

February 5, 2019

Stephanie Autut  
Executive Director  
Nunavut Water Board  
Box 119  
Gjoa Haven, NU X0B 1J0

Dear Stephanie Autut:

**Re: Meadowbank Water Compensation Matters**

Further to the letters sent to you by Agnico-Eagle Mines (Agnico) on Dec. 21, 2018 and on Jan. 22, 2019, Agnico is writing to provide you with an update.

Agnico is pleased to report that we have entered into an agreement (dated January 24, 2019) with KIA in connection with next steps required in order to permit KIA and Agnico to work together on outstanding items relating to water compensation, while allowing for the continued operation of the Meadowbank Mine and development of the Whale Tail Mine and not causing any delays to Whale Tail Mine production scheduled to commence in July 2019.

The above noted agreement includes the following covenant of KIA:

KIA will confirm in writing by Friday, January 25, 2019 to the Nunavut Water Board that for the purposes of the In-Pit Disposal amendment/modification, it is satisfied that the water compensation in place is sufficient for the Nunavut Water Board to proceed with its final decision making in accordance with section 63 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("NWNSTRA") and complete the Nunavut Water Board process relating to the In-Pit Disposal amendment/modification;

As at the date of this letter, it is our understanding that KIA may not yet have complied with the above provision but we anticipate such compliance in the near future.

Agnico and KIA are continuing to negotiate in good faith to bilaterally resolve matters relating to Meadowbank water compensation. It remains Agnico's hope that these matters can be

resolved bilaterally between Agnico and KIA, and that it will not be necessary to formally initiate a NWB water compensation determination process in the near future.

We request NWB's confirmation that no further information is needed with respect to water compensation in order for NWB to proceed with its decision making on the In-Pit Disposal amendment/modification.

We thank the NWB and its staff for your support and assistance on these important matters in recent weeks.

Sincerely,



Dominique Girard  
Vice-President, Nunavut

copy to: Gabriel Karlik, Kivalliq Inuit Association