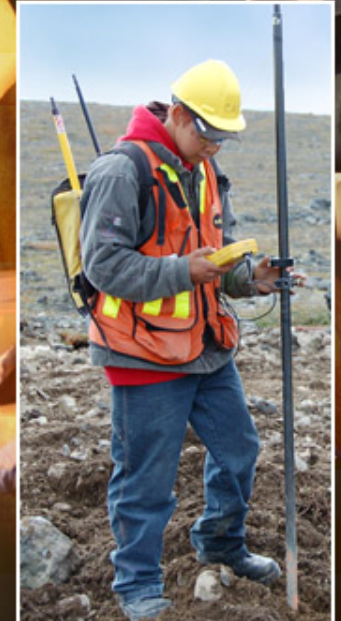




AEM

Agnico-Eagle Mines Limited

Meadowbank Gold Mine Project
Nunavut Water Board Public Hearing
Type A Water License Application
April 2008



Agnico – Eagle Mines Limited

Who are we?

AEM

- Head office in Toronto
- Have been in the gold mining business for 35 years
- Main operations located in Northwestern Quebec
- We are mine builders and Operators
 - **Purchased Cumberland Resources in 2007 & amalgamated into Agnico-Eagle Mines Ltd. Meadowbank is now a 100% owned division**
 - **Established a new Project office in Baker Lake in 2008**

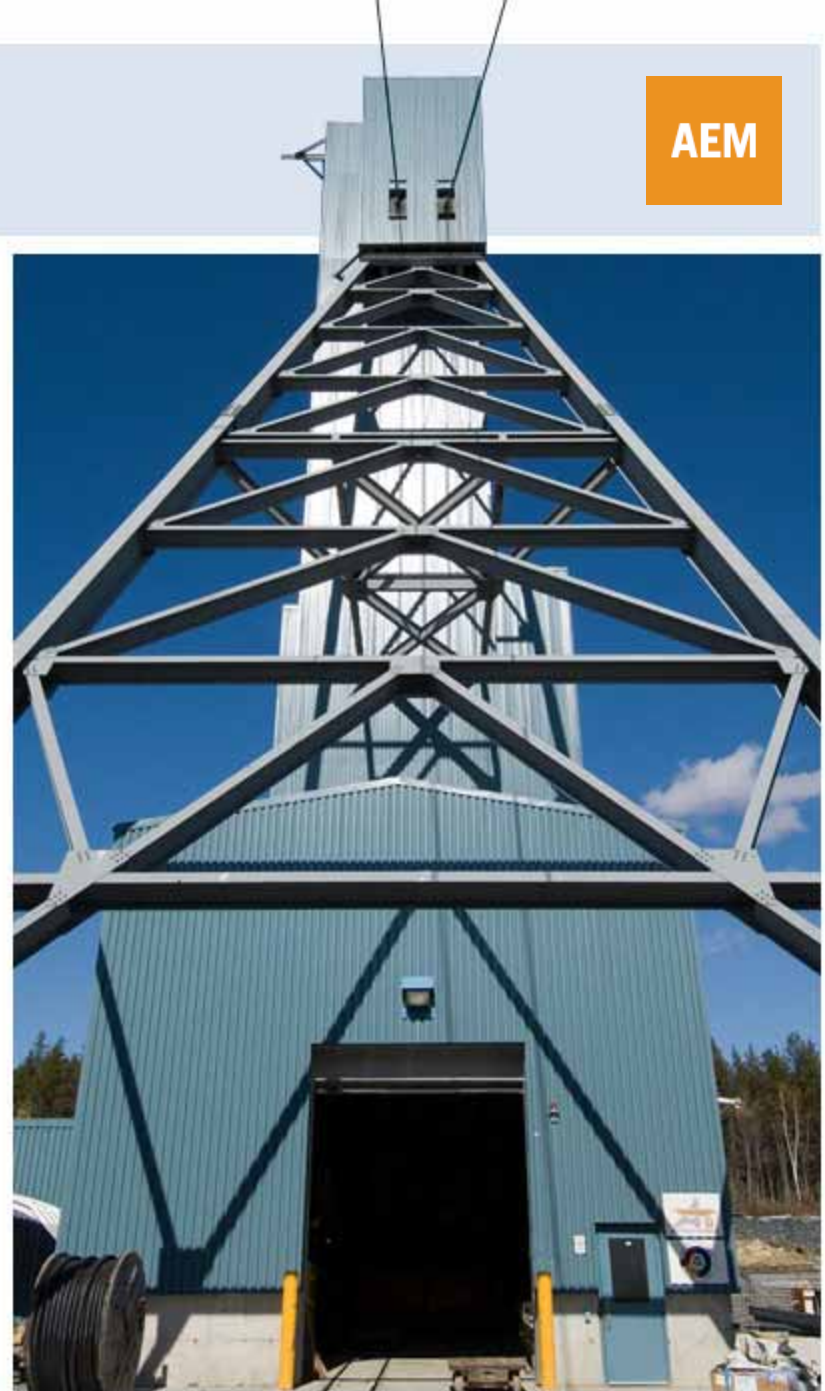


Agnico – Eagle Mines Limited

Core Values

AEM

- Work closely with our employees
- Provide training programs and career development
 - Low turnover - low absenteeism
 - Many employees have been with us for 20 years
 - Student scholarship program and employment
- Involved in the local communities
 - Policy of using local services as much as possible
 - Support local organizations and charities
- Employee assistance programs
 - Financial, legal, medical
 - Computer purchase plans
- Insurance and benefit plans



- **Highest standards used in all jurisdictions and significant in-house expertise**
- **Excellent relationships with all regulatory agencies – transparent open door policy**
- **Partner with Quebec Gov't for rehabilitation of Manitou abandoned tailings**
- **Member of consortium to clean-up abandoned exploration sites in Nunavik**
- **AEM awarded the 2008 Sustainability Development Prize for Western Quebec from the Desjardin Group**
- **Received certification from Government in Mexico as a “Socially Responsible Company”**



Where is The Meadowbank Project

AEM

**Meadowbank Project is located
70 km north of Baker Lake**

**Connected to Baker Lake by a
110 Km all weather access road
that was completed in March of
2008**

Project is on Inuit Owned Land



Meadowbank Camp in the summer of 2007

AEM

Second Portage Lake

Third Portage Lake



- **Inuit Impact and Benefits Agreement is in place and is now being implemented – First payments have been made – Construction Decision under the IIBA given in December 2007**
- **Water Compensation Agreement with the KIA under Article 20 of the Nunavut Land Claims Agreement reached and signed.**
- **Specific terms are confidential but agreement addresses compensation for water used by the project, water flows altered by the project and provides for monitoring by the KIA through the construction, operation, closure and post closure phases of the Meadowbank Project**
- **Development Partnership Agreement with GN in place**

Quick Facts About The Meadowbank Project

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Mine Life: Construction 2 Years

Mine Operations 10 Years

Mine Throughput: 8,500 tpd

Metallurgical Recovery: 93%

Mining Method: Three Open Pits

Initial Capital Cost: C\$414 million

Sustaining (life of mine): C\$65 million

Mine is on IOL Land – Mineral rights to NTI and Canada 390 permanent jobs

Average annual production:

Years 1 to 4: 400,000 oz Au

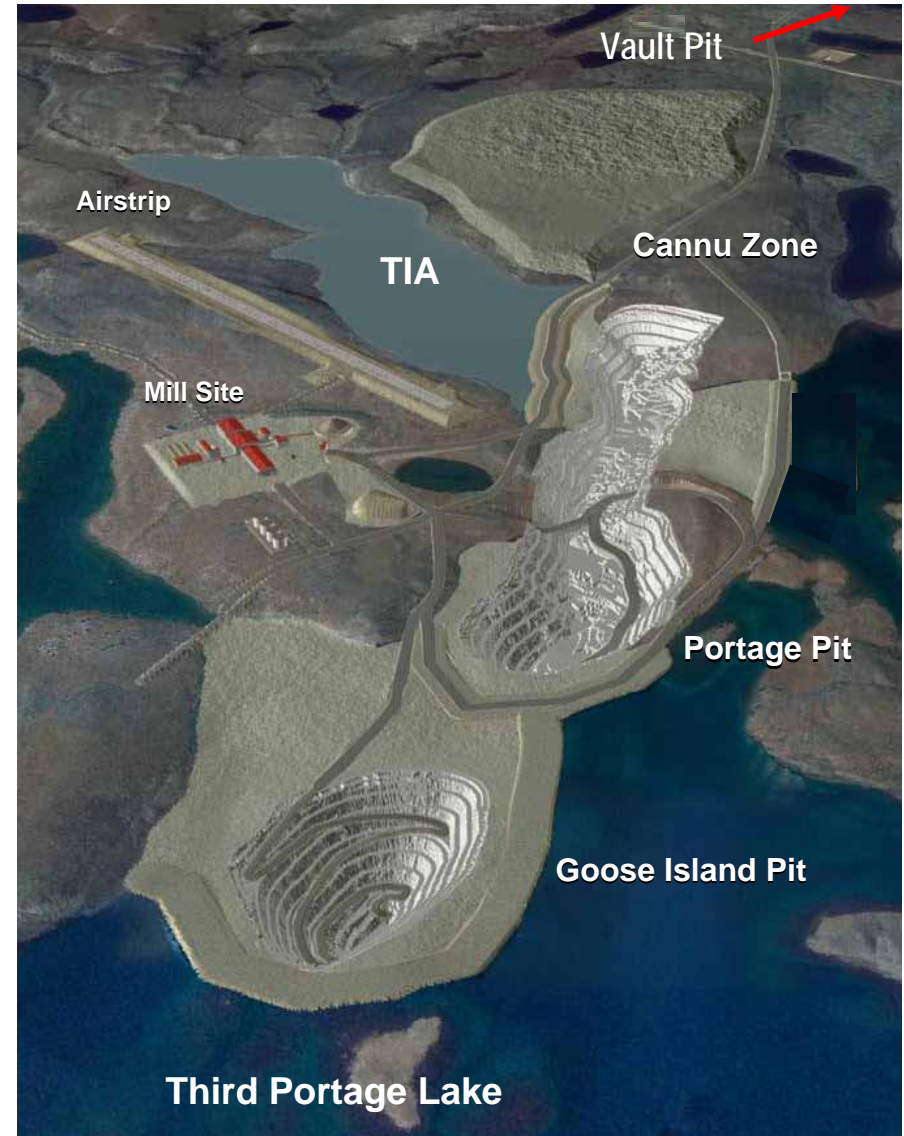
Life of Mine: 350,000 oz Au

Est. Total Cash Cost per oz:

Years 1 to 4: \$230

Life of Mine: \$250

Open Pit Mineral Reserve: 3.5 million oz Au



Second Portage Lake

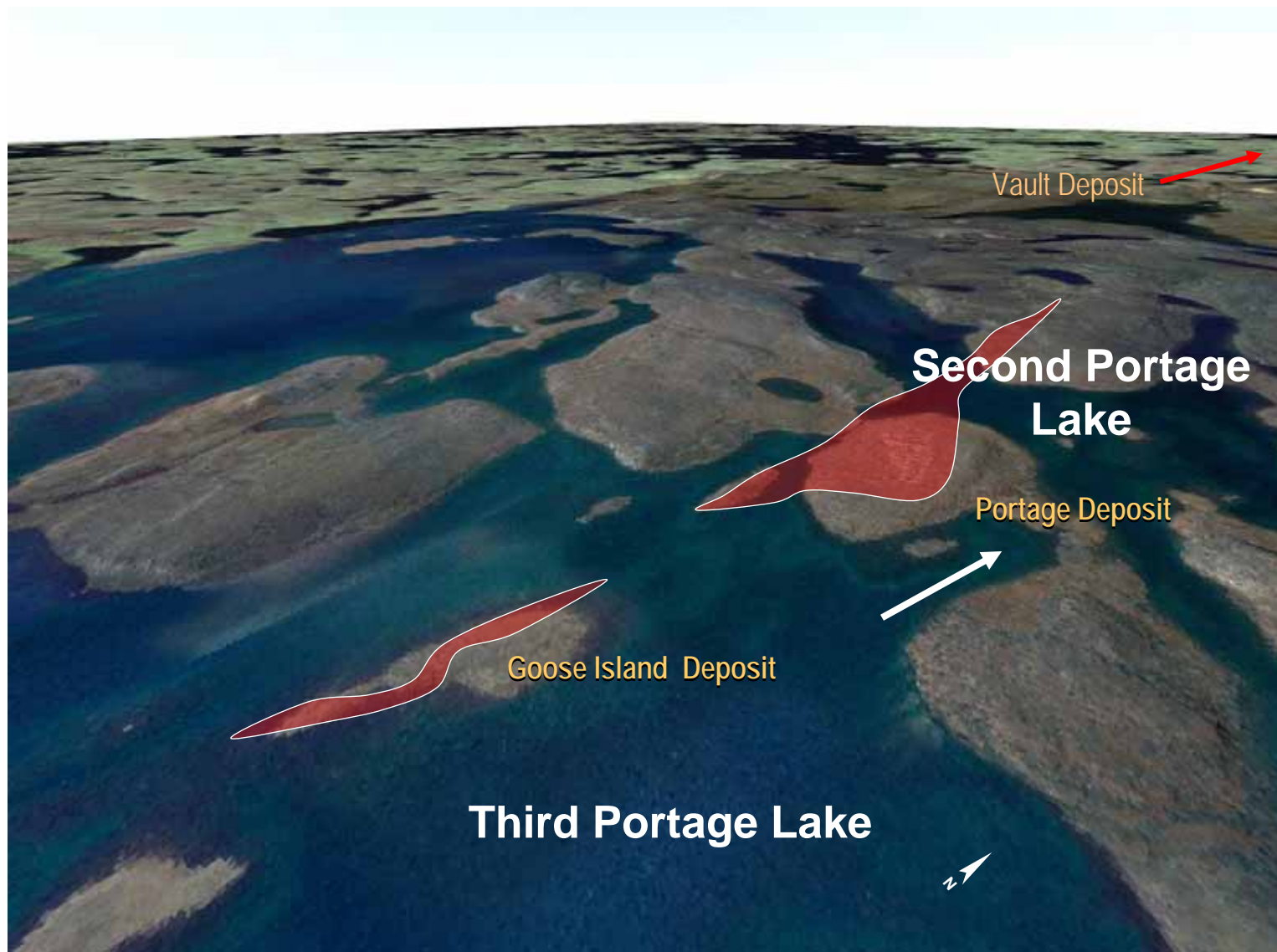
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**Meadowbank
Site**

Where is the Ore?

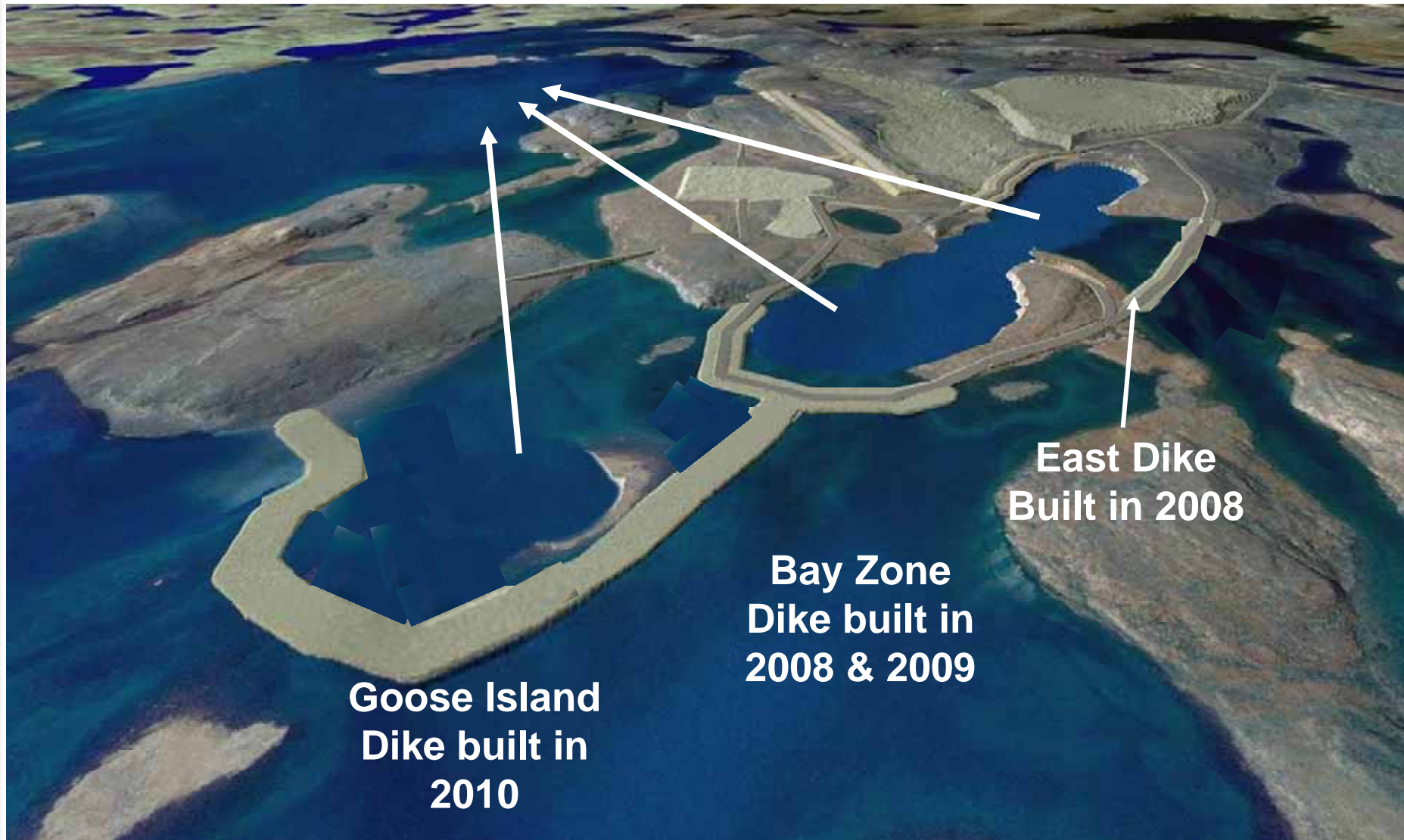
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Meadowbank Project

Construction of Dewatering Dikes

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Meadowbank Project

Mine Production

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Meadowbank Plant Site – Conceptual View

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Solid Waste:

Organic Wastes

Garbage

Oil Contaminated Snow and Soil

Sewage

Hazardous Wastes

Waste Rock

Tailings

How will Waste Rock be Sorted and Stored?

- **Open Pit Mine will generate ~ 60,000 tonnes of waste rock every day**
- **Waste rock is the rock mined that contains no ore that must be removed to get to the ore**
- **All rock mined will be tested on site in a lab to determine whether it is ore or waste and to allow the PAG rock to be segregated from the non-PAG rock**
- **The PAG rock is buried under the UM non-PAG rock to neutralize oxidation products**



Waste Rock Storage

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- **Portage Pit Waste Rock Storage Pile (completed by 2012)**
- **Remains after mine is closed**
- **Drainage monitored and directed to attenuation pond for treatment if needed**
- **Goose Island pit waste will also go to the south end of the Portage Pit**
- **Vault waste rock pile – mostly UM non-PAG rock**

- **Tailings are placed in the dewatered rock lined former NW Arm of Second Portage Lake**
- **Permanently isolated by dams**
- **At end of mine life all remaining water is removed and placed into mined out pits**
- **Tailings are allowed to freeze and will be covered by UM non-PAG waste rock**



How will Organic Waste Be Handled? – Waste that will smell and attract wildlife

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- **Organic Wastes**
 - **Kitchen Waste – garbage from the kitchen and dining hall including packaging in contact with food**
 - **Waste from Dorm rooms, lunchrooms and offices**
- **Need to keep these wastes out of the landfill – smells will attract wildlife**
- **These types of wastes will be collected at source and burned in an incinerator at the mine site preferably on a daily basis**
- **New incinerator coming in 2008 to meet new CWS Standards**



Garbage

- **Non hazardous, non organic garbage such as plastics, wood waste, scrap steel, clean broken machine parts and broken equipment**
- **Landfill will be built on site within the waste rock dump**
- **Segregate garbage into separate piles (plastics, wood, and steel, etc.) to allow for some recycle or reuse. Material not reused will be moved to the landfill dump and then buried under waste rock**

Waste Rock Dump – Location of Landfill

- Garbage placed in a designed specially built area of the waste rock pile
- Only non-hazardous waste goes to landfill
- Drainage from landfill will be monitored and water sent to attenuation or reclaim water pond
- Garbage covered over with rock to prevent it blowing around



Waste Oil

- **Waste oil will be collected and placed in a tank incinerated**

Waste antifreeze, waste solvents, waste chemicals, old batteries

- **Hazardous waste materials will be sorted, handled accordingly and shipped south each year for recycling and/or disposal at a licensed disposal site.**
- **This will be done under proper hazardous manifests authorized by the GN DoE.**

Treatment of Snow and Soil Contaminated by Diesel Fuel and Oil from Accidental Spills at Meadowbank

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Contaminated Snow & Soils

- **Snow & soil contaminated by diesel or engine oil will be treated in a landfarm facility**
- **Runoff from the facility will be collected and treated**

Landfarm



Sewage Treatment Plant (STP) at Meadowbank

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- **All toilet, sink and shower water will be collected and sent to a sewage treatment plant**
- **Treated sewage is then sent to tailings during mine life (no water released to environment)**
- **During construction treated sewage water sent to stormwater pond, sludge filtered and incinerated**



How will water be Used at the Meadowbank Project?

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- **Storm water & Snow melt**
- **Water diversions**
- **Drinking Water**
- **Process Water**



Stormwater & Snow Melt

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- **All site runoff and snow melt water that comes in contact with the plant site will be collected and directed to the Stormwater management pond**
- **Stormwater pond water will be used in the mill or pumped to the attenuation or reclaim pond**
- **Stormwater will be monitored**



Attenuation Pond

- **The attenuation pond will receive water from the open pits, waste rock storage facility and storm water pond**
- **Water quality will be tested**
- **Attenuation pond water will be pumped through a diffuser into Third Portage Lake in the spring and early summer**
- **Water will meet EOP standards designed to protect aquatic life within 30 m of the diffuser**



Total # of Habitat Units (HU's) for the Project Area Lakes is 17,570 HU

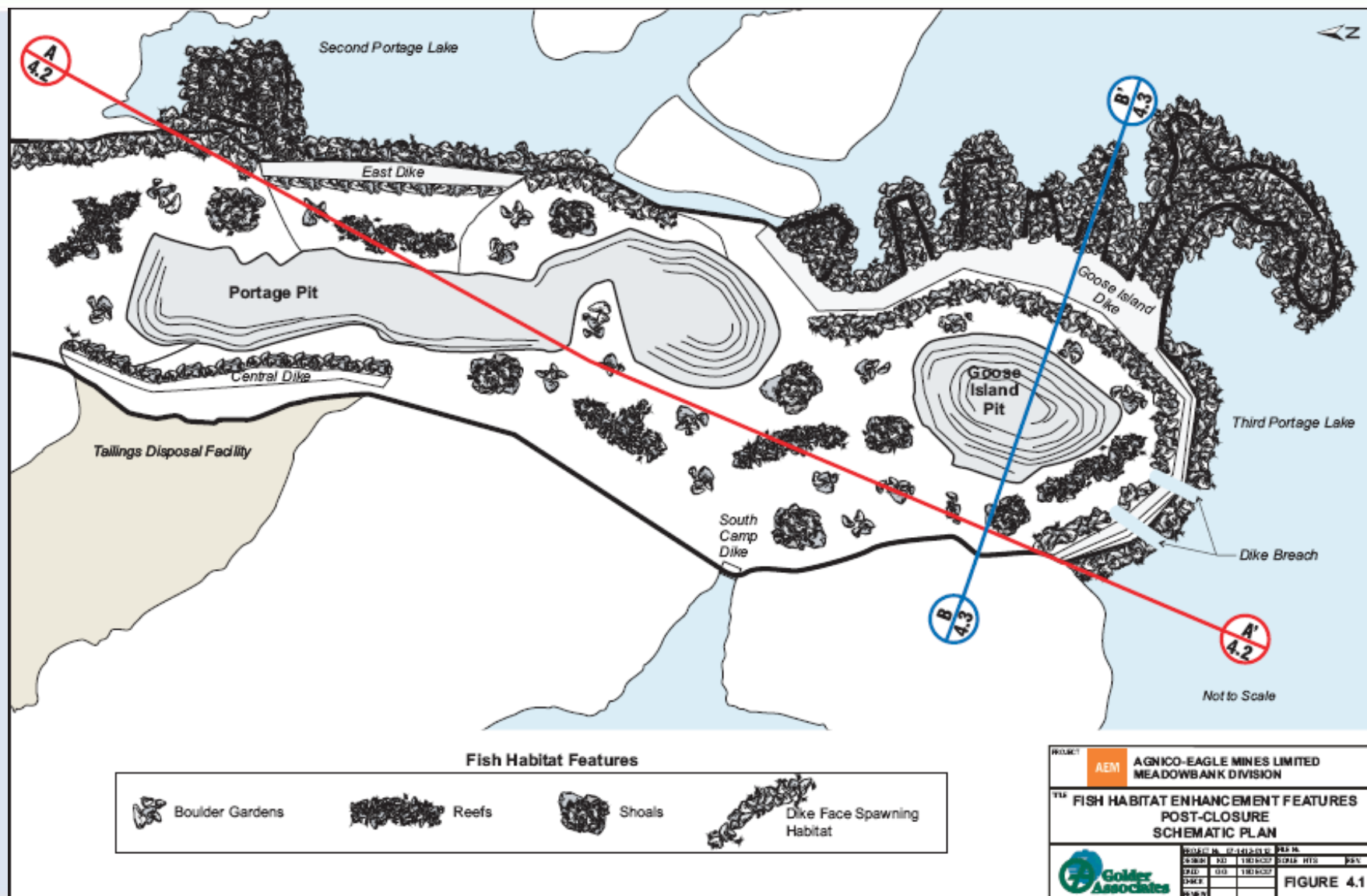
Fish Habitat Units Lost due to Project is 1,761 HU

Fish Habitat Units Created due to Project Compensation is 2,152 HU

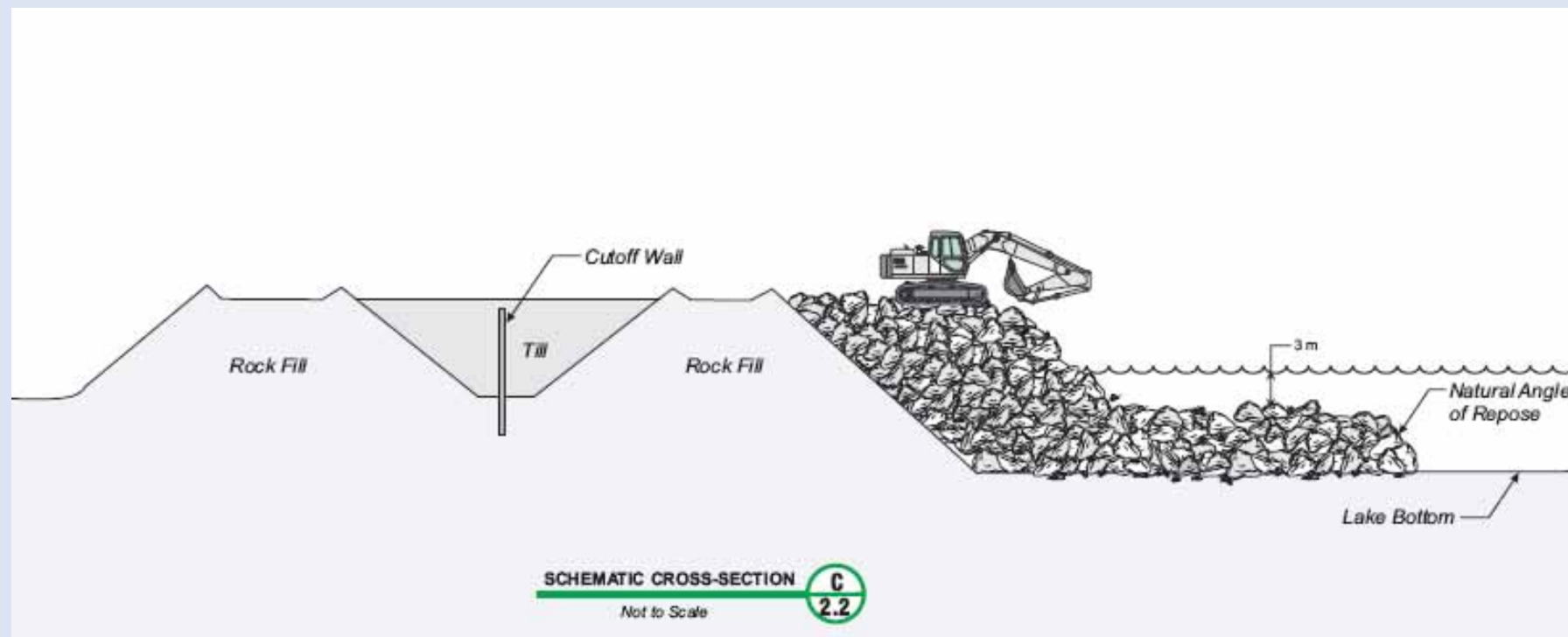
MEADOWBANK GOLD PROJECT
No-Net-Loss Plan (NNLP)
November 2006

Project Component	HUs Lost	HUs Gained	Net HUs	NNL Ratio
Mine Site	1,390	1,402	+12	1:1
<i>TIA</i>	<i>370</i>	<i>749</i>	<i>+379</i>	<i>2:1</i>
AWPAR	0.5	1.32	+0.8	2.5:1

Habitat Compensation – Finger Dike Extensions (5)



Construction of Finger Dikes



- **Pre-construction activities are underway**
- **There is excellent potential to find more gold – good results to date**
- **There is excellent support for the project**
- **The project is fully financed**
- **Agnico-Eagle intends to work with all the stakeholders in the region**
- **Will continue to build relationships with local communities & the KIA – respect IIBA**
- **Training local personnel a priority**





