

January 3, 2008
P07-187

Mr. Dave Hohnstein
Acting Director - Technical Services
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

By email: dts@nunavutwaterboard.org

**RE: THIRD-PARTY REVIEW OF MEADOWBANK PROJECT, NU
ON BEHALF OF THE NWB**

Dear Dave:

As verbally discussed, the Nunavut Water Board (NWB) wishes to retain BGC Engineering Inc. (BGC) to review selected aspects of the Meadowbank Gold Project, now owned by Agnico-Eagle Mines Ltd. The purpose of this current letter is three-fold:

1. Firstly, to express our desire and interest to do this review on behalf of the NWB.
2. Secondly, to provide some background on the work which BGC has previously done on this project, on behalf of the previous owner, Cumberland Resources.
3. Thirdly, to suggest a potential workscope that BGC could be involved with, subject to acceptance by the NWB.

As BGC has noted, BGC was involved significantly with the Meadowbank Gold Project previously for Cumberland Resources during the period roughly defined from 2004 until 2006. Within that time period, BGC undertook approximately 1,200 hours of billable work. The scope of the work included 11 main tasks related to the Environmental Impact Assessment (EIA) for the project. Within that time, BGC reviewed, assessed and compiled baseline information related to hydrology, permafrost, groundwater, climate change and the waste rock storage area. BGC also provided a recommended allowance for global warming for the site. It should be noted that final design work of dams, dike and open pits has been undertaken by Golder Associates Ltd. and BGC has not been explicitly involved at all with this work. It is possible that site baseline characterization work from 2004 to 2006 has been used within the design work undertaken by Golder Associates.

It should also be noted that the majority of the previous work was undertaken by BGC staff from our Vancouver office including Dr. Wayne Savigny and Mr. Mike Porter, with some global warming input by Mr. Jim Cassie. Due to current work requirements and the proposed review schedule, BGC is proposing that the following staff be used for the current Meadowbank review work:

- Dr. Kevin Biggar, P.Eng. – permafrost, geotechnical and geoenvironmental engineering specialist with some 20 years of experience.
- Mr. Jack Seto, P.Eng. – climate change, permafrost and geotechnical engineering specialist with some 15 years of experience.
- Mr. Warren Newcomen, P.Eng. – 20 year engineer specializing in rock slope and open pit design.

Each of these staff members has some availability between now and mid-February and would be able to commit to review work, should NWB provide authorization to do so by next week.

As such, BGC would be pleased to review the geotechnical and permafrost aspects related to tailings dam design, dikes and dams within lakes and open pit design, should NWB require that scope of review assessment. As such, we would like to have confirmation from the NWB that this proposed review scope is compatible with its desires. In addition, this level of review could require a significant budget allowance and the NWB should be cognizant of that fact. A proposal and budget could be prepared, if so desired.

We trust the enclosed letter meets your present requirements and we look forward to initiating this review work in the very near future, based on written direction from the NWB. If you have any questions or require additional information, please contact either of the undersigned.

Respectfully submitted,

BGC ENGINEERING INC.

per:



James W. Cassie, M.Sc., P.Eng.
Specialist Geotechnical Engineer



Holger Hartmaier, M.Eng., P.Eng.
Senior Geotechnical Engineer

Cc: Dr. Kevin Biggar, P.Eng.
Mr. Jack Seto, P.Eng.
Mr. Warren Newcomen, P.Eng.