Aboriginal Affairs and Northern Development Canada Nunavut Regional Office Water Resources Division Igaluit, NU

Our reference: IQALUIT-#475453

August 30, 2011

Your reference: 2BE-MEA0813

Phyllis Beaulieu Manager of Licensing Nunavut Water Board Gjoa Haven, NU

Sent by email: <a href="mailto:licensing@nunavutwaterboard.org">licensing@nunavutwaterboard.org</a>

Re: Amendment No. 2 to Water Licence 2BE-MEA0813 Agnico-Eagle Mines Ltd.

Dear Phyllis,

It has been brought to my attention that above- referenced Agnico-Eagle Mines Ltd. (AEM) water licence amendment application dated June 7, 2011 to allow for drilling within the thirty (30) metre ordinary high water mark zone conflicts with the June 10, 2011 Aboriginal Affairs and Northern Development Canada (AANDC) Land Use Permit, #N2011C0010.

AEM should submit a written request to Tracey McCaie, AANDC Land Administrator Specialist, for permission to drill within the thirty (30) metre ordinary high water mark zone. Notification of any additional mitigation measures that will be implemented prior to, during, and following drilling operations to protect nearby water bodies should be included with this request. Ms. McCaie will forward this request to an AANDC Resource Management Officer for decision and subsequently provide a response to AEM.

Please do not hesitate to contact me by telephone at 867 975-4555 or email at <a href="mailto:David.Abernethy@inac-ainc.gc.ca">David.Abernethy@inac-ainc.gc.ca</a> to discuss this submission.

Best regards,

David Abernethy A/ Manager of Water Resources

Cc: Ian Parsons, Water Resources Regional Coordinator Tracey McCaie, Lands Administrator Specialist David Frenette, Agnico-Eagle Mines Ltd.

