

December 10, 2013

RE: Update # 4 to Meadowbank Spill – Report #13-379 – Assay Lab Road Seep

To: AANDC, KIA, NWB, GN Conservation Officer.

Hello,

Please note this update on the Assay Road Seep which is in addition to the resume titled ***Update 3 to Meadowbank Spill Report #13-379*** that was submitted on November 19, 2013.

There has been no seepage of water and no further buildup of ice noted from the seep location since November 24, 2013. Based on the ice removal to date it can be confirmed that the initial estimate of 1 L/M is an accurate measure of flow from the seep. The Coordinates for the seep locations are attached in Table 1.

AEM held a meeting to update the Baker Lake hamlet council on November 28, 2013 in Baker Lake.

AEM has contracted EBA Engineering Consultants Ltd. operating as EBA, A Tetra Tech Company (EBA) and requested a proposal which is summarized below. AEM has accepted the proposal and the Phase 1 report is scheduled for completion around mid-January. EBA's scope of work for Phase 1 is as follows:

1. Review all relevant information, including the results of all probehole drilling and water chemistry testing results. Prepare recommendations for further drilling, sampling and testing if deemed to be required.
2. Review mill and assay building design drawings, of particular interest is the design of the floor, containment areas, sumps and foundations of these buildings. It will be important for us to understand fully where the leaks are happening. It would be preferred if the suspected leak sources could be marked on the mill building drawings before they are sent to us. In addition, any photos showing the identified cracking would be a big help in understanding where the main issues are thought to be.
3. Review of any QA/QC testing information for the foundation preparations and structural backfill placement for the mill and assay buildings. Some of this information may be in EBA's files as we were providing QC testing services to the contractor during construction.
4. Development of a suspected reason for the structural failure of the mill containment areas and sumps that has led to the release of process water into the environment.

5. Preparation of a brief report that discusses the findings of the above review. The report will also include recommendations and a timeline for work that could be carried out in Phase 2.

AEM will wait for recommendations from EBA prior to commencing any further drill programs or containment construction.

AEM also has a team of construction civil engineers and on site staff working on an action plan that will address repairs to containment structures within the mill. Repairs will move ahead after recommendations are received from EBA.

In the interim AEM continues with the short term action plan consisting of daily visual monitoring of the seep area, sampling and removal of accumulated ice if necessary, monthly sampling at an accredited lab (on site testing daily at our own lab) of the raw water from TPI (results negative thus far for parameters of concern – cyanide, copper, iron), monitoring the levels of the 3 monitoring wells located just outside of the mill in the flow path (levels stable since Nov 24) and active pumping of all containment areas (if necessary) within the mill (water pumped back into process). This will minimize and/or eliminate the leakage.

Should you have any questions or concerns please feel free to contact me at (867) 793-4610 ext. 6728 or by email at jeffrey.pratt@agnicoeagle.com.

Sincerely,



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CC: Kevin Buck – AEM
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Table 1 - Seepage locations

Location Name	Northing	Easting
Assay Road Sample North	637909.6	7213851.9
Assay Road Sample South	637920.1	7213834.3
Assay Road Sample 2 nd Berm	637899.4	7213875.9

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