



January 3, 2013

Via Email

David Hohnstein
Director Technical Services
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Mr. Hohnstein,

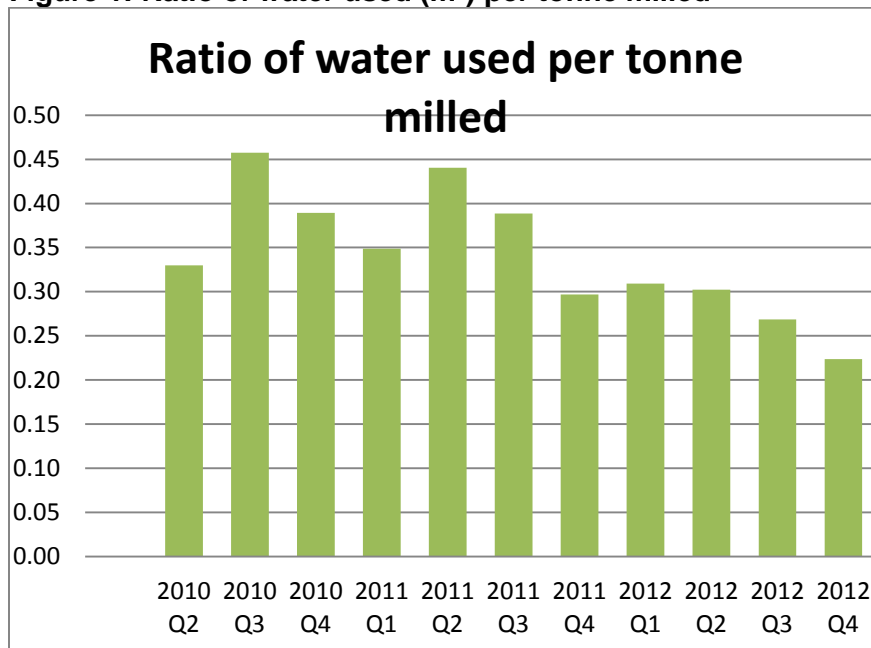
Re: Meadowbank Gold Project - 2AM-MEA0815 –Fresh Water Consumption

Following our letter of September 21, 2012, AEM is providing the Board with an update of our freshwater consumption.

In the summer 2012, engineering was completed for our action plan to decrease fresh water consumption. We finalized the implementation of our action plan in mid-December 2012. Since the summer, 2012, we have increased our recirculation of reclaim water by 80% (72% in the second quarter of 2012) which has reduced our fresh water consumption by almost 40 m³/hr (which represents a reduction of 350,000 m³ per year). Figure 1 indicates that the ratio of water used (m³) per tonne milled decreased significantly, by 24 m³/tonne (46 m³/tonne (Q3 2010) to 22 m³/tonne in Q4 2012).

With the completion of this action plan, AEM should be able to achieve our current limit of 700,000 m³/year in 2013 and no amendment for the increase of the fresh water use should be needed. We will continue during the year to investigate other measures to reduce our water consumption of fresh water. If the situation changes during the year, AEM will advise the Nunavut Water Board accordingly.

Figure 1: Ratio of water used (m³) per tonne milled



Should you have any questions, please contact me via email at stephane.robert@agnico-eagle.com

Regards,
Agnico-Eagle Mines Limited – Meadowbank Division



Stéphane Robert
 Manager Regulatory Affairs Nunavut