AGNICO-EAGLE LTD
MEADOWBANK GOLD PROJECT, NUNAVUT

WATER LICENSE APPLICATION
FOR A NEW EXPLORATION CAMP at KM 100

Prepared by: Stéphane Robert
Environmental Project
Coordinator

Approved by: Larry Connell, P.Eng.
Regional Manager:
Environment, Social and
Government Affairs
Agnico-Eagle Mines Ltd

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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-MEA0507) is located on the Meadowbank Project site and will be overwhelmed by the proposed construction of the mine facilities. Consequently AEM proposes to relocate the current exploration camp to a new site (see Figure 1 and 2 attached). This "new" exploration camp will be referred to as the Exploration Camp km 100 in this submission. AEM proposes that this 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. The Exploration Camp KM 100 will be located approximately 65 km north of Baker Lake; will be located on Inuit owned lands (IOL BL-14) and as such is subject to land and water use approvals by the Kivalliq Inuit Association and the Nunavut Water Board. The Exploration Camp KM 100 will replace the existing exploration camp and will be used to continue support in the coming years for ongoing 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.

The Exploration Camp Km 100 will be erected in close proximity to the AWPAR road and Third Portage Lake. The proposed camp will have a maximum capacity of 40 persons, with an average population of 25 persons. The proposed camp will consist of trailer units, Weatherhaven tent units, several wood buildings and two coverall tent units. Fuel storage systems at the site will use the three existing 50,000 litres double-walled storage tanks for diesel fuel and one 75,000 litres double walled 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 2BB-MEA0507. This existing exploration camp will be overwhelmed by the development of the proposed Meadowbank Gold Mine and thus AEM is applying to relocate the existing exploration camp to a new site in the first quarter of 2008. It is proposed that this "new" exploration camp be constructed near km 100 on the road (AWPAR) between the Hamlet of Baker Lake and the Meadowbank site adjacent to Third Portage Lake. The location of this proposed new camp in relation to the Meadowbank Project site is shown in the attached Figure 1.

The proposed site for this "new" exploration camp was selected so that it would be located on the mainland in close proximity to the AWPAR road and to Third Portage Lake.

2- Project description

2.1 Road

To facilitate construction of this new exploration camp it will be necessary to construct a short spur road from the AWPAR to the exploration 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. The camp will be located adjacent to the AWPAR at KM 100 as shown on Figure 1.

2.2 Site Preparation

A rockfill pad will be constructed at the new exploration camp 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 camp will have a maximum capacity of 40 persons, with an average population expected to be 25 persons. Specifically the proposed new Exploration Camp Km 100 will consist of the following structures:

- 2 x 13' x 60' trailers to form the camp kitchen,
- 4 x 13'x60' trailers for bedroom/sleeping units,
- 7 x 12'x12' Weatherhavean sleeper tent units,
- 2 x 16'x55' 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
- 1 x 42' x 70' temporary Cover-all fabric building to be used as storage.

The proposed layout of the new exploration camp is shown on the attached 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 new 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 double-walled skid-mounted 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 presently required at the site does not justify the use of fuel tanks.

2.5 Water supply

The water for domestic use will be obtained from Third Portage Lake located approximately 50 m west 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. The camp is predicted to use a maximum of 15 m^3/day for domestic use and 50 m^3/day/drill with a maximum of four operational drills (4 x 50 => 200 m^3/day).

Electric toilet units will be used. Consequently no liquid sewage will be generated from this camp (same as the current Meadowbank exploration camp). 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 200 metres from the lake shore.

2.6 Waste disposal

Daily non-hazardous solid waste (garbage) and other combustible solid waste products will be transported to Baker Lake for disposal in the municipal dump or to the Meadowbank site for disposal in the landfill. There will be no landfill developed at this site. All solid waste will be hauled off site. All hazardous wastes will be removed from site through the Meadowbank Project for disposal/recycle at appropriate licensed facilities in the south (batteries, waste solvents, antifreeze, hydraulic fluids, grease and waste oil). This disposal will be done under a Waste Generator number obtained from the GN DoE and in accordance with Nunavut waste disposal guidelines.

2.7 Transportation

Fuel and bulk goods will be transported to this exploration camp by pick-up and truck from Baker Lake to the Exploration Camp km 100 using the AWPAR from Baker Lake or the Meadowbank mine site.

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 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 camp. Duties ranged 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 Fax: (867) 793-2988

Diamond Drilling
Boart Longyear In.
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'Aeroport
Trois Rivieres, Que. G9A 5 E1
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, to 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@nv.sympatico.ca

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 the 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 "2007 Abandonment and Restoration Plan" document for further details.

6.1 Area affected by the activities

This proposed new exploration camp km 100 will affect an area of 0.9 ha (see Figure 2).

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

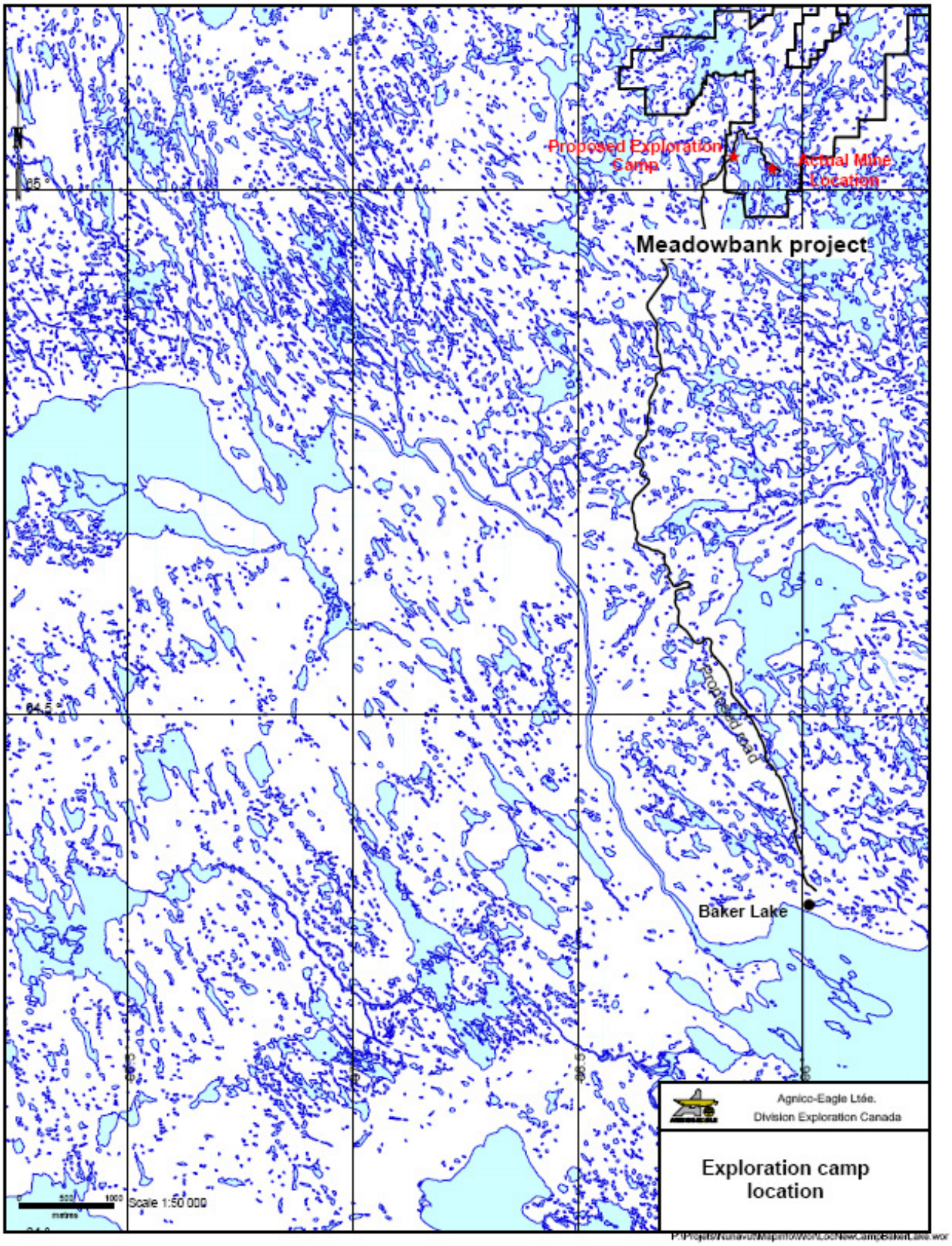

Figure 2: New camp location layout