

January 27, 2013,

Via Email and Express Post

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Manager of Licensing
Nunavut Water Board
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Dear Phyllis,

Re: Meadowbank Water License 2AM-MEA0815 - Airstrip Expansion

Meadowbank is accessible via overland travel on the All Weather Private Access Road (AWPAR) between Baker Lake and the mine site and via chartered aircraft. The Meadowbank airstrip was commissioned for use in January 2009, and since that time, personnel have been transported to Meadowbank at a frequency of approximately 6 return charter flights per week, which originate from Montréal, Yellowknife and the Kivalliq region. The air freight such as food and cargo is transported to the site at a frequency of 4 charter flights per week. A total of 10 flights per week are coming to the site to transport people and freight. Due to the current size of the airstrip, flight access for a Boeing 737 jet is not possible.

AEM has been working on the design of an airstrip extension for the last year. The first design proposed in 2010 had to be modified and optimized to reduce the length of airstrip coming into Third Portage Lake. We have succeeded in doing so and AEM is proposing a 255 m extension, capable of accommodating a Boeing 737 jet, but with a limited encroachment of 18 meters in Third Portage Lake. AEM will construct this expansion during the winter months (lake is frozen to the bottom in the affected area) to avoid any construction impacts to receiving water quality. In a remote work environment such as Meadowbank, an expanded airstrip and the ability to use larger aircraft will ultimately reduce the number of charter flights per week (from 10 to 5) and the hours per flight, while increasing the capacity to transport personnel and essential cargo to site. The expanded airstrip will also offer an improved safety measure for greater accessibility and evacuation potential to and from the Meadowbank site.

The existing Meadowbank Type A Water License 2AM-MEA0815 Part D, Items 11 to 15 will apply during the construction of the airstrip extension. AEM does not believe that there will be any additional impact to water resulting from the airstrip expansion after the construction has been completed. The water and quality management plan for in-lake dike construction, previously approved by the NWB, will be followed to minimize the impact on the lake. Water run-off from the extended portion of the airstrip will be diverted to the Attenuation Pond as part of the Meadowbank Water Management Plan. There will be no associated increase in water consumption or waste water generation. DFO has concluded that our proposal is not likely to result in impacts to fish and fish habitat and AEM don't need to obtain a formal approval from DFO in order to proceed with the airstrip expansion. All other impacts will be mitigated by the operational procedures and approved plans that are already in place. The project has also received positive screening from NIRB.

It is AEM's opinion that while the proposed airstrip expansion represents a change from the airstrip previously approved under the NWB licensing process, the proposed extension does not represent a significant change in environmental scope and can be managed, monitored and regulated under the Terms and Conditions contained within the existing Meadowbank Type A Water License 2AM-MEA0815. This opinion is based on the fact that the activity of placing NPAG waste rock in a lake was permitted as part of dike construction, that the additional amount of waste rock required for this scaled down airstrip extension is orders of magnitude lower than what was done for dike construction, and that the mitigation measures that would be applied to the activity are identical to the ones already contained in the existing license. On that basis, only a modification under Part G of the License should apply to this airstrip expansion (all the information required under Part G for a modification is included in the attached Supporting information document).

Please find enclosed an application of Modification Water license 2AM-MEA0815 to include an expansion of the airstrip.

Should you have any questions or require more information, please contact me directly at stephane.robert@agnico-eagle.com or by telephone at 819-763-0229.

Regards,
Agnico-Eagle Mines Limited – Meadowbank Division



Stéphane Robert
Manager Regulatory Affairs Nunavut