Follow Up to Final Hearing (April 24, 2006)

By copy of this letter, the NIRB invites interested Parties to provide comments with respect to AEM's request for a 12.8.2 reconsideration of Condition 32(a) of the Meadowbank Project Certificate. The NIRB invites interested Parties to comment directly to the NIRB by **September 5, 2008**.

The NIRB requests that Parties submit comments regarding:

- Whether a reconsideration of Condition 32(a) would meet any of the conditions established in Sub-sections 12.8.2 (a), (b), or (c) (NLCA); and if so, which one;
- Whether any such reconsideration is likely to arouse significant public concern; and if so, why;
- Whether the reconsideration will provide for the potential adverse effects previously identified to be mitigated; and
- Any matter of importance to the Party related to the request.

The NIRB requests that interested Parties send their comments to the NIRB's Manager of Environmental Administration, Leslie Payette, at lpayette@nirb.ca, or via fax to 867-983-2594.

Should you have any questions or require further information, please feel free to contact the NIRB's Assistant Technical Advisor and Monitoring Officer, Amanda Hanson, at ahanson@nirb.ca or 867-983-4615.

Sincerely,

Jeff Rusk

Director, Technical Services Nunavut Impact Review Board

Cc: Rachel Lee Gould, Agnico-Eagle Mines Ltd.

Distribution List

Attachments: Agnico-Eagle Mines Ltd. Request for Amendment (July 29, 2008)



AGNICO-EAGLE MINES LTD. Meadowbank Division

July 29, 2008

Ms. Stephanie Autut, Executive Director, Nunavut Impact Review Board PO Box 2379, Cambridge Bay, NU, X0B 0C0 Canada

Dear Ms. Autut:

Reference: NIRB Project Certificate No. 004 – Meadowbank Gold Project

Modification – Location of Locked Gates on AWPAR

NIRB Project Certificate Condition #32

Condition #32a of the Meadowbank Project Certificate requires "the installation of locked gates at bridges 1 and 4". I am writing to request a modification of this condition to reflect the practice that has been put in place by Agnico-Eagle Mines Limited that we believe still meets the spirit of this requirement but in a more effective manner.

AEM has installed a road gate and gatehouse at Km 5 on the all weather private access road between Baker Lake and Meadowbank. The gatehouse and gate are located just before you get to Quarry #1 which means that it is placed just beyond the location of the last private cabin along this right of way (this cabin pre-existed the road). The gate and gatehouse consists of a crossing barrier that can be manually raised and lowered and a gatehouse constructed from a shipping container. The gatehouse is manned by an AEM employee whenever the road is being used to move materials. This employee acts as the Dispatch for all traffic on the road. All vehicles are instructed to stop and report in at the gate prior to entering or exiting the road (going or coming from Meadowbank). Dispatch checks and records each vehicle number to ensure that it is an authorized vehicle, records each vehicle number, the number of vehicle occupants, the purpose for the trip, and that the vehicle is equipped with an appropriate radio that can be set to the road frequencies and safety equipment (buggy whip for the mine and appropriate safety lighting). The gatehouse is equipped with radio and telephone (via satellite link) so that Dispatch can monitor all activity along the road and contact mine security or emergency services if required. If the gatehouse cannot be manned (for some unexpected cause) then the barrier can be lowered and left secured in the down position blocking access to the road.

Baker Lake Office:

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Baker Lake, Nunavut

AEM has not installed lockable gates at bridges 1 and 4 as required for the following reasons:

- The amount of daily traffic along this road would make an unmanned locked gate
 an impractical means of controlling access. We predict that such a system would
 result in the gates being left unlocked for large amounts of time as drivers would
 be unwilling to close and re-lock the gates behind them;
- There would an increased risk of collision from vehicles stopping to lock and unlock these gates at bridges 1 and 4 as other vehicles came up on the stopped vehicle on the road:
- These gates would be perceived by the drivers as being an inefficient system causing them to lose time and consequently AEM would be constantly battling human nature to have employees and contractors lock and unlock these two gates on each passage;
- The two gate system does nothing to ensure safety along the AWPAR.

In our opinion the manned gatehouse is more likely to succeed in controlling unauthorized use of the AWPAR and it allows for better communication and safety along the road as it centralizes all radio communication with respect to who is on the road, what hazards or surprises may be present and where (such as wildlife on the road), and allows for travel times and hence speed along the road to be monitored by Dispatch. We believe that this modification still ensures that the intent of Condition 32a is being met. In AEM's opinion this modification allows for a more efficient control over unauthorized traffic entering the road. We are writing to ask NIRB's approval of this modification.

We acknowledge that gates alone will not prevent unauthorized use of the AWPAR. ATV's can find ways around our gates no matter where or how we place them. Consequently other techniques need to be applied by AEM to control unauthorized access. We have initiated public education and notification programs and have ordered the signage as required under Condition 32.

Please feel free to call on the undersigned for any additional information.

Regards

Agnico-Eagle Mines Limited

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Larry Connell, P. Eng.

Regional Manager: Environment, Social and Government Affairs

CC:

Luis Manzo - KIA