AGNICO-EAGLE
MEADOWBANK DIVISION

December 4, 2009

Via Email and Xpresspost

Mr. Richard Dwyer
Licensing Administrator
Nunavut Water Board
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Dear Mr. Dwyer,

Re: Meadowbank Water License 2AM-MEA0815 Part I, Item 13 - Geotechnical Inspection Report

As required by Water license 2AM-MEA0815, Part I, Item 13, which states, '*The Licensee shall submit to the Board within sixty (60) days of completion of the geotechnical inspection, the Geotechnical Engineer's inspection Report. The Report shall include a cover letter from the Licensee outlining an implementation plan to address the recommendations of the Geotechnical Engineer',* please find enclosed a copy of the document *Report on 2009 Annual Geotechnical Inspection, Meadowbank Gold Project, Nunavut.*

Implementation Plan

Please consider the following information as the implementation plan to address the recommendations in Section 3.0 of the report.

EAST DIKE

***Recommendation*: The dike crest elevation is approximately 0.5 m less than required in the design. The elevation should be increased to the design level of 137.1 m.**

Action: The 6.0m wide thermal cap will be brought up to Elev. 137.1 during summer of 2010.

***Recommendation*: Once dewatering of the downstream side is complete a seepage collection and monitoring system should be establish.**

Action: The downstream seepage collection and monitoring system will be established once the downstream toe is fully exposed (summer 2010).

***Recommendation*: Periodic surveying of the survey monuments should be conducted.**

Action: Periodic monitoring of survey markers will start as soon as the crest of the dike is free of containers, which is at the summer of 2010. It will take place once a month at the beginning and monitoring frequency will be adjusted thereafter according to the results.

***Recommendation*: Periodic seismograph monitoring on the dike crest should be implemented**.

Action: Blast vibration monitoring on the dike crest will start whenever blasting activity takes place at a sufficiently close distance from the dike, which is not before March 2010. Blast induced vibration will be monitored for every blast of interest.

AWPAR

***Recommendation*: Regular and event based inspections along the AWPAR should continue to confirm the structural integrity and hydraulic function at the crossings, to confirm soil and permafrost stability, to confirm that crossings have been adequately located with respect to the watercourse, and to confirm minimal impact to fish habitat.**

Action: Regular and event based inspections will continue at the crossings during the months of June to October to confirm the structural integrity and hydraulic function of each crossing, as stipulated in the Meadowbank Gold Project Water Quality and Flow Monitoring Plan V2, May 2009.

***Recommendation:* The capacity of the single 600 mm diameter culvert, PC-3 (km 13+865), and of the two 1200 mm diameter culverts, PC-17 (km 8+830) should continue to be monitored to ensure they provide adequate capacity for drainage and that erosion is not occurring, especially during the freshet.**

Action: These particular culverts will continue to be monitored.

QUARRIES

***Recommendation*: AEM should develop a plan for progressively closing the quarries along the AWPAR while maintaining others for storage of materials and to provide a supply of materials for ongoing road maintenance.**

Action: For the ongoing road maintenance some quarries will stay open for the duration of the mine life. For the others quarries, a plan will be developed in 2010 for progressive closure.

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***Recommendation*: Quarry 4 and Quarry 14 are flooded and action should be taken to drain, if possible, the ponded water.**

Action: The actions necessary to deal with the water and close these quarries will be included in the plan described in the point above.

***Recommendation*: Miscellaneous other items contained in Quarry 22 should be transported and disposed of appropriately in the Meadowbank landfill or other appropriate location**

Action: AEM will dispose the waste debris temporarily stored in Quarry 22 in the landfill in the coming months.

BULK FUEL STORAGE FACILITIES

Recommendation: *Ongoing removal of fluids that accumulate within the secondary containment facilities should continue to be managed appropriately. The establishment of sumps within the first containment area in Baker Lake and at Meadowbank could aid in the removal of the fluids.*

Action: AEM will evaluate the need to install sumps within the first containment area in Baker Lake. If deemed necessary, sumps will be installed in 2010.

***Recommendation*: The pipeline between the Baker Lake tank farm and barge unloading area should have a berm constructed between the road and the pipeline.**

Action: The pipeline between the Baker Lake tank farm and the barge unloading area is used only during the unloading of the fuel. During this time (August and September), a visual inspection of the pipeline is done 24h/7. AEM will evaluate the need to protect the pipeline. If deemed necessary, protection will be installed in 2010.

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
Environment Superintendent

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