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October 17, 2008

**SUBJECT Water License #2AM-MEA0815, Agnico-Eagle Mines Ltd.,
Meadowbank Gold Project, Kivalliq Region, Groundwater
Monitoring Plan**

Dear Phyllis,

Please be advised that on behalf of Indian and Northern Affairs Canada (INAC), I have completed a review of the above-referenced plan submitted by Agnico-Eagle Mines Ltd. to the Nunavut Water Board (NWB) for approval (dated August 2008).

A Technical Memorandum with comments/recommendations is provided for the NWB's consideration in the approval of this plan.

Should you have any questions regarding the comments / recommendations provided, feel free to contact me at 867-975-4555 or AbernethyD@inac-ainc.gc.ca.

Regards,
David W. Abernethy

Cc. Kevin Buck, Manager of Water Resources
 Bernie MacIsaac, Manager of Field Operations



Technical Review Memorandum

TO Phyllis Beaulieu
Manager of Licensing, Nunavut Water Board

File: 9545-2-2.2AM.MEAA

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October 17, 2008

FROM David Abernethy
Regional Coordinator, Water Resources Division
Nunavut Regional Office

SUBJECT Water License #2AM-MEA0815, Agnico-Eagle Mines Ltd.,
Meadowbank Gold Project, Kivalliq Region, Groundwater
Monitoring Plan

DESCRIPTION

On August 11, 2008, Agnico-Eagle Mines Ltd. (AEM) submitted a Groundwater Monitoring Plan to the Nunavut Water Board (NWB) as required by Part I, Item #3 of the above-referenced water license. This plan was subsequently distributed to interested parties for review on September 4, 2008.

A Groundwater Monitoring Program has been developed to predict the quality of water that will accumulate in pits during the Meadowbank Gold Project's operation, and to determine baseline groundwater quality below the tailings basin before tailings placement. Groundwater monitoring wells are being installed to sample talik water in areas where taliks occur.

COMMENTS / RECOMMENDATIONS

The following comments / recommendations are provided to the NWB for consideration in the approval of this plan.

Location of Replacement Monitoring Wells

- Due to breakage or internal malfunction in monitoring wells, AEM has experienced difficulty collecting reliable groundwater quality data. According to Section 2.2 of the submitted plan, of ten (10) wells installed in 2003 and 2006, one (1) well remained operable at the end of the 2007 groundwater monitoring program. AEM intends to install three (3) new wells in the 2008 and 2009 summer. These wells will have a more robust design and be located in close proximity to the existing inoperable wells (but beyond the North Portage and Third

Portage Open Pit outlines to avoid their destruction from mining activities). Five (5) possible well locations have been identified:

- two (2) along the East Dike;
- two (2) - one at the north and one at the south edge of the Third Portage peninsula respectively; and,
- one (1) on the south side of the north arm of Second Portage Lake.

It is recognized that the locations of these wells will depend on access at the time of installation. Once established, AEM must revise its plan to include the locations of all operable wells, existing and new. This revision should contain an identification table much like Table 3.1 presented in Section 3.1 of the plan. This table presents the targeted locations of the proposed new wells in UTM coordinates, azimuth, dip angle, total drilled depth, and screened interval depth. A figure similar to Figure #1, Proposed 2008 Groundwater Monitoring Well Locations, referencing all operable monitoring well locations should be included in a revised plan after the installation of these new wells.

Sampling Frequency

- When reviewing the submitted plan, the frequency of collected groundwater quality samples cannot be determined. Sample frequency is important in the determination of hydrogeological trend analysis and must be included in this monitoring plan. According to Schedule I, Table 2 of the Meadowbank Project's Type A license, groundwater wells are to be monitored annually.
- There is a discrepancy in required monitoring frequencies imposed by the project's Type A water license (Schedule 1, Table 2) and the Nunavut Impact Review Board (NIRB) Project Certificate (Condition 8). The license calls for annual sampling exercises whereas the NIRB Project Certificate calls for semi-annual sampling exercises. INAC recommends that AEM ensure its Groundwater Monitoring Program satisfies both its water license and the NIRB Project Certificate requirements.

Should you have any questions regarding this technical review memorandum, please don't hesitate to contact me at 867-975-4555 or AbernethyD@inac-ainc.gc.ca.

Regards,
David W. Abernethy

Cc. Kevin Buck, Manager of Water Resources
Bernie MacIsaac, Manager of Field Operations