



AGNICO-EAGLE MEADOWBANK
555 Burrard Street, Suite 375
Box 209, Two Bentall Centre
Vancouver, British Columbia V7X 1M8
Tel. 604.608.2557 Fax. 604.608.2559

agnico-eagle.com

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Mr. Richard Dwyer
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

**Reference: Meadowbank Gold Project Type A Water License 2AM-MEA0815
Report on Tailings Storage Facility Dike Design**

Please find enclosed the following documents submitted in accordance with the terms and conditions of Water License 2AM-MEA0815, Part G:

- Golder Document 784, Report on Tailings Storage Facility Dike Design, Meadowbank Gold Project; and
- Golder Document 820, Cover Letter to accompany Report on Tailings Storage Facility Dike Design.

This Tailings Storage Facility (TSF) Dike Design report reflects modifications to the original TSF Design Plan. This report provides the Nunavut Water Board (NWB) with the modified tailing deposition plan, the detailed engineering designs for the Stormwater Dike, the Central Dike and the six small Saddle Dams that ultimately are required to contain all tailings over the Meadowbank mine life. This design was presented to the Meadowbank Geotechnical Review Board (Board) in early January 2009 and has received their approval. A copy of the Board's report will be submitted under separate cover.

This modification is primarily driven by the dewatering schedule for the TSF area. Dewatering is scheduled to commence on March 01, 2009 and continue through the remainder of the year. However, complete dewatering is required before construction of the Central Dike, but this is unlikely to be achieved in 2009. In order to meet the original mine start up schedule, the tailing deposition sequence has been changed accordingly. These modifications do not change the life-of-mine tailings deposition strategy and remain consistent with the terms and conditions of Water License 2AM-MEA0815.

The modified plan tailings deposition will start against the upstream face of the Stormwater Dike into the North cell of the TSF while the South cell will act as the Stormwater attenuation pond. The principal of segregating water in contact with mill tailings from storm water remains unchanged. Again only storm water meeting compliance with the water quality requirements contained in Water License 2AM-MEA0815 will be discharged into the receiving environment.

Please note that the attached Golder report uses the term Diverter Dike instead of Stormwater Dike. Nonetheless, Diverter Dike and Stormwater Dike are names for the same structure, which is the dam separating the North and South sections of the TSF.

The Stormwater Dike design was approved by the NWB under 2AM-MEA0815 Part A, Item 1, however the modifications incorporated into the design require a minimum 60 day notice prior to the start of construction (Part G, Item 1). Under the revised TSF plan, Agnico-Eagle Mines Limited (AEM) intends to construct the Stormwater Dike to an elevation of 140 m in the summer of 2009 with a subsequent raise of this dike to 150 m in the summer of 2010.

The detailed design of the Saddle Dams was not presented as part of the original water license application and consequently the design has to be submitted 6 months prior to construction as required under Part D, item 2. The attached report provides the detailed engineering design for Saddle Dam #1 as well as the other five saddle dams required to fully contain the TSF over the mine life. AEM would like to construct Saddle Dam #1 to an elevation of 140 m starting in mid June 2009. Consequently, AEM asks the NWB if this required 6 month review period could be reduced to four months for Saddle Dam #1 in order to meet the construction schedule.

Golder Associates Ltd., on behalf of AEM, is revising the Mine Waste and Water Management Plan to reflect these changes in the tailings deposition strategy. The revised Plan will be submitted to the NWB by the end of March 2009.

Should you have any questions, please contact the undersigned directly at 819-759-3700 ext.814 or via email at stephane.robert@agnico-eagle.com.

Regards,

Agnico-Eagle Mines Limited – Meadowbank Division

A handwritten signature in black ink, appearing to read 'Stéphane Robert', with a stylized flourish at the end.

Stéphane Robert
Environment Superintendent

*cc: Kevin Buck, Indian and Northern Affairs Canada
Stephen Hartman, Kivalliq Inuit Association*