

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

August 11, 2016

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Subject: Design Report for Saline Water Storage/Transfer Pond and Berm Meliadine

Project; Type A Watert 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 July 11, 2016 the "Design Report for Saline Water Storage/Transfer Pond and Berm Meliadine Project, Nunavut" as a requirement of Part D, Item 1 of the Licence 2AM-MEL1631.

AEM stated in their submission that Agnico Eagle is advancing the underground ramp downwards at Tiriganiaq. The ramp has recently advanced down through into the cryo-peg zone below the frozen permafrost. Consequently, saline contact water is now reporting to the underground sumps. Based on an underground water management plan developed by Agnico Eagle, a surface storage pond is required to store the excess underground saline water during the period from 2016-Q3 to 2017- Q4 before a long-term saline water treatment and disposal plan is finalized. The required maximum total storage capacity of the underground saline water is specified to be 23,000 m³ for the design of this pond. Agnico Eagle is planning to start building the saline pool on August 10 2016.

The Report was distributed for ten (10) day comment period on July 13, 2016. Comments were received from Environment and Climate Change Canada (ECCC) and Indigenous and Northern

Affairs Canada (INAC) on July 22, 2016 and July 23, 2016.

Although no major issues were identified, however questions were raised that needed further clarifications. ECCC questions were related to the potential impact of saline water on the accretion of permafrost, possible seepages between Saline Water Storage Pond and A54/CP5, and thermal profiles of borehole GT09-21. INAC raised questions regarding lining of berm, minimum estimated storage capacity of pond, final rock slope geometry and stability determination during the excavation of pond, associated monitoring and inspection, and saline water long term disposal or treatment.

On August 2, 2016, the Licensee provided clarifications and responses to comments. On August 8, 2016, the ECCC and INAC informed the Board that they have reviewed AEM's responses and they do not have concerns at this time.

The Board has approved the Design Report for Saline Water Storage/Transfer Pond and Berm Meliadine Project, through Board Motion No. 2016-A1-002, dated August 11, 2016, as required by Part D, Item 1 of Licence 2AM-MEL1631. The Licensee is 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