

March 1, 2010

Via Email and Xpresspost

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

licensingadmin@nunavutwaterboard.org

Dear Mr. Dwyer,

Re: Type B Water License Application - Parker Lake Project

Please find enclosed an application by Agnico-Eagle Mines Limited Exploration Canada Division (AEM) for a Type B Water License for the Parker Lake Project. The Parker Lake Project is located at 63° 34' 2" N and 94° 7' 18" W on Inuit Owned Land Parcel RI-15, approximately 125 km southeast from the Hamlet of Baker Lake.

General Project Description

AEM is proposing a limited exploration program to commence in the early summer of 2010, consisting of prospecting, mapping and sampling activities, and diamond drilling. The proposed program will be supported from the established Meadowbank Exploration Camp (authorized under Water License 2BE-MEA0813); project personnel will be flown by helicopter to and from the Parker Lake Project on a daily basis. There will be no camp established on the property and water will be required for drilling purposes only. One drill rig will operate for approximately 25 days and the quantity of water required is estimated at 50 m³ / day. All drill core will be relocated to the Meadowbank Exploration Camp and all solid waste will be removed and disposed of at the Meadowbank Mine Site (authorized under Water License 2AM-MEA0815). The proposed program is anticipated to have no significant environmental impacts. The project site will be reclaimed and all materials removed prior to the end of the 2010 program. Pending favourable results, a follow-up program may be conducted in 2011.



Please find the following documents enclosed in support of this application:

- A completed Application Form with project location maps attached;
- A completed Exploration and Remote Camp Supplementary Questionnaire with MSDS sheets attached;
- A Spill Contingency Plan; and
- A Non-Technical Project Summary in English and Inuktitut.

The \$ 60 for Application and Water Use fees will be paid to your office by credit card. Please note that a land use license application has been submitted to the Kivalliq Inuit Association and is currently under review.

Please contact me should you have any questions or require any additional information via email at denis.vaillancourt@agnico-eagle.com or by telephone at 819-874-5980 ext 3605.

Regards,

Denis Vaillancourt

Encl (4)