

File: 2AM-MEL1631/TR/D1, 2

September 9, 2016

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Jamie Quesnel Environmental Superintendent - Nunavut Agnico Eagle Mines Ltd. 145, King Street East Suite 400, Toronto, ON M5C 2Y7

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Subject: Design Report for Water Treatment Unit; Type "A" Water Licence 2AM-MEL1631, Meliadine Gold Project, Agnico-Eagle Mines Ltd.

Dear Ms. Turmel and Mr. Quesnel:

The Nunavut Water Board ("NWB") received from Agnico Eagle Mines Ltd. (AEM or Licensee) on August 11, 2016 the document entitled "Chemical Treatment for Lake Dewatering to Environment Meliadine Project, Nunavut" (Report), including final Design and Construction Drawings for the proposed Chemical Treatment Unit as a requirement of Part D, Item 1 of the Licence 2AM-MEL1631 (Licence). The Report was completed by Tetra Tech Industries Inc. and ASDR Environment for AEM and dated August 2016.

AEM stated in their submission that Agnico Eagle will dewater pond H17 as per the Water Management Plan (June 2015) and water licence 2AM-MEL1631. It is planned that the top 0.5 to 1.0 m of freshwater in pond H17 will be pumped to a physical filtration device (geotubes) to then be discharged into Meliadine Lake based on License and MMER discharge permissible limits. When required, water will be treated through a chemical treatment unit. Agnico Eagle is planning to start using this unit on September 10, 2016 should TSS results during dewatering exceed water licence and MMER criteria.

The Report was distributed for a ten (10) day comment period on August 12, 2016. Comments were received from Indigenous and Northern Affairs Canada (INAC) on August 22, 2016. In its comment INAC noted that the Licensee has made a commitment in its water management plan to treat the collected water containing different contaminants by a water treatment plant before

discharging it to the environment. In addition to the TSS, the collected water may contain elevated concentration of the other parameters listed in the Water Licence (2AM-MEL1631) and MMER. The proposed system is capable of removing TSS only. INAC recommended that the Licensee should provide details on water treatment technologies to remove all the contaminants of concern (other than TSS) to meet licence criteria and MMER before discharge in to Meliadine Lake. Depending on the concentration of the other contaminants in the collected water, contaminant removal efficiency of the proposed treatment system (s) for different contaminants should also be provided by the Licensee in the detailed design of water treatment unit (s).

The Licensee responded to INAC comments on August 29, 2016, indicating that the mobile water treatment that is noted in this submission is only for the dewatering component of Lake H17 as noted in Section 4.4.1 and also referenced in Table 4.2 of the 2016 Water Management Plan (Water Management Plan, Meliadine Gold Project, Version 2, June 2016) and also as per our license 2AM-MEL1631, Part A(1) and Schedule I, Table 2. AEM stated that once the dewatering of Lake H17 is completed (estimated mid-October 2016), the mobile water treatment plant will be decommissioned.

With respect to the water monitoring for the dewatering of Lake H17 it was indicated that AEM completed a suite of analyses including bioassays prior to discharge. In addition, a 10 day notice was provided to INAC for the release of this water if it met water quality criteria, in which it has. In addition, we have a schedule of sampling based on MMER requirements during the dewatering of H17.

On September 7, 2016, INAC informed the Board that INAC is satisfied with the responses provided by Licensee.

By copy of this letter the Board acknowledges that the Report addresses the requirements of Part D Item 2 of Licence 2AM-MEL1631, and has approved the Report through the Board Motion No. 2016-A1-004, dated September 9, 2016, as required by Part D, Item 1 of Licence. The Licensee is also advised that the Board's "approval" of this document is a verification that the proposed activity is consistent with the existing terms and conditions of the Licence and more specifically with the Part D, Item 2, and may proceed in accordance with the Report and drawings provided. It should be noted that the Board's "approval" is NOT intended or offered as any representation regarding the suitability of the plans nor third party verification of the design, construction, planning or engineering discussed in the document.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 or karen.kharatyan@nwb-oen.ca at your earliest convenience.

Yours truly,

Karén Kharatyan A/Manager of Licensing / Sr. Technical Advisor

cc: Distribution List - Meliadine