



AGNICO-EAGLE MINES LTD.
Meadowbank Division

January 30, 2008

Mr. Richard Dwyer, Licensing Administrator,
Nunavut Water Board
P.O. Box 119,
Gjoa Haven, Nunavut
X0B 1J0
Canada

Email: licensingadmin@nunavutwaterboard.org

Dear Mr. Dwyer,

Reference: 2BE-MEA0507 - Meadowbank Project
Application for Amendment of the Meadowbank Exploration Project
Type B Water License

I am writing to apply to the Nunavut Water Board to amend our Type B Water License 2BE-MEA0507 to allow for the following additional activity as the Meadowbank Project advances towards a production decision:

1. An amendment to allow for an increase in capacity at our existing camp and the construction and operation of a new satellite exploration camp to be constructed adjacent to Third Portage Lake at KM 100 on the all-weather private access road between Baker Lake and the Meadowbank project site. This new camp would have a maximum capacity of 85 persons and would move Agnico-Eagle Mines Limited's base of regional exploration from the Meadowbank project site to this new exploration camp allowing pre-development for the Meadowbank Project permanent accommodation camp to commence. The current camp would gradually increase in capacity to a maximum of 200 persons, and be used by personnel while the permanent camp is constructed. The number of operational drills on site would also increase from 4 to a maximum of 6;
2. An amendment to allow for the development of the North and South starter pits on the Portage deposit to allow for the winter extraction and stockpiling of overburden and rock fill materials that will be used for the construction of the East Dike (pending issue of the Type A Water License) in the summer of 2008; and

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3. An amendment to allow for the set up and early operation of a batch concrete plant at the Meadowbank Project site to produce concrete for early footings for the permanent camp and other mine site facilities.

New Exploration Camp

Agnico-Eagle Mines Limited (AEM), the new owner of the Meadowbank Gold Project, plans to continue exploration at and around the Meadowbank property by conducting geophysical surveys, prospecting and diamond drilling over the next ten year period at a minimum. The current exploration camp (licensed under NWB 2BE-MEA0507 Type B Water License) is located in the center of the proposed Meadowbank mine site and will thus be overwhelmed by the proposed mine construction and development activity. Consequently AEM proposes to relocate the current exploration camp to a new site. This “new” exploration camp would be constructed near Third Portage Lake adjacent to km 100 on the all weather private access road (AWPAR) between the Hamlet of Baker Lake and the Meadowbank site. The new camp would be approximately 65 km north of Baker Lake, constructed on Inuit owned lands (IOL BL-14) and as such is subject to land and water use approvals by the Kivalliq Inuit Association and the Nunavut Water Board.

This new exploration camp will replace the existing exploration camp. The new camp will be used in the coming years to support ongoing mineral exploration efforts in the area of the Meadowbank Project, specifically to explore additional mineralised zones (PDF, Marge Bay, Pipedream Lake) located outside the identified Meadowbank ore zones. The number of operational drills on site will increase from 4 to 6.

Before the beginning of the main construction program (scheduled to start in the summer of 2008) AEM proposes to increase the capacity of the existing camp by installing the components of new permanent accommodation facilities (the new camp) at the Meadowbank site; this will allow the capacity at this camp to increase gradually to a maximum of 200 persons by July 2008.

Pre-Development of North and South Starter Pits on the Portage Deposit

Agnico-Eagle Mines Limited (AEM) has applied for a Type A water license to allow for construction, operation and reclamation of the Meadowbank Gold Project. This application is under review and if a positive decision is reached could lead to the start of construction in the summer of 2008. Due to the remote location and short summer ice free construction season AEM projects that it will take one full summer ice free season to construct the first dewatering dike (the East Dike) required allowing for development of the Portage Pit. This requires the pre-development of the two on-land starter pits on the Portage deposit to develop a stockpile of broken rockfill material ahead of the start of construction that will be required to construct the outer shells of the East Dike. AEM is applying for an amendment of its current Type B water license to allow for the stripping of overburden and the development of these two starter pits in the winter of 2008 (March thru June) to develop a sufficient stockpile of broken rock to allow for summer construction of the East Dike. All rock would be stockpiled within the footprint of these two starter pits.

Set up and Initial Operation of a Batch Concrete Plant

AEM is applying for an amendment of Type B Water License NWB 2BE MEA0507 to allow a batch concrete plant that was shipped to Baker Lake in the fall of 2007 to be set up at the Meadowbank Project and started up to provide a source of concrete for initial construction at the camp and other mine site facilities. An additional 15 m³ per day (average) of water is being sought under this amendment to be used for this initial concrete. The plant will generate no waste requiring disposal or storage.

Attached to this letter please find the following support documents for this application to amend the existing Type B water license NWB 2BE MEA0507 covering exploration and pre-development activity at the Meadowbank Project:

- A completed NWB Water License application form;
- A completed NWB supplementary questionnaire;
- A Project Description for the proposed camp facilities;
- A Waste and Water Management Plan for the Pre-Development Starter Pits;
- A Brief Description of the Concrete Batch Plan;
- A Preliminary Closure and Reclamation plan for the new exploration camp;
- An updated Spill Contingency Plan for the proposed activities covered under an amended water license; and
- A cheque in the amount of \$30 to cover the NWB application fee.

I will send the following additional application components in the hard copy to follow by Express Post:

- An Executive Summary for the Project Description for this application in Inuktitut.

Should you have any questions on this information or on any other matter concerning this application, please do not hesitate to contact me.

Regards,
Agnico-Eagle Mines Ltd.

Original Signed By

Rachel Lee Gould, M.Sc.
Project Manager: Environmental Permitting and Compliance Monitoring

cc: S. Hartman – KIA
J. Rogers – INAC
A. Hanson – NIRB
A. Liu – DFO
A. Wilson – EC
H. Yeh – GN DoE
D. Hohnstein - NWB