



5 February 2011

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

RE: All Weather Road between Rankin Inlet and the Meliadine Site: Application(s) to Authorizing Agencies: Water Licence Amendment: Agnico-Eagle Mines Limited

Dear Ms. Beaulieu,

On July 7th, 2010, Agnico-Eagle Mines Limited (AEM) based in Toronto, Ontario, completed its purchase of Comaplex Mines Corp. making it a wholly owned subsidiary. At the time of purchase Comaplex had applied to the Nunavut Water Board for an extension to its 2007 – 2008 underground program. On January 6th, 2011 the Nunavut Water Board approved an amendment to AEM's water licence 2BB-MEL0914 thereby allowing the extension of the underground exploration and bulk sampling program to proceed. This underground program is to run from 2011 to 2013 inclusive.

As with the earlier underground program, the extension will provide greater certainty in the future method of mining and will confirm earlier diamond drilling from surface. However, this underground exploration and bulk sampling program is more demanding than the earlier one. Approximately three times as much waste rock is to be removed from the underground, larger and more mining equipment will be employed, and up to four times as much fuel will be used. While the earlier program could adequately be serviced by a winter road, this is not the case for this program. This is causing AEM to apply for an all weather access road from Rankin Inlet to the Meliadine site. This road will facilitate the year round delivery of fuel, materials and services from Rankin Inlet and allow the underground program scheduled for 2012 and 2013 to proceed as planned.

The all weather road will cross the Char and Meliadine Rivers and 10 ephemeral streams. Single span bridges will be used for the two river crossings and one ephemeral stream. In all cases the abutments and any ancillary facilities will be located above the ordinary high water mark thereby avoiding any adverse effects on fish habitat or on the river itself. The Meliadine River is a navigable river and the single span bridge at this location will meet the conditions of the Navigable Waters Protection Act. Culverts will be used for the remaining nine ephemeral streams. All construction will occur over the winter of 2011 – 2012 when the rivers and streams are frozen to bottom.

The following documents are also attached to this letter:

- Project Description, *All Weather Road in support of the Underground Program – Rankin Inlet to Meliadine Site*, and
- Nunavut Impact Review Board's *Project Proposal Information Requirement Part 1 form and Screening Part 2 form*.

The first document describes the Project in detail while the Nunavut Impact Review Board's forms provide specific information. Both are attached for your information under a single cover. It is important to keep in mind that the information highlighted in the two documents does not presuppose a mine will be developed. This decision will follow on results arising from the underground program and completion of the feasibility study that is presently underway.

The next step in the environmental screening process is a Project conformity analysis to be carried out by the Nunavut Planning Commission (NPC). As the Project is within the approved Keewatin Regional Land Use Plan, AEM is obliged to contact all Authorizing Agencies and submit its applications. A copy of the application(s) is to be forwarded by the Authorizing Agencies to the Nunavut Planning Commission in accordance with Section 11.5.10 of the Nunavut Land Claims Agreement. Without copies of AEM's application(s) from the Authorizing Agencies, NPC cannot complete its conformity analysis.

Should the Project be found to be in conformity with the Keewatin Regional Land Use Plan, the finding would be sent to the Nunavut Impact Review Board who would then screen the Project.

In sending our Water Licence amendment application at this early juncture, our goal is to trigger the NPC process and make your office aware of the proposed development of an all weather road. The Water Licence amendment application signals AEM's intent to obtain all the necessary authorizations to build, operate and decommission the all weather access road.

AEM has attached two copies of its Water Licence amendment application. One copy is for your records while the other is to be sent to NPC.

The address of the Nunavut Planning Commission is as follows:

Nunavut Planning Commission
P.O. Box 419
Arviat, NU X0C0E0

Attention: Brian Aglukark
Email: aglukark@npc.nunavut.ca

Should have any questions or concerns, please do not hesitate in calling John Witteman at 819 277 5444 or jwitteman@agnico-eagle.com.

Yours sincerely,

A handwritten signature in blue ink that reads "John Witteman/for". The signature is fluid and cursive, with the word "for" written in a smaller, simpler script at the end.

Eric M. Lamontagne
Meliadine Project Manager

Cc. Brian Aglukark, NPC, Arviat (with attachments)
Nunavut Impact Review Board
John Witteman, Environmental Consultant