



30 May 2012

Ms. Phyllis Beaulieu
Licencing Coordinator,
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B1J0

**Re: 2BB-MEL0914 - Water License Amendment to alter Water Use at the Meliadine Site:
Agnico-Eagle Mines Limited (AEM)**

Dear Ms. Beaulieu;

Following an amendment being approved in June 2010, the Water Licence for the Meliadine Gold Project states in part:

The Licensee shall obtain all water for camp use, up to a maximum of twenty-five (25) cubic metres per day, from the Meliadine Lake at Monitoring Program Station MEL-1. Drill water shall be obtained from Meliadine Lakes and small ponds proximal to the drilling targets as outlined in the Application, and shall not to exceed two hundred and sixty-five (265) cubic metres per day. Total water use for all purposes shall not exceed two hundred and ninety (290) cubic metres per day.

The 290 cubic metres of water per day has served AEM well. It has allowed the operation of the camp and advanced exploration to continue as AEM prepares its Environmental Impact Statement for establishing a gold mine on the site. Even though more exploration activities are occurring at the site, water conservation and recycling is allowing AEM to stay well within the 265 cubic metres per day allocated for all purposes save camp operations. However, the number of persons on site continues to grow and is expected to approach 200 in the foreseeable future. The difficulty AEM is facing is that 25 cubic metres of water per day will soon become insufficient for camp purposes.

AEM is not requesting any change to the total quantity of water allocated for all purposes under the licence, this being 290 m³/day. What AEM is requesting is that the quantity of water for camp purposes be increased to 45 m³/day while that for all other purposes be reduced to 245 m³/day. The water drawn for camp use is from Meliadine Lake, a very large lake having an annual average discharge in excess of 30 million cubic metres.



The present Rotating Biological Contactor (RBC) sewage treatment plant is designed to handle wastewater from about 150 people. As the population of the camp is expected to exceed 150 people, a second RBC was installed this spring to meet the higher wastewater flows. The effluent quality from the combined two RBCs is expected to meet licence requirements.

Attached to this letter is an Application for Water Licence Amendment. The application fee of \$30 was mailed earlier to the NWB and I believe you have it in-hand.

Should you have any questions or concerns, please do not hesitate in getting in touch with me at 819 277 5444 or jwitteman@agnico-eagle.com.

Yours sincerely,

John Witteman

Cc. Luis Manzo, Veronica Tattuinee – KIA
Stéphane Robert, David Frenette, Josée Noël - AEM
Nunavut Impact Review Board