



Our file - Notre référence

IQALUIT-#955584

October 15, 2015

Larry Connell
Corporate Director Regulatory Affairs
Agnico Eagle Mines Limited
145 King St. East, Suite 400
Toronto, ON
M5C 2Y7

Sent via email: larry.connell@agnico-eagle.com

Re: Rejection of Toronto-Dominion Bank Irrevocable Standby Letter of Credit No. G202743

Security Deposit:	Toronto-Dominion Bank Irrevocable Standby Letter of Credit. Reference No. G202743
Amount:	\$71,700,000
Applicant:	Agnico Eagle Mines Limited
Beneficiary:	Her Majesty the Queen in Right of Canada, as Represented by the Minister of Indian Affairs and Northern Development Canada Payable to the Receiver General for Canada c/o P.O. Box 100, Building 918, Nunavut, Canada, X0A 0H0
Water Licence:	Nunavut Water Board Licence No. 2AM-MEA1525
Licensee:	Agnico Eagle Mines Limited
Project:	Meadowbank Gold Mine

Dear Mr. Connell,

Please be advised that on behalf of the Minister of Indian Affairs and Northern Development, I am not accepting the above referenced irrevocable standby letter of credit (ISLOC) that was issued by the Toronto-Dominion Bank to satisfy the reclamation security requirements of Agnico Eagle Mines Limited's July 23, 2015 type A renewal-amendment water licence, No. 2AM-MEA1525. The ISLOC has one deficiency that affects its validity and one other minor issue. Please let me know if the ISLOC should be returned to the Toronto-Dominion Bank or if it should held pending the receipt of an amended copy.

Major Issue

The ISLOC does not reference **Toronto-Dominion Bank** immediately above the authorized signatures so there is nothing but the context of the ISLOC to tie the signatures to the bank. The ISLOC appears to be signed by two authorized representatives but this cannot be confirmed because there is no statement to the effect that they are authorized representatives of Toronto-Dominion Bank. This oversight may pose problems if a call against the ISLOC is required. The ISLOC should be corrected to ensure authorized representatives are signing on behalf of Toronto-Dominion Bank. The criteria were included in the original template provided to you on September 25, 2015.

Minor Issue

There is one minor issue within the ISLOC that does not affect its validity but should be corrected.

The ISLOC does not contain the “Attention” line as provided in the department’s template document (attached). This difference does not affect the ISLOC’s validity. However, this line is included in the template to ensure any notice received from the bank is routed properly within the department to avoid delays. This issue should be resolved while addressing the major issue described above.

The missing line in question is:

“Attention: Manager of Water Resources, Nunavut Regional Office”

The remainder of the ISLOC contains the wording or information as required by the department’s template for acceptable letters of credit.

Conclusion

The only part of the ISLOC that requires correction is to provide wording that ties the “authorized representatives” to the Toronto-Dominion Bank. If the wording set out in the department’s template were followed the following would appear at the bottom of the ISLOC complete with the appropriate signatures and missing information;

The Toronto-Dominion Bank

Official’s Name and Position

Official’s Name and Position

While making this correction, the “Attention” line as provided in the department’s template document should also be corrected to ensure correspondence related to the ISLOC is brought to the attention of the Manager of Water Resources, Nunavut Region.

To avoid further delays please provide a draft copy of a corrected ISLOC to me via email at your earliest convenience. AANDC will review and comment on this new draft and upon concurrence a new ISLOC may be issued by Toronto Dominion Bank.

Please don't hesitate to contact me by email at Andrew.Keim@aandc-aandc.gc.ca or telephone at (867) 975-4550 for further information.

Sincerely,

Original signed by

Andrew Keim
A/Manager of Water Resources
Nunavut Regional Office
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
IQALUIT, Nunavut
X0A 0H0

Cc.	David Abernethy, AANDC	Sarah Forte, AANDC
	Erik Allain, AANDC	Karen Costello, AANDC
	Nathan Sidon, AEM	Stephane Robert, AEM
	Stephanie Autut, NWB	Phyllis Beaulieu, NWB

Encl.

Aboriginal Affairs and Northern Development Canada. *Aboriginal Affairs and Northern Development Canada Securities Template, 2012.*