



AMENDMENT TO TYPE B WATER LICENSE MEADOWBANK EXPLORATION CAMP

NWB 2BE-MEA0813

AGNICO-EAGLE MINES LTD - MEADOWBANK DIVISION

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Figure 1: Location of Proposed New Exploration Camp in Relation to Meadowbank

Figure 2: New camp location layout

Executive Summary

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. The current exploration camp (covered by Water License NWB 2BE-MEA0813) is located on the Meadowbank Project site and will be overwhelmed by the proposed development of the Meadowbank Gold Mine. Consequently AEM proposes to relocate the exploration camp to a new site (see Figure 1 and 2 attached).

AEM proposes that the exploration camp be located 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, approximately 65 km north of Baker Lake. As this is Inuit owned lands (IOL BL-14), the camp is subject to land and water use approvals by the Kivalliq Inuit Association and the Nunavut Water Board.

The exploration camp will be used for ongoing and future mineral exploration efforts in the area of the Meadowbank Project, specifically to explore additional mineralised zones (PDF, Marge Bay, Pipedream Lake) outside the known Meadowbank ore zones. It will also be used for short term overflow accommodations during the construction phase.

AEM proposes to construct the exploration camp by purchasing and relocating the NUNA M&T Services Ltd. existing road construction camp from near Baker Lake. The camp will be erected in close proximity to the AWPAR road and Third Portage Lake, south of the existing Meadowbank mine facilities. The proposed camp will have a maximum capacity of 85 persons, with an average population of 40 persons, and will consist of trailer units, Weatherhaven tent units, a wooden building and one coverall tent. Fuel storage systems at the site will use the three existing 50,000 litres double-walled self contained storage tanks for diesel fuel and one 75,000 litres double walled self contained storage tank for Jet A fuel. These tanks will be relocated from the current Meadowbank project site.

1 Introduction

The Meadowbank Gold Project is currently focusing its exploration efforts on increasing and further delineating the mineral resources in and around the known Meadowbank Gold Project ore deposits, as well as, exploring for additional mineralised zones outside of the known areas. Exploration work will dominantly consist of diamond drilling, with some geological mapping, prospecting, geochemical and geophysical surveys. An exploration camp has been located and in operation on the Meadowbank Project site since 1995. This exploration camp is currently operated under Type B Water License NWB 2BE-MEA0813. This existing exploration camp will be overwhelmed by the development of the proposed Meadowbank Gold Mine and thus AEM proposes to relocate the exploration camp to a new site.

AEM proposes that the new exploration camp 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, approximately 65 km north of Baker Lake. The proposed site was selected so that it would be located on the mainland, in a flat area for ease of construction, and in close proximity to the AWPAR road and to Third Portage Lake for a reliable source of drinking water.

The exploration camp will be used for ongoing and future mineral exploration efforts in the area of the Meadowbank Project, specifically to explore additional mineralised zones (PDF, Marge Bay, Pipedream Lake) outside the known Meadowbank ore zones. It will also be used for short term overflow accommodations during the construction phase.

The location of the exploration camp in relation to the Meadowbank Project site is shown in Figure 1.

2 Project description

2.1 Road

To facilitate construction of the exploration camp it will be necessary to construct a short spur road from the AWPAR to the camp. This spur road will exit the AWPAR at Km 100. The road will be constructed from quarried rock and gravel taken from the nearest existing AWPAR road quarry.

2.2 Site Preparation

A rockfill pad will be constructed at the site to act as a base for the camp structures and facilities. The pad will cover an area of approximately 0.9 ha. The required rockfill and gravels will also come from the nearest existing AWPAR quarry.

2.3 Camp

The exploration camp will have a maximum capacity of 85 persons, with an average population expected to be 40 persons. Specifically, the exploration camp will consist of the following structures:

- 4 x 12' x 60' trailers to form the camp kitchen,
- 9 x 12' x 60' trailers for bedroom/sleeping units,
- 1 x 12' x 60' Weatherhaven shower/toilet tent units,
- 1 x 24' x 84' Weatherhaven to be used as core shack ,
- 1 x 24' x 32' Weatherhaven to be used as an office tent,
- 1 x plywood generator shed and a driller's shop, and
- 1 x 42' x 70' temporary Cover-all fabric building to be used as a garage and storage unit.

The proposed layout of the exploration camp is shown in Figure 2.

2.4 Fuel storage equipment

The following self contained skid mounted fuel storage tanks will be relocated from the Meadowbank Project site to the exploration camp to store diesel and Jet A fuel. The storage tanks will be as follows:

- 3 fuel tanks for P50 diesel fuel: 3x 50,000 litres capacity, double-walled skid-mounted self contained horizontal storage tanks with the following dimensions:
 - Length 7.34 m (secondary containment tank)
 - Length 6.48 m (primary interior tank)
 - Diameter 3.2 m (outside secondary containment tank)
 - Maximum fill capacity 47,500 litres
 - Skid assembly – 8.48 m x 2.44 m
- 1 fuel tank for Jet A fuel: 1 x 75,000 litres capacity, double-walled skid-mounted self contained horizontal storage tank with the following dimensions:
 - Length 11.71 m (secondary containment tank)
 - Length 10.59 m (primary interior tank)
 - Diameter 2.90 m (outside secondary containment tank)
 - Maximum fill capacity of 71,250 litres
 - Skid assembly: 13.04 m x 2.90 m

Both sizes of tanks are mounted on steel skids, which are supported by timbers resting on a bed of gravel and sand. All tanks are double-walled, with a secondary internal containment area and interstitial monitoring capability. Filling and pumping sites have additional spill containment capabilities and secondary containment is used under hose connections coming from the fuel tanks.

Other fuel supplies such as gasoline is stored in 205 litre metal drums, as the amount required at the site does not justify the use of fuel tanks.

2.5 Water supply

The existing Meadowbank camp (licensed under NWB-2BE MEA0813) has NWB approval to use 15 m³/day for domestic purposes and water to operate a maximum of four exploration drills (4 x 50 => 200 m³/day). Through this application AEM is requesting NWB amend this authorization to allow for the following water use:

- An increase in allowable domestic water use from 15 to 19 cubic meters per day (85 persons @ 0.225 cubic meters per day per person); and
- An increase in allowable water for exploration drilling from 200 to 250 cubic meters per day to allow for the increased operation of 5 drills in total (5 drills @ 50 cubic meters per day).

The water for domestic use at the exploration camp will be obtained from Third Portage Lake at a spot located approximately 50 m east of the camp. In accordance with the DFO Freshwater Intake End-of-Pipe Fish Screen Guidelines (March, 1995), a screen will be used to prevent entrapment of fish during pumping.

Electric toilets will be used at the camp; consequently, no liquid sewage will be generated. The grey water generated by the kitchen and shower facilities will be deposited in a natural sump that will overflow onto the surrounding tundra. This sump will be located greater than 30 metres from the lake shore.

2.6 Waste disposal

Daily non-hazardous solid waste (garbage), bulky items, scrap metal and other non-combustible waste products will be transported from the exploration camp to the Meadowbank mine site for disposal. At the Meadowbank mine site these wastes will be temporarily stored on site; the solid waste will either be disposed of in the Meadowbank Project landfill (pending approval of the NWB Type A water license) or backhauled to Baker Lake for disposal in the municipal dump (pending approval of the Hamlet of Baker Lake).

All hazardous wastes and waste oil will be transported from the exploration camp to the Meadowbank mine site for temporary storage. These items will be transported to Baker Lake and then barged south for disposal/recycle at appropriate licensed facilities.

2.7 Transportation

Fuel and bulk goods will be transported to the exploration camp by pick-up and truck from Baker Lake or the Meadowbank mine site using the AWPAP.

On-site crew transportation to the exploration and drilling sites will be provided by snowmobile and/or helicopter during the frozen winter months and by helicopter during the summer. A helicopter will be based at the exploration camp during the field season, under charter from Helicopter Transport Services (Canada) Inc. of Trois Rivieres, Quebec. Crews will come to and from the camp by road either from Baker Lake or the Meadowbank mine site.

3 Local Employment

The number of local employees who will be employed at the site as a part of ongoing exploration programs varies throughout the season, but generally 5 to 20 Inuit employees will work at the exploration camp. Duties range from cook's helper to geological survey technicians, environmental technicians, heavy equipment operators and construction labourers.

4 Contractors

Overland Transportation of Bulk fuel and supplies from Baker Lake:

Mr. Peter Tapatai
Peters Expediting Limited
PO Box 74
Baker Lake, NU
Tel: (867) 793-2703

Diamond Drilling

Boart Longyear Inc.
403 – 47th Street East
Saskatoon, Sask. S7K 5H4
Tel: (360) 931-4466
Fax: (306) 931-1150

Helicopter:

Helicopter Transport Service Canada Inc.
3650 Boul. De l'Aéroport
Trois Rivières, Que. G9A 5E1
Tel : (819) 377-3344

5 Community Consultation

In early 2004 a community Liaison Office was opened in Baker Lake and Mr. Michael Haqpi, a local Baker Lake resident, was hired as Community Liaison Officer. Mr. Haqpi's role as Community Liaison Officer is to disseminate information on the Meadowbank Project to the local community, as well as, provide a presence in Baker Lake for residents to ask questions and/or voice any concerns they have about the project. The Baker Lake office also contains a Resource Centre which provides information about mineral exploration and mining related activities. The office produces a quarterly newsletter which provides updates on activities at the Meadowbank site and general information on exploration, mining and milling processes.

The Baker Lake office also provides information on possible employment opportunities at the site, both present and future, and collects resumes from those people who may be interested in obtaining employment at the site. Mr. Haqpi can be contacted by phone: 867-793-4610, fax: 867-793-4611 or e-mail: michael.haqpi@agnico-eagle.com

6 Reclamation

In the event of exploration camp shutdown, all equipment, structures and fuel containers will be removed from the area of the lease prior to lease termination. Non-combustible buildings, materials and equipment will be removed by AEM and transported to Baker Lake. All materials and equipment will be offered for purchase by local interests. Any items which remain will be shipped south from Baker Lake on barges. Local persons and businesses will be given the opportunity to salvage buildings, materials and equipment that would otherwise be destroyed prior to AEM undertaking final land reclamation procedures. The only materials and structures remaining after demobilization will be drill cores stored on racks at the site. Refer to “2008 Closure and Reclamation Plan” document for further details.

Figure 1: Location of Proposed New Exploration Camp in Relation to Meadowbank

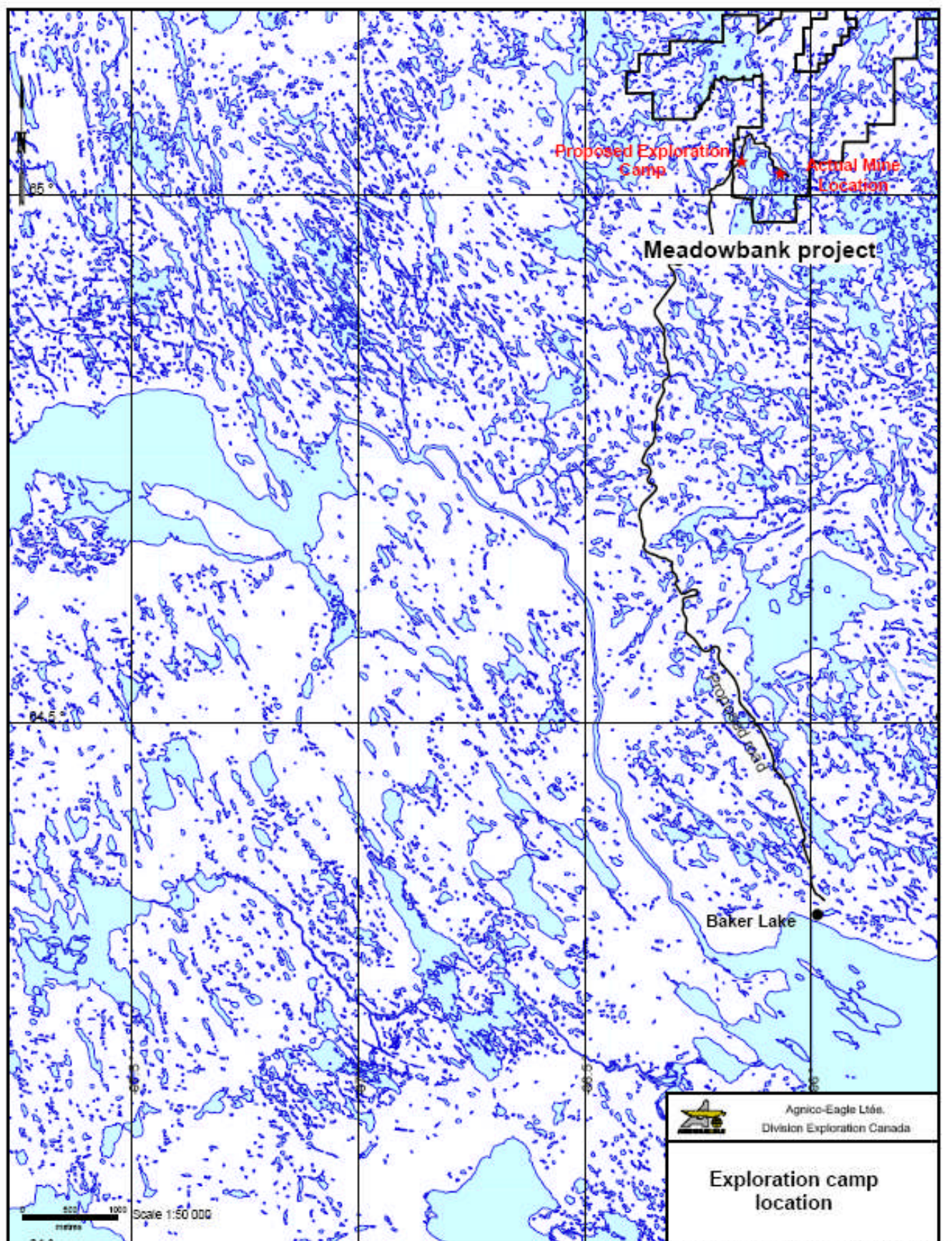


Figure 2: New camp location layout

