AGNICO-EAGLE MEADOWBANK
555 Burrard Street, Suite 375
Box 209, Two Bentall Centre
Vancouver, British Columbia V7X 1M8
Tel. 604.608.2557 Fax. 604.608.2559

agnico-eagle.com

March 31, 2009

Via email and Xpresspost

Mr. Richard Dwyer
Licensing Administrator
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338

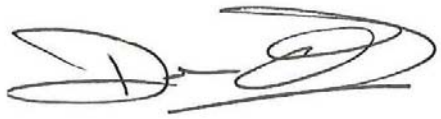
Dear Mr. Dwyer,

Re: Water License 2BE-MEA0813 2008 Annual Report

Please find enclosed the 2008 Annual Report as required by 2BE-MEA0813 Part B, Item 2.

Should you require any additional information, please contact me via email at denis.vaillancourt@agnico-eagle.com or by telephone at 819-874-5980 ext 3605.

Regards,



Denis Vaillancourt

Encl (1)

NWB Annual Report **Year being reported:** 2008

License No: 2BE-MEA0813 **Issued Date:** March 3, 2008
Expiry Date: February 28, 2013

Project Name: Meadowbank Exploration Project

Licensee: Agnico-Eagle Mines Limited - Exploration Canada Division

Mailing Address: C.P. 87, 765 Chemin de la Mine Goldex
Val-d'Or, Quebec J9P 4N9
819-874-5980

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

General Background Information on the Project (*optional):

In 2008 while exploration was ongoing, the Meadowbank Project was transitioning into pre-development and construction activities in preparation for the issuance of the Type A Water License. This included the relocation and construction of a new exploration camp to KM 100 of the All Weather Private Access Road which was commissioned in late June 2008.

Type B Water License 2BE-MEA0813 for exploration activity was issued on March 3, 2008 during the renewal/amendment process for Type B Water License 8BC-TEH0809 for pre-development operations, which was issued on June 10, 2008. Both exploration and pre-development activities related to the Meadowbank Project between March 3 and June 10, 2008 were conducted under water license 2BE-MEA0813.

Following the issuance of Meadowbank Gold Project Type A Water License 2AM-MEA0815 (for mining, milling and associated uses) on July 10, 2008, all drilling activities on the Portage, Goose Island and Vault Deposits within the footprint of the mine site were considered as associated activity to the mining operation. After July 10, 2BE-MEA0813 considers only drilling activity outside of the Meadowbank minesite.

Licence Requirements: the licensee must provide the following information in accordance with

Part B Item 2

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Third Portage Lake for domestic use; water sources proximal to drilling targets

Water Quantity:

15 cu.m/day	Quantity Allowable Domestic (cu.m)
6.2 cu.m/day	Actual Quantity Used Domestic (cu.m)
200 cu.m/day	Quantity Allowable Drilling (cu.m)
unknown	Total Quantity Used Drilling (cu.m)

Domestic Water Use

March - May

Between March 3 and June 10, 2008 both exploration and pre-development activities at the mine site were conducted under water license 2BE-MEA0813. During this time exploration personnel were housed at the Meadowbank Minesite while the new Exploration Camp was under construction. Domestic water use was measured at the minesite fresh water intake and exceeded the allowable quantity under 2BE-MEA0813 due to demands for the batch concrete plant in addition to increasing number of personnel. Average consumption per day for all purposes at the Meadowbank minesite from March through May is as follows:
March: Data not available April: 23.5 cu.m/day May: 48 cu.m/day

June - August

Type B license 8BC-TEH0809 was issued on June 10, 2008 with a water allowance of 1860 cu.m/month for domestic water use at the Meadowbank camp. Exploration personnel was at the Meadowbank Camp. At the beginning of July, Exploration personnel were relocated to the new camp and domestic water was supplied by tanker truck from the Meadowbank Minesite and metered from Third Portage Lake under the requirements of the 8BC-TEH0809 and then by Type A License 2AM-MEA0815 as of issuance on July 10. Water usage is for this period is reported under Type A license 2AM-MEA0815.

The fresh water intake at the Exploration Camp was operational and water intake was metered as of August 15, 2008. The average daily intake for domestic purposes from August 15 until the end of December 2008 was 6.2 cu.m/day.

Water Used for Drilling Purposes

Based on the manufacturing specifications of the water supply pumps used for the diamond drills on the Meadowbank Project, there is 450 gallons pumped per hour or 10,800 gallons per 24 hour period equivalent to a maximum possible intake of 40.8 cu.m/day per diamond drill.

Four drill rigs operated were operational during the 2008 exploration season according to the following schedule:

Rig 38 #1 March 12 - May 23
Rig 38 #2 March 23 - September 6
Rig LF #3 May 6 - August 15
Rig LF #4 April 11 - September 6

The maximum possible daily intake with four drills in operation is 163.2 cu.m/day.

- [x] Sewage
- [x] Drill Waste
- [x] Greywater
- [ ] Hazardous
- [ ] Other:

Additional Details:

Solid Waste:
All solid waste was regularly transported to the Meadowbank mine site for disposal, including organic material, which was removed for incineration at Meadowbank on a daily basis.

Greywater:
As of August 11, 2008, all greywater was discharged to a land applied sump on the tundra. Prior to that time, no greywater was discharged as it was directed to the sewage holding tank. By discharging the greywater it is estimated that the emergency retention time of the holding tank increased from 1 to between 5 and 7 days. A photograph of the sump is included in Appendix 1, page 12 (PDF page 13).

Sewage:
All sewage was directed to the sewage holding tank and then transported to the Meadowbank mine site via tanker truck for processing at the onsite sewage treatment plant.

Drill Waste
Cuttings : When drilling on ice, all drill cuttings were collected using a cyclone, bagged amd brought back to the Meadowbank camp. When drilling on land, the cuttings were disposed of in a natural sump or if a suitable sump was not available, the cuttings were collected, bagged and brought back to the Meadowbank camp.

Water : Drill water was returned to the lake after cuttings were removed in a settling drum, or was pumped to a natural depression sump.

A summary of drilling / trenching operations

Drilling commenced in February and finished in September 2008, with 19,644 m drilled over 76 drill holes. There were no trenching activities in 2008.

A summary of construction activities

In 2008, a new exploration camp was constructed at KM 100 of the All Weather Private Acess Road. Construction on the pad began in February and the camp was commissioned for use by the beginning of July. The camp accomodates 72 people and was 90% completed by year-end. Final completion is scheduled for the summer of 2009.

Additionally, secondary containment was constructed for fuel drum storage and the fuel transfer station. See photograph in Appendix 1, page 11 (PDF page 12).

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)
Date of Spill:
Date of Notification to an Inspector:
Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

There were no reported spills in 2008

Revisions to the Spill Contingency Plan

SCP submitted and approved - no revision required or proposed

Additional Details:

On March 31, 2008 AEM submitted an addendum to the Spill Contingency Plan as required by Part H, Item 2. On August 11, 2008 as required by Type A License 2AM-MEA0815, AEM submitted a revised and amalgamated Spill Contingency Plan for the Meadowbank Mine Site, Exploration Camp and Baker Lake Facilities, which incorporated the points from the March addendum.

Revisions to the Abandonment and Restoration Plan

AR plan submitted and approved - no revision required or proposed

Additional Details:

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

There was no progressive reclamation completed in 2008

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached

Additional Details:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached

Additional Details:

Results of any additional sampling and/or analysis that was requested by an Inspector

Additional sampling requested by an Inspector or the Board (See below)

Additional Details: (date of request, analysis of results, data attached, etc)

The August 3, 2008 Inspector's Direction (Appendix 2) requested follow-up sampling. Samples were collected in November 2008 and the laboratory certificates are included in Appendix 3.

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board

Additional Details: (Attached or provided below)

No other details requested by the Board

Any responses or follow-up actions on inspection/compliance reports

Inspection and Compliance Report received by the Licensee (Date):

Additional Details: (Dates of Report, Follow-up by the Licensee)

An Inspection Report was received by AEM on August 3, 2008 with respect to the site inspection on July 29, 2008. AEM filed a formal response with the INAC Inspector and the NWB on August 7, 2008 with follow-up correspondence outlining progress on outstanding issues submitted on August 14, 2008.

Any additional comments or information for the Board to consider

Date Submitted:	31-Mar-09	
Submitted/Prepared by:	Denis Vaillancourt	
Contact Information:	**Tel:**	819-874-5980 ext.3605
	Fax:	819-874-3318
	email:	dvaillancourt@agnico-eagle.com

Coordinates for domestic water sources

Source Description	Latitude			Longitude		
	Deg °	Min '	Sec "	Deg °	Min '	Sec "
Exploration Camp Fresh Water Intake,Third Portage Lake	65	1	52.7	96	9	9.5

Coordinates for drilling water sources

Source Description	Latitude	Longitude
Proximal to drill hole	65.116555	-96.362099
Proximal to drill hole	65.113342	-96.368903
Proximal to drill hole	65.149835	-96.095496
Proximal to drill hole	65.103692	-95.932905
Proximal to drill hole	65.10244	-95.912572
Proximal to drill hole	65.096215	-95.940693
Proximal to drill hole	65.094346	-95.946615
Proximal to drill hole	65.089812	-95.919515
Proximal to drill hole	65.087684	-95.955064
Proximal to drill hole	65.071926	-96.010055
Proximal to drill hole	65.071588	-96.00385
Proximal to drill hole	65.075783	-95.991145
Proximal to drill hole	65.075679	-95.998413
Proximal to drill hole	65.067122	-95.99769
Proximal to drill hole	65.07153	-95.981503
Proximal to drill hole	65.027121	-96.051791
Proximal to drill hole	65.029808	-96.052673
Proximal to drill hole	65.033431	-96.063138
Proximal to drill hole	65.02471	-96.048689
Proximal to drill hole	65.026325	-96.051121
Proximal to drill hole	65.016418	-96.052383
Proximal to drill hole	65.016658	-96.053703
Proximal to drill hole	65.014878	-96.051879
Proximal to drill hole	65.015512	-96.052634
Proximal to drill hole	65.012603	-96.052633
Proximal to drill hole	65.013806	-96.044598
Proximal to drill hole	65.001422	-96.053047
Proximal to drill hole	65.000467	-96.053591
Proximal to drill hole	65.000005	-96.055894
Proximal to drill hole	64.999132	-96.05368
Proximal to drill hole	65.00301	-96.07651
Proximal to drill hole	65.005883	-96.080409
Proximal to drill hole	65.020068	-96.0764
Proximal to drill hole	65.019342	-96.060331

Coordinates for areas of waste deposit

Description	Latitude			Longitude		
	° Deg	' Min	" Sec	° Deg	' Min	" Sec
Grey Water Discharge Line	65	1	51.2	96	9	28.3
Drill Cuttings at Meadowbank Camp	65	0	59.7	96	3	51.6

Coordinates for drilling waste deposit

Description	Latitude	Longitude
Drill Cuttings - natural sump	65.0005	-96.0547
Drill Cuttings - natural sump	65.1146	-96.3613
Drill Cuttings - natural sump	65.1150	-96.3625
Drill Cuttings - natural sump	65.1158	-96.3622
Drill Cuttings - natural sump	65.1139	-96.3681
Drill Cuttings - natural sump	65.1143	-96.3640
Drill Cuttings - natural sump	65.1010	-95.9109
Drill Cuttings - natural sump	65.0956	-95.9402
Drill Cuttings - natural sump	65.0940	-95.9454
Drill Cuttings - natural sump	65.0871	-95.9544
Drill Cuttings - natural sump	65.1504	-96.0956
Drill Cuttings - natural sump	65.1505	-96.0940
Drill Cuttings - natural sump	65.0130	-96.0535
Drill Cuttings - natural sump	65.0667	-95.9961
Drill Cuttings - natural sump	65.0714	-95.9799
Drill Cuttings - natural sump	65.0072	-96.0837
Drill Cuttings - natural sump	65.0041	-96.0763
Drill Cuttings - natural sump	65.0070	-96.0770

Appendix 1

AEM Response to Inspector's Direction, August 7, 2008

AEM Response – Email update, August 14, 2008

AGNICO-EAGLE **Mines** Ltd.

Val d'Or, August 7th 2008

Mr. Andrew Keim
Water Resources Officer
INAC
Nunavut District Office
P.O. Box 100
Iqaluit, NU, X0A 0H0
Tel: (867) 645-2089

Mr. Keim

Upon reception of the notice sent to Mrs Louise Grondin on August the 3rd, all drilling activities were stopped in the early morning of August 4th.

All drill rigs were dismantled and slung out of the island located in Tehek Lake at approximately N65 00 00.4 x W96 03 16.6 by helicopter. The drill and equipment removal from the island was totally completed on August 6th as indicated on the attached pictures taken on that day. These actions would comply with the first item on your inspector's direction stating that AEM should:

- *Immediately cease all drilling activities on the aforementioned island and remove all drills from this location.*

These actions comply also in part with your second item which was to stop depositing any remaining drill cuttings on the island. This item also contained a requirement to begin reclamation activities to prevent the continued siltation of the lake from the drill cuttings that had been deposited to date on the island. As a short term measure, we will today begin the installation of silt fences to prevent such siltation in areas where there is a risk that drainage from the drill cuttings accumulation may reach the lake. We will then proceed with complete stabilisation of the solids and will provide you with photographic evidence of both the silt fences installation and stabilisation measures. We think that these actions should comply with the second item on your inspector's direction stating that AEM should:

- *Immediately begin reclamation activities on the island to prevent the continued siltation and deposit of any remaining drill cuttings on the island into Tehek Lake.*

I hope that these actions are to your satisfaction. If you have any questions regarding the above information, please feel free to contact me.

Yours Truly,

Guy Gosselin, Ing., geol., M.Sc.A.
Exploration Manager Canada
AGNICO-EAGLE **Mines** Ltd**.**
Exploration Canada Division
C.P. 87,
765 chemin de la Mine Goldex
Val-d'Or Qc
J9P 4N9
phone: (819) 874-5980 ext 3600
fax: (819) 874-3318
cell: (819) 856-8124

Picture August 6th 2008 of the island located in Tehek Lake at approximately N65 00 00.4 x W96 03 16.6 looking north with the mine site in the up right corner.

Detail view looking south

Richard Dwyer

From: Guy Gosselin [Guy.Gosselin@agnico-eagle.com]
Sent: Thursday, August 14, 2008 6:28 AM
To: KeimA@inac-ainc.gc.ca
Cc: keima@inac-ainc.gc.ca; licensingadmin@nunavutwaterboard.org; shartman@kivalliqinuit.ca; Larry Connell; Louise Grondin; Denis Gourde; Alain Blackburn; stephane.villeneuve@agnico-eagle.com; denis.vaillancourt@agnico-eagle.com
Subject: Reclamation works completed regarding your directive of August 03, 2008; and Exploration camp installation update
Follow Up Flag: Follow up
Flag Status: Purple

AGNICO-EAGLE **Mines** Ltd**.**

Val d'Or, August 14th 2008

Mr. Andrew Keim
Water Resources Officer
INAC
Nunavut District Office
P.O. Box 100
Iqaluit, NU, X0A 0H0
Tel: (867) 645-2089

Mr. Keim

I am writing in follow up to your site inspection of our Meadowbank exploration camp and activities under Type B Water License 2BE-MEA0813 and specifically to your directive of August 03, 2008. The following is a further status update to my letter of August 07th with the status of ongoing actions taken by AEM:

1. Reclamation involving erosion protection measures have been completed on Skipper's Island located in Tehek Lake at approximately N65 00 00.4 x W96 03 16.6, including installation of silt fencing, installation of geo-fabric and tarps and physical removal of drill cuttings to reduce the potential for drill cutting to enter the lake from these sites. I have attached a series of photographs documenting the completion of this work on Monday August 11, 2008;

2. Construction of a secondary containment for drums of aviation fuel at the Exploration camp has been completed as shown in the attached photograph;

3. Liner material has been installed to construct secondary containment for the fuel transfer areas near the Gensets installations.

4. Liner material has been ordered to construct secondary containment in the garage facilities at the exploration camp. We are hopefully that this liner material will arrive late on this year's sealift allowing us to complete all of the recommended secondary containment areas here before year end;

5. Camp garbage (organic containing material) is now being trucked on a daily basis to the incinerator units at the Meadowbank site for incineration to prevent any accumulation at the exploration camp;

6. As of August 11, 2008 all grey water from the exploration camp is being by-passed around the sewage holding tank and being discharged through a newly constructed sump before overflowing onto the tundra. The sump is intended to prevent erosion of the tundra from this discharge source. A photo of the constructed grey water sump is attached.

7. The camp black water is being directed into the sewage holding tank and then transferred by truck to the sewage treatment plant at Meadowbank. We estimate that the sewage holding tank at the exploration camp now provides emergency retention time of between 5 to 7 days as compared to 1 day previously when both grey water and black water were being retained.

8. The exploration camp fresh water intake is being installed and should be functioning within one week. This installation includes a permanent flow meter to measure water use as required under the license.

Please feel free to contact the undersigned if you require any further information.

Regards

Guy Gosselin, Ing., geol., M.Sc.A.
Exploration Manager Canada


AGNICO-EAGLE Mines Ltd**.**
Exploration Canada Division
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765 chemin de la Mine Goldex
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J9P 4N9
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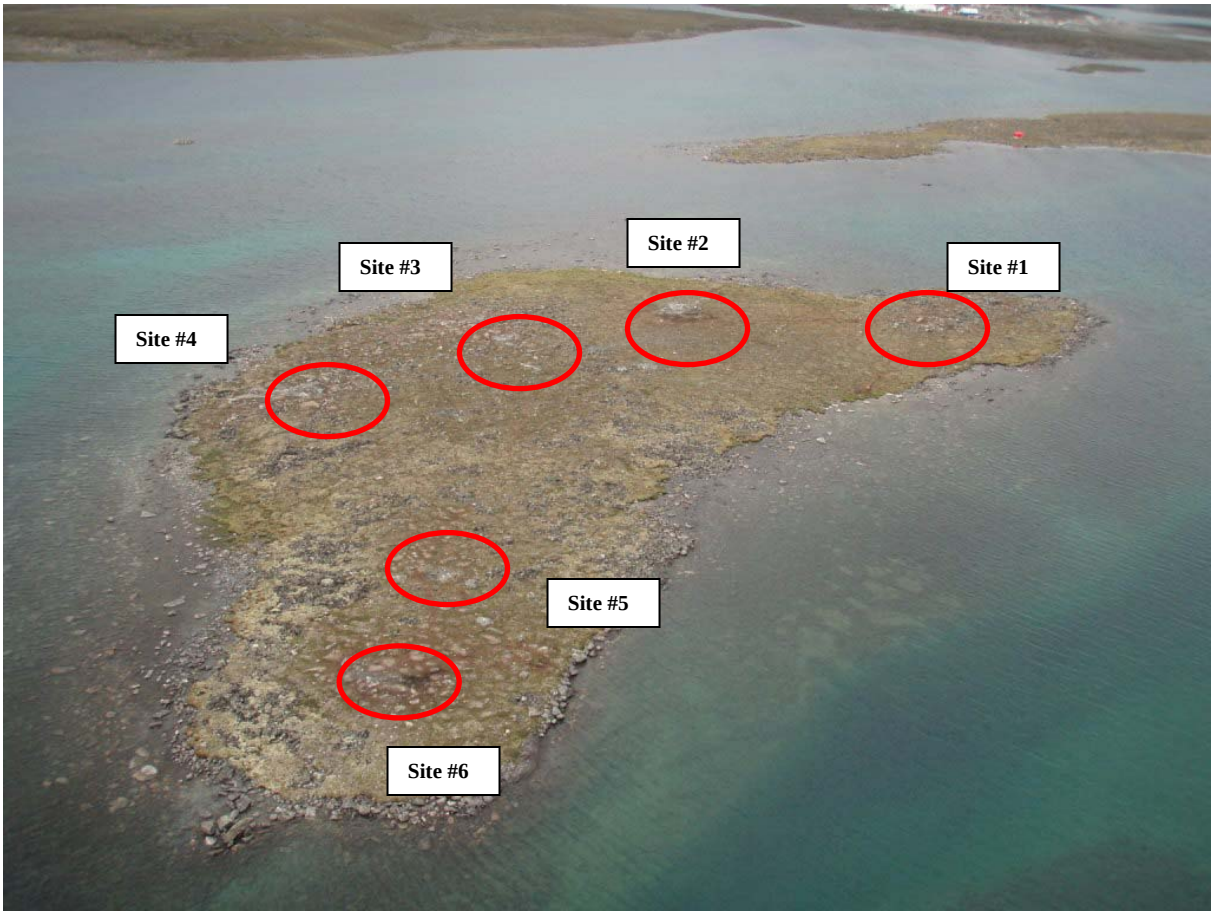
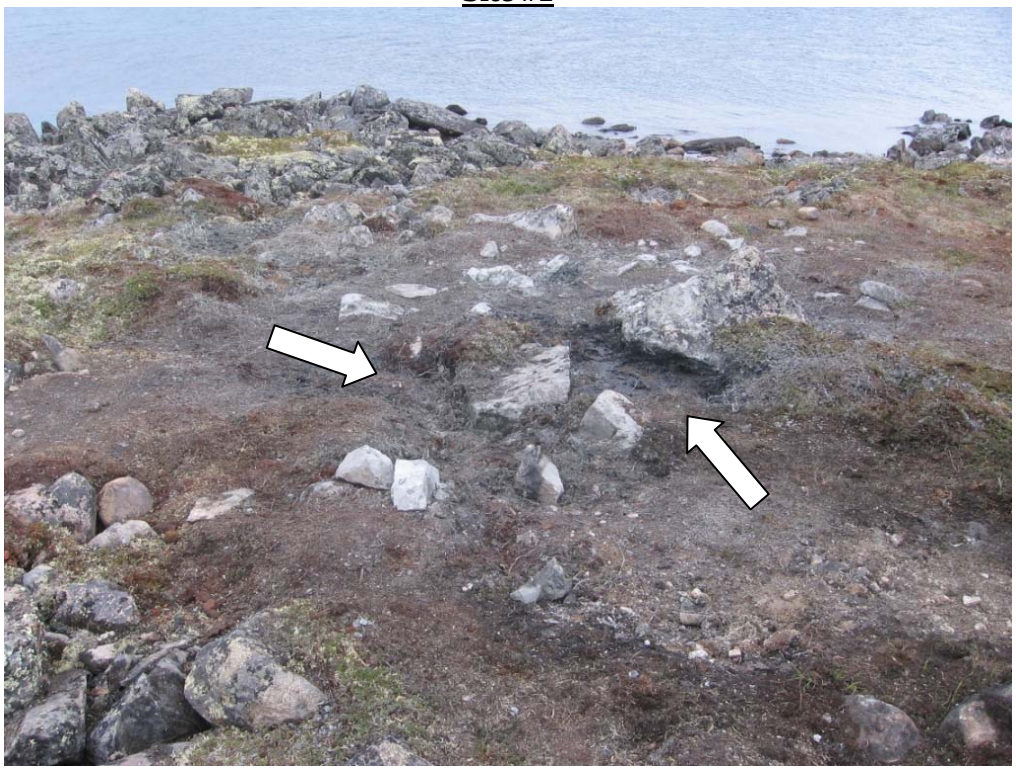
fax: (819) 874-3318

Reclamation of Skipper's Island, Goose South Area Meadowbank project



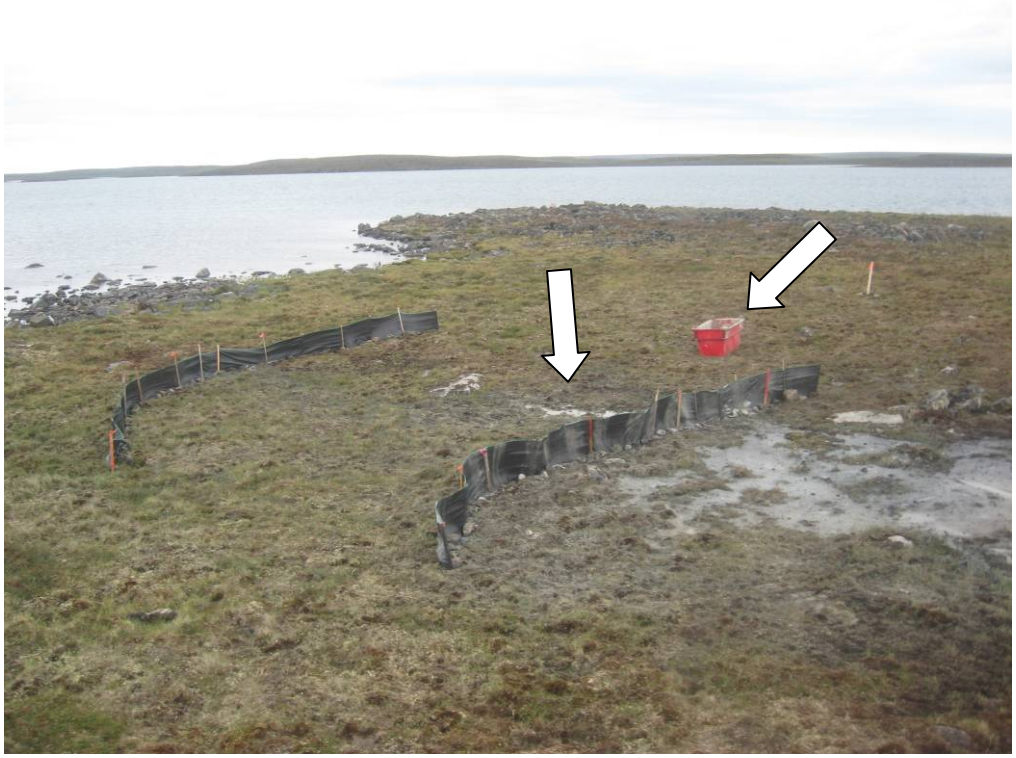
Picture taken before the reclamation activities illustrating the areas were drilling activity took place on the island

Site #1



Removal by shovelling of all drill cuttings found at this drill site

Site #2



Removal by shovelling of drill cuttings between the two silt fences

Site #3

Silt fence and waterproof membrane to prevent rain erosion

Site #4

Removal by shovelling of drill cuttings between the two silt fences

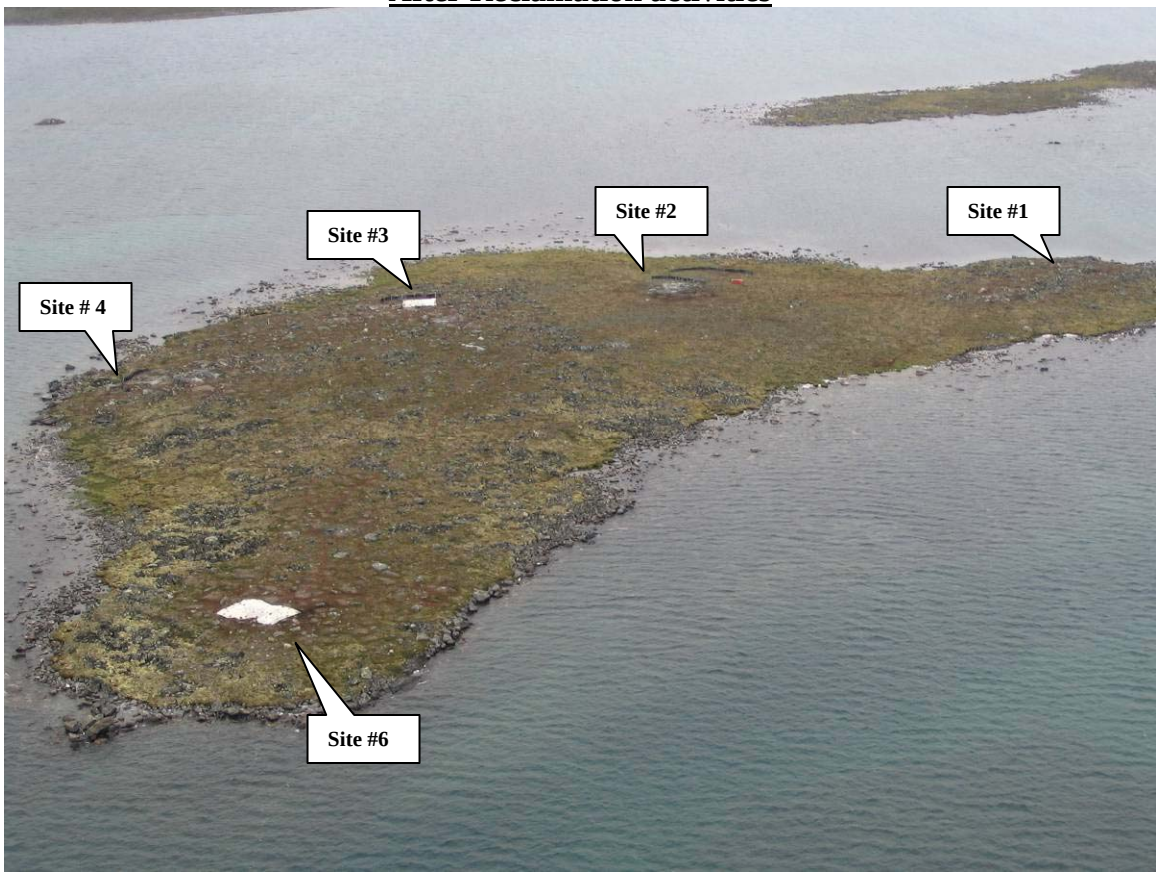
Site #5

No action necessary considering drill site was clean and outside the 30 meters to shoreline

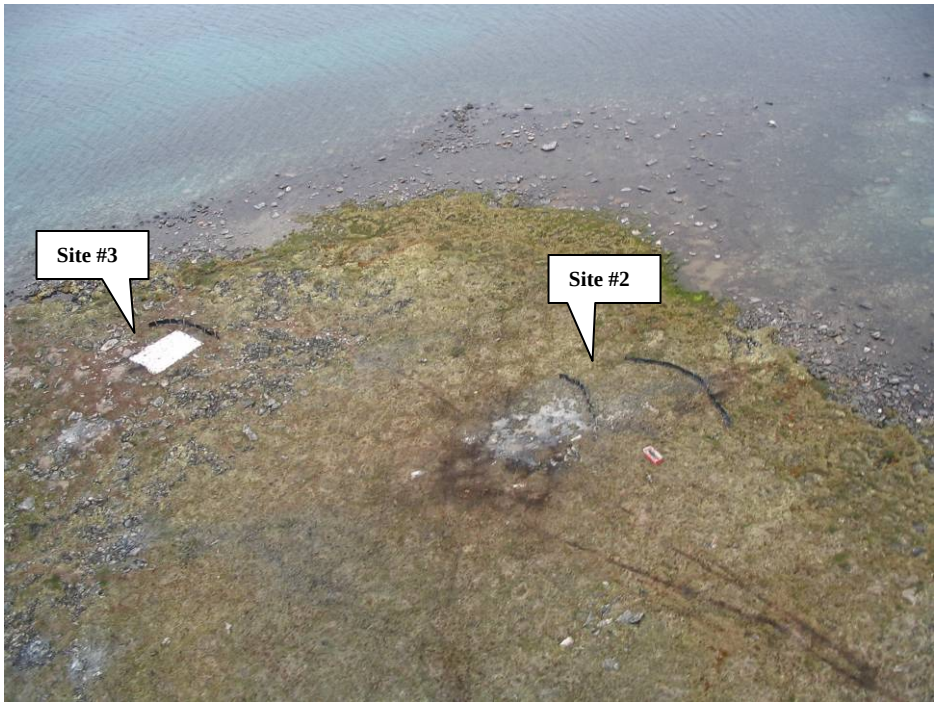
Site #6

Waterproof membrane over drill site located on evenly higher ground to prevent surface drainage or rainfall erosion

After Reclamation activities



Aerial pictures taken after reclamation activities



Closer aerial view of sites #2 and #3 after reclamation

Appendix 2

Water License Inspection Report, July 29, 2008

Inspector's Directive, August 3, 2008

Indian and Northern Affairs Canada **Affaires Indiennes et du Nord Canada**

WATER USE INSPECTION REPORT

Date: July 29th,2008	**Licensee Rep.** (Name/Title)**:** Ryan VanEngen
Licensee: Agnico Eagle	**Licence No: 2BE-MEA0813 (amendment pending**

WATER SUPPLY

Source(s): Third Portage Lake / Mine site	**Quantity used: Unknown** – Unknown
Owner:/Operator: Agnico-Eagle Ltd.	

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Intake Facilities: NI	**Storage Structure:** A	**Treatment Sys:** NA	**Chemical Storage:** NA
Flow Meas. Device: NA	**Conveyance Lines:** NA	**Pumping Stations:** NA	**Screen : NA**

Comments: Water for the exploration camp is currently treated and trucked from the mine site to the Exploration Camp. Pumping water directly from the lake had not begun during the period of Inspection.

WASTE DISPOSAL

Sewage: **Sewage Treatment System** (Prim./Sec/Ter.)**: Direct discharge to Marine Environ.**

Natural Water Body: Mine site	**Continuous Discharge** (land or water)**: Continuous**	
Seasonal Discharge: NA	**Wetlands Treatment:** NA	**Trench:** NA

Comments: Sewage wastes are being hauled to mine site for treatment and discharge.

Solid Waste:

Landfill: Pedning – To be constructed	**Burn & Landfill:** NA	**Other:** Incinerator & backhaul

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Discharge Quality:	**Decant Structure:**	**Erosion:** A
Discharge Meas. Device: NA	**Dyke Inspection:** NA	**Seepages:** A
Dams, Dykes: NI	**Freeboard:** A	**Spills:**
Construction: NI	**O&M Plan:**	**A&R Plan:**
Periods of Discharge: NA.	**Effluent Discharge Rate:** NA	

Comments: Solid waste is currently being hauled to the mine site for incineration. Some materials are also being hauled to an unlicensed facility in Baker Lake, Nunavut. Waste was piling up in camp, Inspector provided a direction to remove wastes.

FUEL STORAGE:.

Waste Oil Storage: None noted **Owner/Operator:** Agnico-Eagle Ltd

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Berms & Liners: U	**Water within Berms:** U	**Evidence of Leaks:** NI
Drainage Pipes: A	**Pump Station & Catchments Berm:** NI	
Pipeline Condition: NA	**Condition of Tanks: A**	

Comments: Water was noted being pumped outside the 5 million litre tank adjacent to the community of Baker Lake. Agnico-Eagle was directed to cease this activity and provide a report to the Inspector. Secondary Containment around the transfer areas of the Exploration Camp was not noted and is required.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected	**Owner /Operator: Agnico-Eagle Ltd.**	
2	**INAC:** Potable water, Effluent/ Runoff	
Signs Posted	**SNP:** None	**Warning:** U
Records & Reporting: Annual reporting (sampling and analysis) is required, Follow up in September.		
Geotechnical Inspection: N/A		

Non-Compliance of Act or Licence: Drilling on Island located at N65 00 00.4 X W96 03 16.6 in Tehek lake was noted during Inspection. Inspector noted drills were within 30 m of water. An Inspector's Direction to cease activity and remediate inland is ordered. Secondary Containment and waste management are issues that must be addressed by period of next Inspection in September, 2008.

A.Keim
Inspector's Name

Sent by E-mail
Inspector's Signature

Indian and Northern Affairs Canada | Affaires indiennes et du Nord Canada

Nunavut District Office
P.O. Box 100
Iqaluit, NU, X0A 0H0
Tel: (867) 645-2089

August 3, 2008

Louise Grondin
Vice-president Environment
Agnico-Eagle Mines Ltd
20 route 395,
Cadillac, QC, J0Y 1C0

- Inspector's Direction -

I, Andrew Keim, duly designated Inspector pursuant to subsection 85 (1) *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, conducted an inspection of the Agnico-Eagle Meadowbank Exploration Camp and associated drilling activities on July 29th, 2008. During the Inspection I came to believe that Agnico-Eagle had violated the terms and conditions of its water licence and may require an amendment to its existing water licence to ensure continued compliance.

Under the current water licence, and as contained in PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS AND TRENCHING the following terms apply;

> 1. The Licensee shall not conduct any land based drilling within thirty (30) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board.
>
> 2. The Licensee shall ensure that all drill waste, including water, chips, muds and salts (CaCl2) in any quantity or concentration, from land-based and on-ice drilling, shall be disposed of in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.

During the period of inspection I did note that three drills were operating on an inland located in Tehek Lake at approximately at N65 00 00.4 X W96 03 16.6. The three Drills were operating within the 30 m required setback from water and it was noted that cuttings from the drills were entering water at each site contrary to the terms and conditions of the existing license. After a review of the Nunavut Water Board FTP site the inspector can not find an approval or amendment allowing this activity.

Additionally as noted in PART D: CONDITIONS APPLYING TO WASTE DISPOSAL Agnico-Eagle is required to comply with the following;

11. The Licensee shall contain all grey water in a sump located at a distance of at least thirty (30) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board.

During the period of Inspection and subsequently found in an application for amendment which has not yet been approved, the Licensee (Agnico-Eagle) plans to discharge Grey water at the Exploration camp directly onto the tundra. It is acknowledged that no grey water has yet been discharged from the Camp.

As stipulated in subsection 12 1(b) of the Act : Except in accordance with the conditions of a License, no person shall deposit or permit the deposit of waste in any other place in Nunavut under conditions in which the waste, or any waste that results from the deposit of that waste, may enter waters in Nunavut.

By copy of this Order and under the authority vested in me pursuant to subsection 87 (1) (ii) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* **Agnico-Eagle Mines Ltd.** is directed as follows;

- Immediately cease all drilling activities on the aforementioned island and remove all drills from this location.
- To immediately begin reclamation activities on the island to prevent the continued siltation and deposit of any remaining drill cuttings on the island into Tehek Lake.
- To immediately undertake a sampling program to determine the extent of any contamination as compared to baseline sampling conducted previously.
- To provide the Inspector for review and approval a plan for managing drill cuttings on islands within Tehek Lake and other adjacent lakes on the property where a 30 meter setback from water is either impossible or impractical in the circumstances prior to undertaking any further exploratory drilling on these islands.
- To within 7 days of receipt of this Direction provide to the Inspector proof of completion of points one and two above and regular updates on the progress and findings of the sampling program
- To construct a sump or retention area for any and all grey water discharges from the exploration camp prior to any discharge

Failure to comply fully or in part with an **Inspector's Direction** constitutes a offence under subsection 90 (1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and entails, upon summary conviction, a fine of $100,000 or to imprisonment for a term of one year, or both.

Further pursuant to subsection 90 (4) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, each day on which the **Inspector's Direction** is not complied with shall be considered a separate offence.

If you have any questions or concerns, please do not hesitate to contact me at (867) 975-4289 or keima@inac.gc.ca

Andrew Keim

Inspector

Original signed this date

Inspector's Signature

cc. Nunavut Water Board, Gjoa Haven
Wade Romanko, Environment Canada
Craig Broom, Environment Canada
Robert Eno, Government of Nunavut
Bernie MacIssac, Mgr. Field Operations, INAC

Appendix 3

Laboratory Certificates

Your Project #: EXPLORATION
Site:ISLAND

Attention: Ryan VanEngen
Agnico-Eagle Mines Ltd.
Kivalliq district
Baker Lake, NU
CANADA X0C 0A0

Report Date: 2008/11/06
Report #: NM-249779
This report supersedes all previous reports with the same Maxxam job number

CERTIFICATE OF ANALYSIS

MAXXAM JOB #: A840237
Received: 2008/09/11, 14:30

Sample Matrix: SURFACE WATER
Samples Received: 3

Analyses	Quantity	Date Extracted	Date Analyzed	Laboratory Method	Analytical Method
Conductivity	3	2008/09/15	2008/09/16	STL SOP-00038/6; STL SOP-00012/2	Conductivity
Disposal Charges	3	N/A	2008/09/11		
Hardness	3	2008/09/16	2008/09/16	STL SOP-00006/7	ICP
Total Suspended Solids	3	2008/09/12	2008/09/12	STL SOP-00015/3	Gravimetric
Metals by ICP-MS	3	2008/09/16	2008/09/16	STL SOP-00006/7	ICP-MS
Mineral Oil and Grease	3	2008/09/15	2008/09/16	STL SOP-00151/12	Gravimetric
pH	3	2008/09/12	2008/09/12	STL SOP-00016/6; STL SOP-00038/6,	pH meter

Encryption Key

Please direct all questions regarding this Certificate of Analysis to your Project Manager.

GENEVIEVE BERTHIAUME, Technical Sales Rep
Email: genevieve.berthiaume@maxxamanalytics.com
Phone# (514) 448-9001

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Maxxam has procedures in place to guard against improper use of the electronic signature and have the required "signatories", as per section 5.10.2 of ISO/IEC 17025:2005(E), signing the reports. SCC and CALA have approved this reporting process and electronic report format.

For Service Group specific validation please refer to the Validation Signature Page

889 Montée de Liesse, Ville St-Laurent, Québec, Canada H4T 1P5 Tél. : (514) 448-9001 Télécopieur : (514) 448-9199 Ligne sans frais : 1-877-4MAXXAM (462-9926)

Maxxam Job #: A840237
Report Date: 2008/11/06

Agnico-Eagle Mines Ltd.
Client Project #: EXPLORATION
Project name: ISLAND
Sampler Initials: SM

METALS (SURFACE WATER)

Maxxam ID		F60009	F60010	F60011		
Sampling Date		2008/09/08	2008/09/08	2008/09/08		
	Units	**1**	**2**	**3**	**RDL**	**QC Batch**
METALS						
Calcium (Ca)	mg/L	1	1	1	1	549578
Magnesium (Mg)	mg/L	<1	<1	<1	1	549578
Total Hardness (CaCO3)	mg/L	3	3	3	1	549578
METALS ICP-MS						
Aluminum (Al)	ug/L	30	13	46	1.0	549577
Silver (Ag)	ug/L	<0.10	<0.10	<0.10	0.10	549577
Arsenic (As)	ug/L	<1.0	<1.0	<1.0	1.0	549577
Barium (Ba)	ug/L	2.9	2.2	4.8	2.0	549577
Cadmium (Cd)	ug/L	<0.20	<0.20	<0.20	0.20	549577
Chromium (Cr)	ug/L	1.3	1.1	1.1	0.50	549577
Cobalt (Co)	ug/L	<0.50	<0.50	<0.50	0.50	549577
Copper (Cu)	ug/L	<0.50	1.3	<0.50	0.50	549577
Manganese (Mn)	ug/L	1.4	0.77	0.85	0.40	549577
Molybdenum (Mo)	ug/L	<0.50	<0.50	<0.50	0.50	549577
Nickel (Ni)	ug/L	<1.0	<1.0	<1.0	1.0	549577
Sodium (Na)	ug/L	440	430	450	30	549577
Zinc (Zn)	ug/L	<1.0	<1.0	<1.0	1.0	549577
Selenium (Se)	ug/L	<1.0	<1.0	<1.0	1.0	549577
Lead (Pb)	ug/L	<0.10	<0.10	<0.10	0.10	549577

RDL = Reportable Detection Limit
QC Batch = Quality Control Batch

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Maxxam Job #: A840237
Report Date: 2008/11/06

Agnico-Eagle Mines Ltd.
Client Project #: EXPLORATION
Project name: ISLAND
Sampler Initials: SM

CONVENTIONAL PARAMETERS (SURFACE WATER)

Maxxam ID		F60009	F60010	F60011	F60011		
Sampling Date		2008/09/08	2008/09/08	2008/09/08	2008/09/08		
	Units	**1**	**2**	**3**	**3 Lab-Dup**	**RDL**	**QC Batch**
CONVENTIONALS							
Conductivity	mS/cm	0.014	0.013	0.014	N/A	0.001	549386
pH	pH	6.6	6.3	6.4	N/A	N/A	548634
Total suspended solids (TSS)	mg/L	<2	<2	2	<2	2	548597

N/A = Not Applicable
RDL = Reportable Detection Limit
Lab-Dup = Laboratory Initiated Duplicate
QC Batch = Quality Control Batch

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Maxxam Job #: A840237
Report Date: 2008/11/06

Agnico-Eagle Mines Ltd.
Client Project #: EXPLORATION
Project name: ISLAND
Sampler Initials: SM

HEAVY HYDROCARBONS (SURFACE WATER)

Maxxam ID		F60009	F60010	F60011		
Sampling Date		2008/09/08	2008/09/08	2008/09/08		
	Units	**1**	**2**	**3**	**RDL**	**QC Batch**
OIL & GREASE						
Mineral Oil and Grease	mg/L	<3	<3	<3	3	549195

RDL = Reportable Detection Limit
QC Batch = Quality Control Batch

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Maxxam Job #: A840237
Report Date: 2008/11/06

Agnico-Eagle Mines Ltd.
Client Project #: EXPLORATION
Project name: ISLAND
Sampler Initials: SM

GENERAL COMMENTS

Condition of sample(s) upon receipt: GOOD except for the following:
pH: Holding time already past.: F60009, F60010, F60011

METALS (SURFACE WATER)

Please note that the results have not been corrected for QC recoveries. Please note that the results have been corrected for the blank.

CONVENTIONAL PARAMETERS (SURFACE WATER)

Please note that the results have not been corrected for QC recoveries. Please note that the results have been corrected for the blank.

HEAVY HYDROCARBONS (SURFACE WATER)

Please note that the results have not been corrected for QC recoveries. Please note that the results have been corrected for the method blank.

This report supersedes all previous reports with the same Maxxam job number

Results relate only to the items tested.

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Agnico-Eagle Mines Ltd.
Attention: Ryan VanEngen
Client Project #: EXPLORATION
P.O. #:
Project name: ISLAND

Quality Assurance Report

Maxxam Job Number: A840237

QA/QC Batch Num	Init	QC Type	Parameter	Date Analyzed yyyy/mm/dd	Value	Recovery	Units
548597	HM1	SPIKE	Total suspended solids (TSS)	2008/09/12		95	%
		SPIKE DUP	Total suspended solids (TSS)	2008/09/12		93	%
		METHOD BLANK	Total suspended solids (TSS)	2008/09/12	<2		mg/L
548634	LI	Calibration Check	pH	2008/09/12		101	%
		QC STANDARD	pH	2008/09/12		100	%
		SPIKE	pH	2008/09/12		101	%
549195	WM	SPIKE	Mineral Oil and Grease	2008/09/16		76	%
		METHOD BLANK	Mineral Oil and Grease	2008/09/16	<3		mg/L
549386	JL1	QC STANDARD	Conductivity	2008/09/16		101	%
		SPIKE	Conductivity	2008/09/16		101	%
		METHOD BLANK	Conductivity	2008/09/16	<0.001		mS/cm
549577	MCL	SPIKE	Aluminum (Al)	2008/09/16		99	%
			Silver (Ag)	2008/09/16		73	%
			Arsenic (As)	2008/09/16		104	%
			Barium (Ba)	2008/09/16		101	%
			Cadmium (Cd)	2008/09/16		105	%
			Chromium (Cr)	2008/09/16		99	%
			Cobalt (Co)	2008/09/16		103	%
			Copper (Cu)	2008/09/16		99	%
			Manganese (Mn)	2008/09/16		102	%
			Molybdenum (Mo)	2008/09/16		107	%
			Nickel (Ni)	2008/09/16		97	%
			Sodium (Na)	2008/09/16		100	%
			Zinc (Zn)	2008/09/16		100	%
			Selenium (Se)	2008/09/16		93	%
			Lead (Pb)	2008/09/16		98	%
		METHOD BLANK	Aluminum (Al)	2008/09/16	<1.0		ug/L
			Silver (Ag)	2008/09/16	0.36, RDL=0.10		ug/L
			Arsenic (As)	2008/09/16	<1.0		ug/L
			Barium (Ba)	2008/09/16	<2.0		ug/L
			Cadmium (Cd)	2008/09/16	<0.20		ug/L
			Chromium (Cr)	2008/09/16	<0.50		ug/L
			Cobalt (Co)	2008/09/16	<0.50		ug/L
			Copper (Cu)	2008/09/16	0.61, RDL=0.50		ug/L
			Manganese (Mn)	2008/09/16	<0.40		ug/L
			Molybdenum (Mo)	2008/09/16	<0.50		ug/L
			Nickel (Ni)	2008/09/16	<1.0		ug/L
			Sodium (Na)	2008/09/16	<30		ug/L
			Zinc (Zn)	2008/09/16	<1.0		ug/L
			Selenium (Se)	2008/09/16	<1.0		ug/L
			Lead (Pb)	2008/09/16	0.15, RDL=0.10		ug/L
549578	MCL	SPIKE	Calcium (Ca)	2008/09/16		97	%
			Magnesium (Mg)	2008/09/16		96	%
		METHOD BLANK	Calcium (Ca)	2008/09/16	<1		mg/L
			Magnesium (Mg)	2008/09/16	<1		mg/L
			Total Hardness (CaCO3)	2008/09/16	<1		mg/L

RDL = Reportable Detection Limit
QC Standard = Quality Control Standard
SPIKE = Fortified sample

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Validation Signature Page

Maxxam Job #: A840237

The analytical data and all QC contained in this report were reviewed and validated by the following individual(s).

DELIA BARBUL, B.Sc., Chemist, Analyst 2

MARIE-CLAUDE LAUZIER, B.Sc., Chemist, Analyst 2

MICHEL POULIN, B.Sc., Chemist, Analyst 2

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Maxxam Analytique Inc
889 Montée de Liesse
St-Laurent, Québec, H4T 1P5
Web site: www.maxxam.ca

CHAN OF CUSTODY

Client: Agnico-Eagle Meadowbank Project	Te 867-793-4167 x 6728 Fax:
Address Meadowbank Camp Baker Lake Nunavut, X0X 0A0	**Project #** Exploration
Sampler SM, AND SV	**Project Manager** Stephane Villeneuv

N°	Sample identification	N° labo MAXXAM	Matrix: Potable w.	Waste w.	Ground w.	Surf. W.	Soils	Sediments	Others*	Sampling: # containers	To filter (yes/no)	Date	BTEX (P&T / GC-MS)	Hydrocarbons C10-C50	O&G mineral (gravimetric)	O&G total (gravimetric)	PCB	MAH ___ VOC(624) ___	PAH	Phenol (color.) ___ (GC-MS) ___	TPH (GC-FID)	Metals (Cd, Cr, Cu, Ni, Pb, Zn)	Arsenic ___ Sélénium ___	Mercury	Lead	Metals ICP -13 ele.-soil ** ___ 16 ele.-water***	NH4 ___ TKN ___	NH3, SO4, F	NO2+NO3 ___ X__ O-PO4 ___	Cl ___ F ___ SO4 ___	TSS	Cyanide	General: pH, Conductivity, Hardness
1						X				3		9/8/2008			X											X				X		X
2						X				3		9/8/2008			X											X				X		X
3						X				3		9/8/2008			X											X				X		X

Metals Legend: ** Metals 13 elements(Ag, As, Ba, Cd, Co, Cr, Cu, Sn, Mn, Mo, Ni, Pb, Zn,Radium -226)
*** Metals 16 elements(Al, Sb, Ag, As, Ba, Cd, Cr, Co, Cu, Mn, Mo, Ni, Pb, Se, Na, Zn

Turnaround time:
- ☐ 10 working days
- ☐ 5 working days
- ☐ 72 hours
- ☐ 48 hours
- ☐ 24 hours

Maxxam quote #:
Site: Island
PO #:
Others:

Detection limits required / contamination level:
CCME for Surface Water (Federal)

Special instructions:
Please note that:

 # Please analyse for Radium - 226

LEGEND:
* C = Canisters
* W = Waste
* O = Oil
* T = Tubes ou Cartridges

Delivered by sampler:	**Date**	**Time**	**Received by:**
Delivered by messenger:	**Date**	**Time**	**Received by:**
Delivered by:	**Date**	**Time**	**Received by Maxxam:**

2008/09/11 2:30pm
14° 15° 16°