July 3, 2008   *Via Email*

Andrew Keim
INAC, Nunavut District
PO Box 2200
Qimuggjuk Building
Iqaluit, NU   X0A 0H0

Dear Mr. Keim

Re: Meadowbank Gold Project Update

On March 5, 2008, Larry Connell of Agnico-Eagle Mines wrote a letter to you responding to the various issues raised during your inspection of the Meadowbank project on June 25, 2007. In that letter, AEM responded to your comment regarding the bulk fuel inspection tank in the following way:

> **Section A:** Water license inspection of Meadowbank Exploration Project June 25, 2007
> **Part A:** Scope and Conditions
> **INAC request** - During the period of inspection a five million litre tank was not observed. The proponent is asked to provide information on the location of the tank to the inspector as soon as possible.
> **AEM response** - The Bulk Fuel Storage Tank with a nominal capacity of 5 million litres authorized under License 2BE-MEA0507 has not yet been constructed. In 2006 Cumberland Resources completed some initial site preparation for this facility but did not proceed. AEM intends to construct this bulk storage tank in 2008 in accordance with the detailed designs that were previously submitted to the Nunavut Water Board (NWB). We will advise you and the NWB of the projected start of construction once a contractor has been lined up.

Agnico-Eagle Mines has contracted Gem Steel to complete the construction of the 5 million liter fuel tank at the Meadowbank project site and the bulk fuel tank farm in Baker Lake. Construction at both sites is scheduled to begin on August 1, 2008.

Please accept this letter as 30 days notification for the start of this construction. Should you have any questions, please contact me at 604-622-6527 or rgould@agnico-eagle.com.

Regards,

RL Gould

Rachel Lee Gould, M.Sc.
Project Manager: Environmental Permitting & Compliance Monitoring

c.c. Richard Dwyer, Nunavut Water Board