



Water Resources Division  
Nunavut Regional Office  
Indian and Northern Affairs Canada  
Iqaluit, NU X0A 0H0

File 9545-4-2.2AM.MEAS  
CIDMS 242909

August 6, 2008

Larry Connell  
Regional Manager: Environment, Government, and Social Affairs  
Agnico-Eagle Mines Ltd.  
Vancouver, BC V7X 1M4

**Re: Water License 2AM-MEA0815, Agnico-Eagle Mines Ltd., Meadowbank Gold Project, Kivalliq Region, Proposed Form of Security**

Dear Mr. L. Connell,

Thank you for your email correspondence of July 17/08 and August 5/08 in which you requested confirmation that a sample Letter of Credit (Scotiabank #S185724/25973), in that form, would suffice as an acceptable form for the security required for your project. As you are aware, Agnico-Eagle Mines Ltd. is required to furnish and maintain security with the Minister pursuant to Part C, Item #1 (a-f) of water license #2AM-MEA0815. The first installment of \$26,000,000.00 is required by August 9, 2008.

The Department has reviewed your request, including the sample Letter of Credit, and the following is provided,

1. The Department recognizes that the sample provided is just that, a sample, and is not related to the Meadowbank Gold Project or water license. Therefore, this sample was reviewed in form only. Agnico-Eagle Mines Ltd. should provide a draft letter of credit for review with the actual particulars related to the Meadowbank Gold Project.
2. The beneficiary under the letter of credit should be revised to read as follows:  
Her Majesty the Queen in Right of Canada as represented by the Minister of Indian Affairs and Northern Development Payable to the Receiver General for Canada  
c/o P.O. Box 100, Building 918  
Iqaluit, Nunavut  
X0A 0H0  
Attention: Regional Director General, Nunavut Regional Office
3. In the second last paragraph, the precedent refers to an out of date version of the Uniform Customs and Practice for Documentary Credits. The 2007 revision should be referenced, and should exclude the operation of Article 36 thereof.

Should you have any questions, please feel free to contact me by telephone at (867) 975-4550 or email at [BuckK@inac-ainc.gc.ca](mailto:BuckK@inac-ainc.gc.ca).

Yours truly,  
*Original signed by*

Kevin Buck  
Manager of Water Resources

Cc:  
David Abernethy, INAC  
Carl McLean, INAC  
Michael Nadler, INAC  
Ken Landa, Justice Canada  
Dionne Filiatrault, Nunavut Water Board