

Kirkland Lake Project

May, 2018

Project Update to Indigenous Community Partners



Kirkland Lake Project Update

AGENDA

- AEM overview
- AEM Acquisition
- Kirkland Lake Project – project update
 - Exploration Activities
 - Environmental and Rehabilitation work
- Upcoming plan
 - Mining stages and permitting
 - Overview of possible project
 - Permitting and field work to be done according to possible project
 - Contracts related to Advanced Exploration
- What about possible mine Production

Agnico Eagle Mines - Overview



AGNICO EAGLE



AGNICO EAGLE AROUND THE WORLD

A senior gold mining company that producing precious metals since 1957.

- 8 mines in operation globally
- More than 9000 employees;
- Largest gold producer in Quebec
- 60 years in operation





Sustainable Development Policy



AGNICO EAGLE

Our Commitment

At the core of our Policy we are committed to creating value for our shareholders while operating in a safe, socially and environmentally responsible manner, contributing to the prosperity of our employees, their families and the communities and respecting human rights culture, custom and values of those impacted by our activities. This has translated into the fundamental values of our Sustainable Development Policy: operate safely and maintain a healthy workplace, protect the environment, and treat our employees and communities with respect.

<Original signed by> <Original signed by>

James D. Nasso
Chairman
July 2016

Sean Boyd
President & CEO
July 2016

This means we commit to:

- Promote leadership, personal commitment and accountability to these principles from all employees and contractors, both on and off the job;
- Assess potential impacts and risks associated with our activities throughout the life cycle of our projects or operations, including impacts of purchasing or acquisition decisions on the basis of our sustainability values;
- Ensure sufficient resources are allocated to implement and manage these commitments;
- Design and operate our facilities to ensure that effective controls and technologies are in place to minimize and mitigate the identified risks;
- Evaluate, control, eliminate or minimize risks through the implementation of a Responsible Mining Management System;
- Measure and verify regularly our performance;
- Strive for continuous improvement by setting targets, measuring results against those targets and recognizing and rewarding performance;
- Comply in full with our internal policies, Code of Business Conduct and Ethics, with the laws and regulations in each country in which we operate as well as other industry standards to which the company subscribes;
- Uphold fundamental human rights as defined in the United Nations Universal Declaration of Human Rights;
- Implement emergency and crisis response plans to eliminate or minimize and mitigate the impacts of unforeseen events;
- Build a relationship with our stakeholders based on trust through open and transparent communication and full disclosure of payments to all levels of government;
- Provide appropriate planning and supervision to ensure that our policies, procedures and Responsible Mining Management System are implemented by all.



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INDIGENOUS PEOPLE ENGAGEMENT POLICY

September 19, 2016

Agnico Eagle (AEM) Indigenous People Engagement Commitment:

"AEM will work in partnership with Indigenous People to establish a mutually beneficial, cooperative and productive relationship. Our approach will be characterized by effective two-way communication, consultation and partnering."

Specifically, AEM's commitments are to:

- Improve the understanding of each other's concerns and aspirations through meaningful consultation and cooperation with Indigenous communities, namely by:
 - Seeking to fully inform Indigenous communities and consult them on the likely impacts and opportunities arising from our activities, including consultation during social and environmental impact assessment of new projects;
 - Sharing information on AEM business imperatives and constraints to help indigenous communities and business partners understand the reasoning behind business decisions;
 - Providing Indigenous People with the opportunity to reach agreements with AEM on new projects where practical and appropriate.
- Define capacity building strategies with and for Indigenous People in the development of AEM operations and projects, more specifically regarding employment, education, training and business initiatives. These strategies should be developed with the objective of:
 - Increasing the number of Indigenous employees within AEM and service providers;
 - Developing partnerships with Indigenous People, government and community organizations in the delivery of Indigenous employment and training;
 - Promoting the development of Indigenous business opportunities to service AEM's projects and operations needs by assisting Indigenous people in identifying these business development opportunities and if appropriate, by working towards the development and implementation of partnerships.
- Understand the responsibilities and attachment that Indigenous People have to their traditional culture by:
 - Managing the impact of our projects and operations on the long term sustainability of Indigenous cultures;
 - Taking into account previous use of the land and archaeological information at the project planning stage;
 - Developing and implementing appropriate Indigenous culture awareness courses to assist employees in gaining an understanding of local culture;
 - Promoting understanding of and mutual respect for Indigenous People and AEM cultures.
 - Providing a working environment that is culturally sensitive and supportive for all employees.

Approved on September 19, 2016

<Original signed by>

Deem Boya
Vice-Chairman & Chief Executive Officer
Agnico Eagle Mines Limited

AEM Acquisition



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AGNICO EAGLE

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TSX: AEM
NYSE: AEM

NEWS RELEASE

agnicoeagle.com

Stock Symbol:

AEM (NYSE and TSX)

For further information:

**Investor Relations
(416) 947-1212**

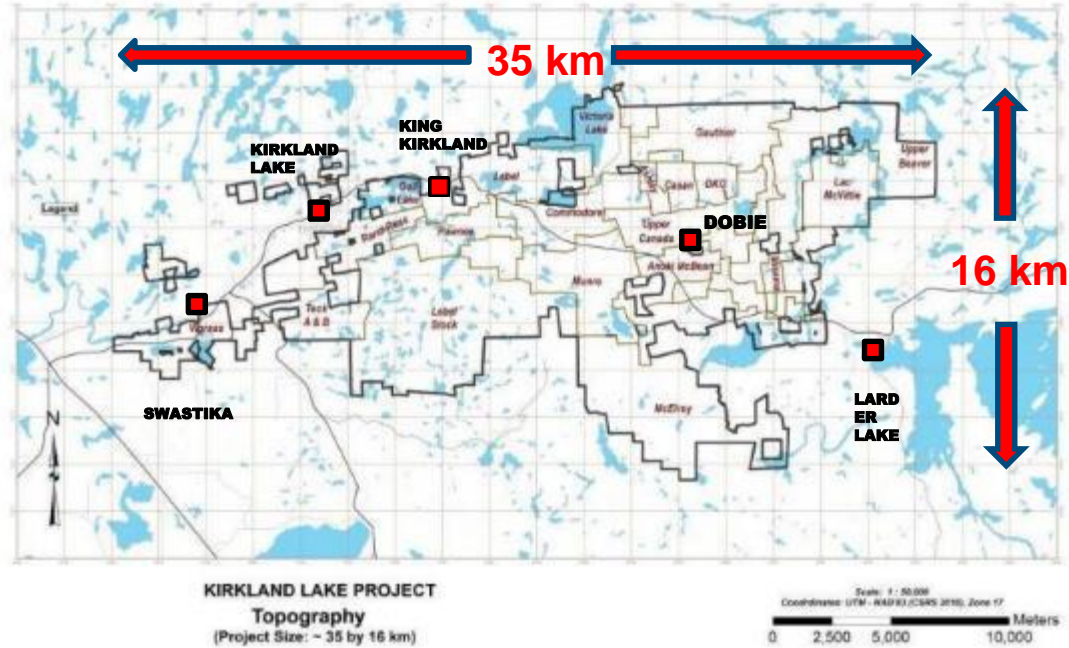
AGNICO EAGLE TO PURCHASE THE EXPLORATION ASSETS OF CANADIAN MALARTIC CORPORATION; INCLUDING THE KIRKLAND LAKE AND HAMMOND REEF GOLD PROJECTS

Toronto (December 21, 2017) – Agnico Eagle Mines Limited (NYSE:AEM, TSX:AEM) ("Agnico Eagle" or the "Company") today announced that it has agreed to acquire all of the Canadian exploration assets of Canadian Malartic Corporation ("CMC"), including the Kirkland Lake and Hammond Reef Gold projects (the "Transaction"). CMC is a corporation 50-50 owned and operated by Agnico Eagle and Yamana Gold Inc. ("Yamana"). The Transaction is being structured as an asset deal whereby Agnico Eagle will acquire all of Yamana's indirect 50% interest in the Canadian exploration assets of CMC, giving Agnico Eagle 100% ownership of CMC's interest in the assets on closing of the Transaction. The effective purchase price after the distribution of the sale proceeds by CMC to its shareholders will be US\$162.5 million in cash. The Transaction will not affect the Canadian Malartic mine and related assets including Odyssey, East Malartic, Midway, and East Amphi, which will continue to be jointly owned and operated by the Company and Yamana through CMC and the Canadian Malartic General Partnership ("Canadian Malartic GP").

"The purchase of the CMC asset portfolio enhances our longer-term development pipeline, and provides a clear potential production growth post our current mine buildout in Nunavut", said Sean Boyd, Agnico Eagle's Chief Executive Officer. "The Kirkland Lake property package enhances our current mineral reserves and offers near-term exploration upside, while the Hammond Reef project provides good optionality to a potential rise in the gold price", added Mr. Boyd.

Transaction to close March 28

KIRKLAND LAKE PROJECT



AEM ACQUISITION OF KL PROPERTIES

- Agnico Eagle will honor previous all agreements with Indigenous Nations and other stake holder
- Agnico Eagle will continue to fulfill the commitments of these agreements

AEM Acquisition

Closure Plans VS Acquisition by AEM

- MNDM requested cost update of the 3 closure plans in order to accept the transfer to AEM:
- Letter of credit with new FA amount was submitted by AEM
- Upon reception of letter of credit and confirmation of the transaction, MNDM gave their consents for the transfer.



The Kirkland Lake Team

Owner: Exploration group
Denis Vaillancourt- Director exploration Canada

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graph TD; A[Owner: Exploration group  
Denis Vaillancourt- Director exploration Canada] --- B[Indigenous and Community relations  
J-F Doyon, Bud Dickson,  
Salomé McKenzie]; A --- C[Geology and Exploration work  
Ray Zalnieriunas and  
KL exploration team]; A --- D[Project development  
Marc Moffette]; A --- E[Environment, permitting  
and reclamation work  
Sarah Morin];
```

Indigenous and Community relations
J-F Doyon, Bud Dickson,
Salomé McKenzie

Geology and Exploration work
Ray Zalnieriunas and
KL exploration team

Project development
Marc Moffette

Environment, permitting
and reclamation work
Sarah Morin

Channel of Communication with AEM

Kirkland Lake Project:

Agreement with Indigenous Nation → **Bud Dickson and Salomé McKenzie**

Permitting, Environment, Rehabilitation → **Sarah Morin and Salomé McKenzie**

Exploration Activities → **Ray Zalnierunas**



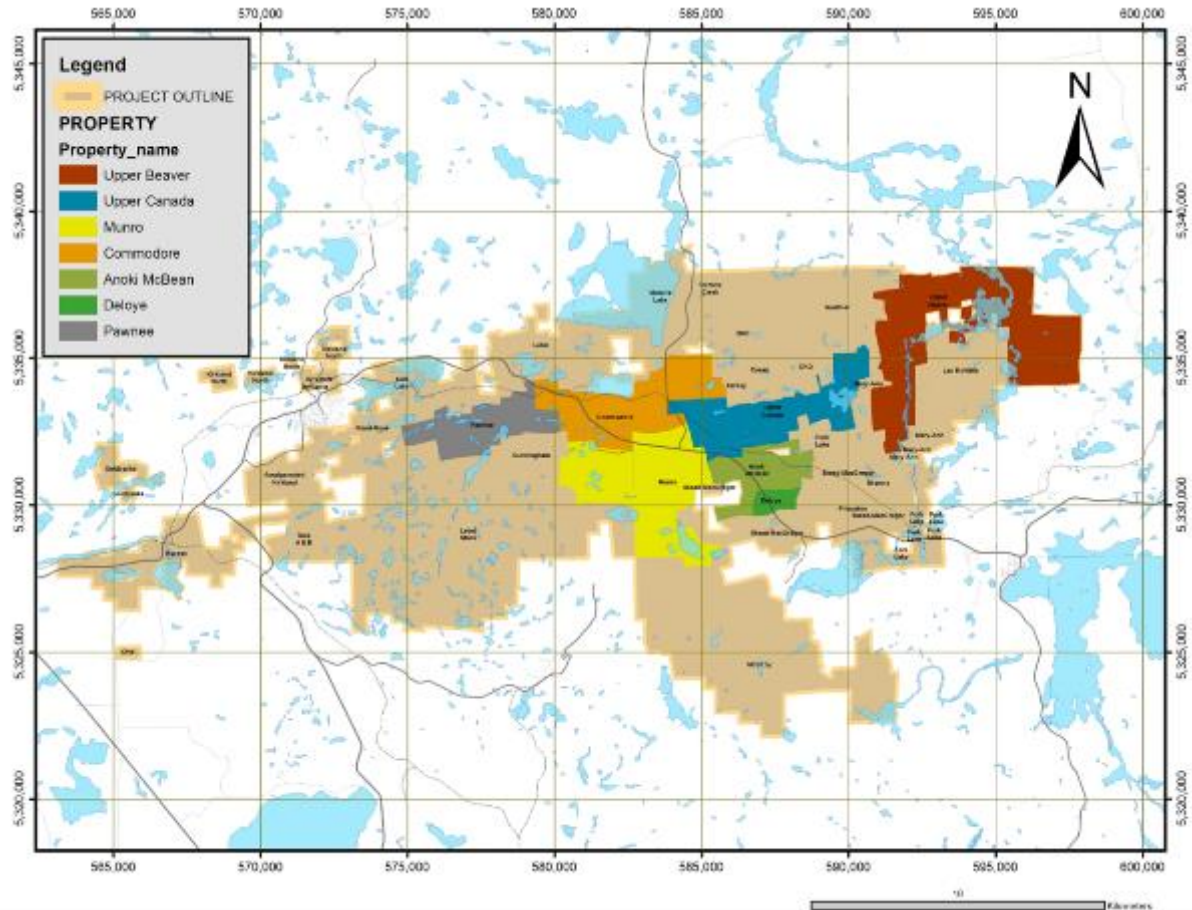
Kirkland Lake – Project Update



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Project Update – Exploration Activities



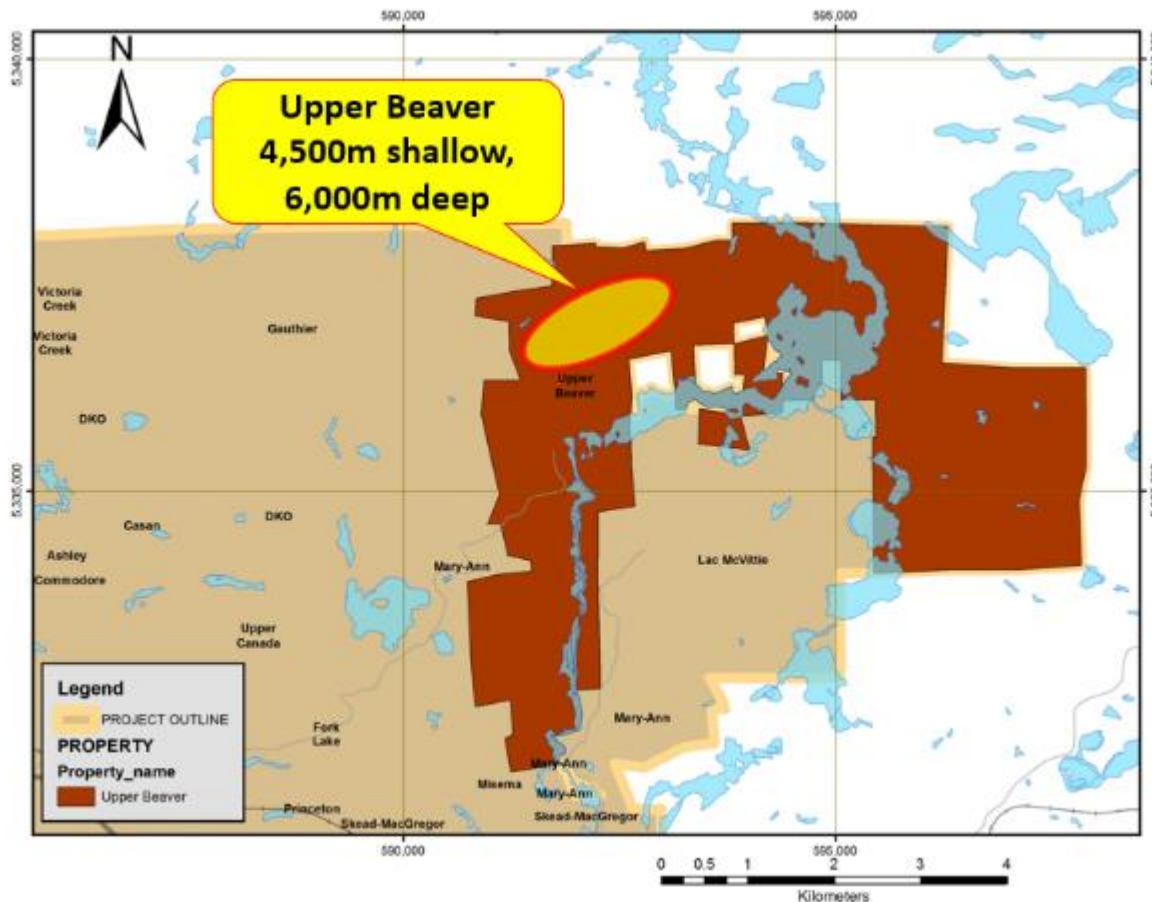
Project Update – Exploration Activities

2018 Ontario Exploration Plan

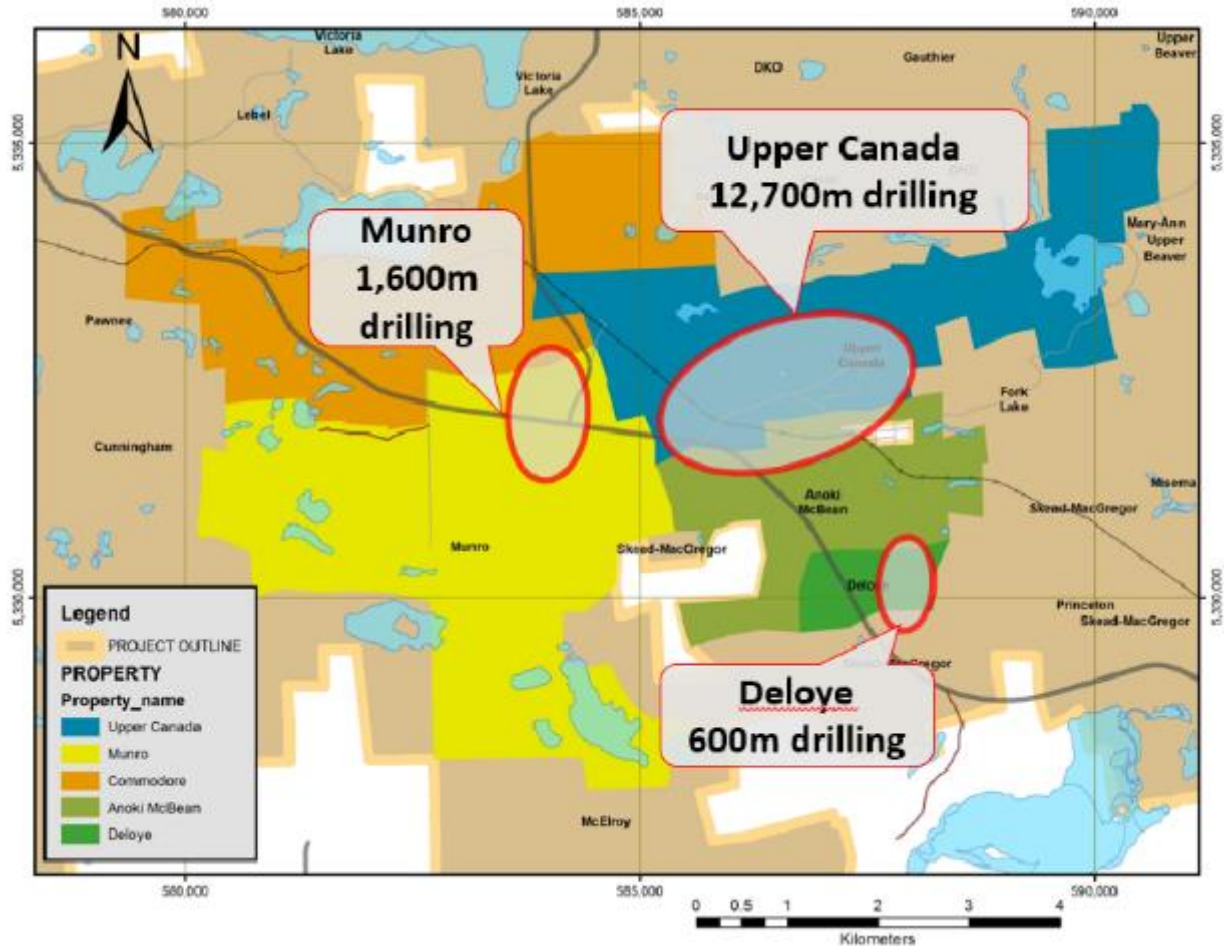
Property	Activity	Details
Upper Beaver	Diamond drilling	10,500 m
Upper Canada	Diamond drilling	12,700 m
Esker Gap	Diamond drilling	1,600 m
Deloye	Diamond drilling	600 m
Munro	Geophysics	IP



2018 Diamond drilling Upper Beaver area



2018 Diamond drilling other areas



Project Update – Exploration Activities

Exploration Highlight

- Activities covered by existing exploration permits/plans
- Drilling in UB and UC : Private lands only, owned by AEM
- Maximum of 5 drills, for some period only (max 3 in UB)
- Contract information:
 - Would like to start the drilling in June 2018
 - Duration: Until December 2018
 - Started the tender process.
 - Will be at least a one year contract



Project Update – Exploration Activities

Health and Safety and Environmental practices

- Clean up of drill sites and stripped areas based on requirements of re-use ore re-entry
- Mitigate drill noise emission, where necessary
- Management of trail improvements or access restrictions to prevent accidents or unwanted movement, as required
- Ground contouring, if required, and revegetate/seed, as needed
- Manage drill water taking and drill water effluent to safeguard surrounding waters



Project Update - Rehabilitation

Sylvanite – Mine Hazards Investigation and Rehabilitation

History:

- Sylvanite mine production **1928 to 1961**
- After closure in 1961, some legacy mine hazards remained some dating back to 1928
- In 2013, former owner Osisko Gold Mines Ltd. commenced evaluation of the mine hazards as requested by the MNM
- June 2014, Canadian Malartic acquires Osisko and all obligations.
- 2018 AEM will now continue investigation and rehabilitation



- 19 near surface mine workings
- 6 surface concrete reinforced caps above mine openings
- Remnant Sylvanite mill foundations

Project Update - Rehabilitation

Sylvanite – Mine Hazards Investigation and Rehabilitation

Request and agreed with MNDM:

- Performing a geotechnical investigation of all near surface crown pillars, with priority assigned to the three thinnest near surface crown pillars (done)
- Replace one surface reinforced concrete cap per year (remain one raise)
- Remove foundation mill (done)



- ★ 2014/15 work
- ★ 2016 work
- ★ 2017 work
- ★ 2018 possible work

276-3
 Work pending
 Review
 Work not confirmed yet

210-2 pillar

#1 shaft
 2016-2017-2018
 top up

#3 shaft
 2016-2017-2018
 top up

105-2 /207/219
 Investigation
 drilling

105-2 waste
 pass,
 Backfilled

Raise 105-1
 Cap
 replacement

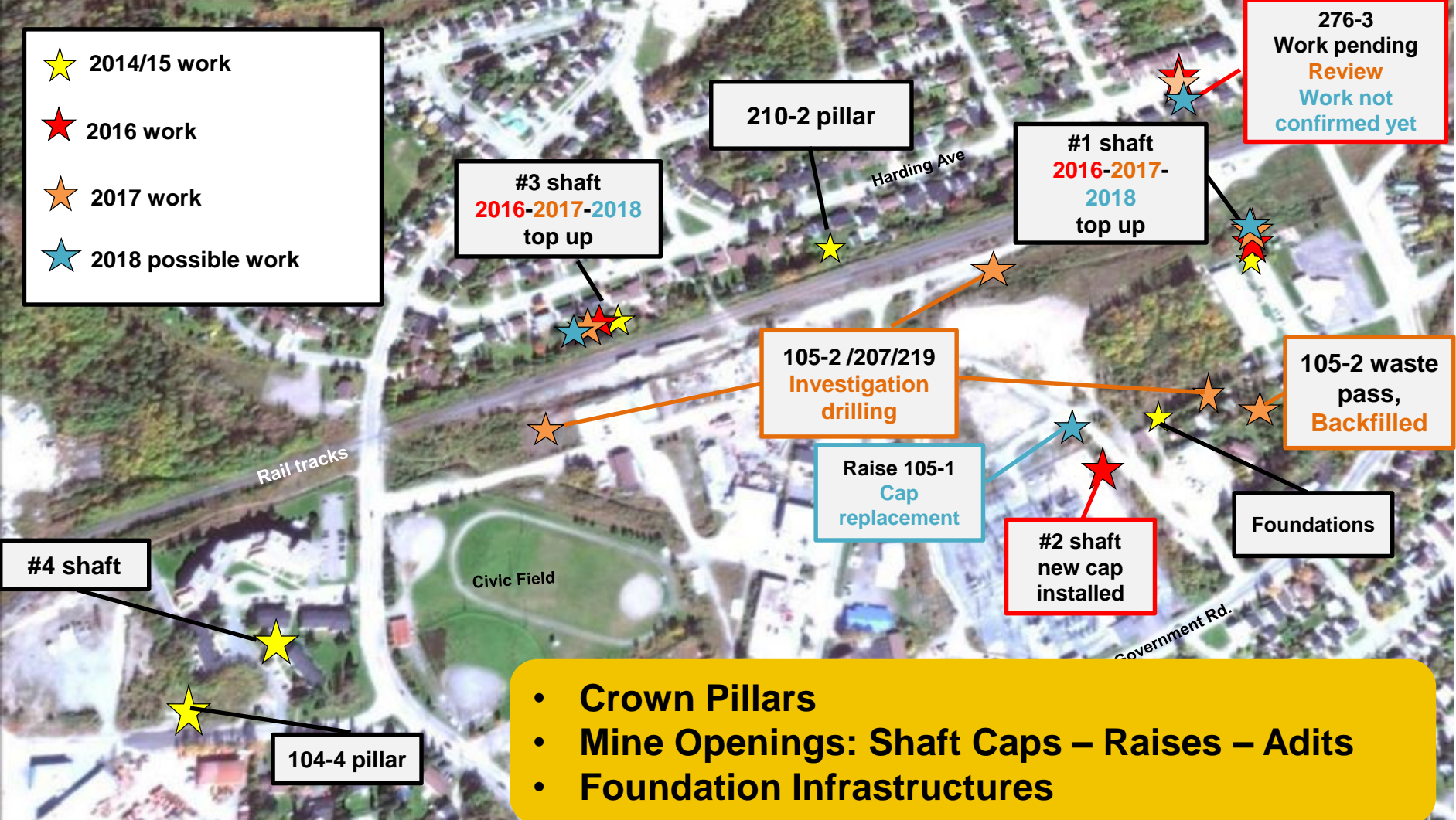
#2 shaft
 new cap
 installed

Foundations

#4 shaft

104-4 pillar

- Crown Pillars
- Mine Openings: Shaft Caps – Raises – Adits
- Foundation Infrastructures



Project Update - Rehabilitation

Upper Beaver – Mine Hazards Investigation and Rehabilitation

Status:

- There is concrete caps and fencing to protect hazards
- Some fencing may need to be adjust to cover all thin crown pillar area

Focus:

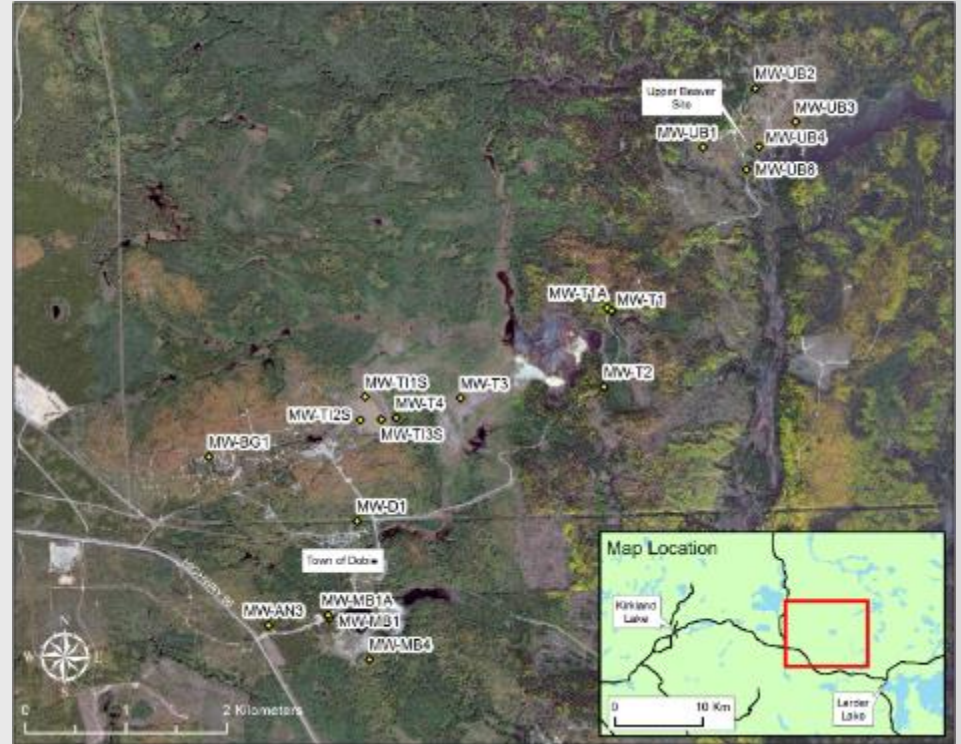
- Ensure that our sites are safe
- Ongoing investigation of hazards to have a better understanding of rehabilitation work to do.
- Have a progressive rehabilitation plan.



- AEM is highly committed to mine reclamation in old mining camp
- AEM started in Cobalt in 1957 where silver rush occur in 1903!
- AEM operated 23 mines and 4 mills
- AEM still own 230 leases/claims in the Cobalt mining camp
- We have ongoing monitoring, studies and reclamation works since the closing in 1990!

Inspection, Monitoring and Maintenance:

- Annual Dam inspection (DSI)
- Dams internal monthly inspection
- Freshet weekly inspection (snowmelt)
- Water elevation monitoring
- Surface water sampling
- Groundwater sampling



Mc Bean pit Spillway:

- Actual infrastructures required monitoring as they retain water.
- Actual berms and filtration berms are no more required.
- Working on a design, to have a spillway at the exit of the pit and remove filtration berm.



Kirkland Lake – Upcoming plan



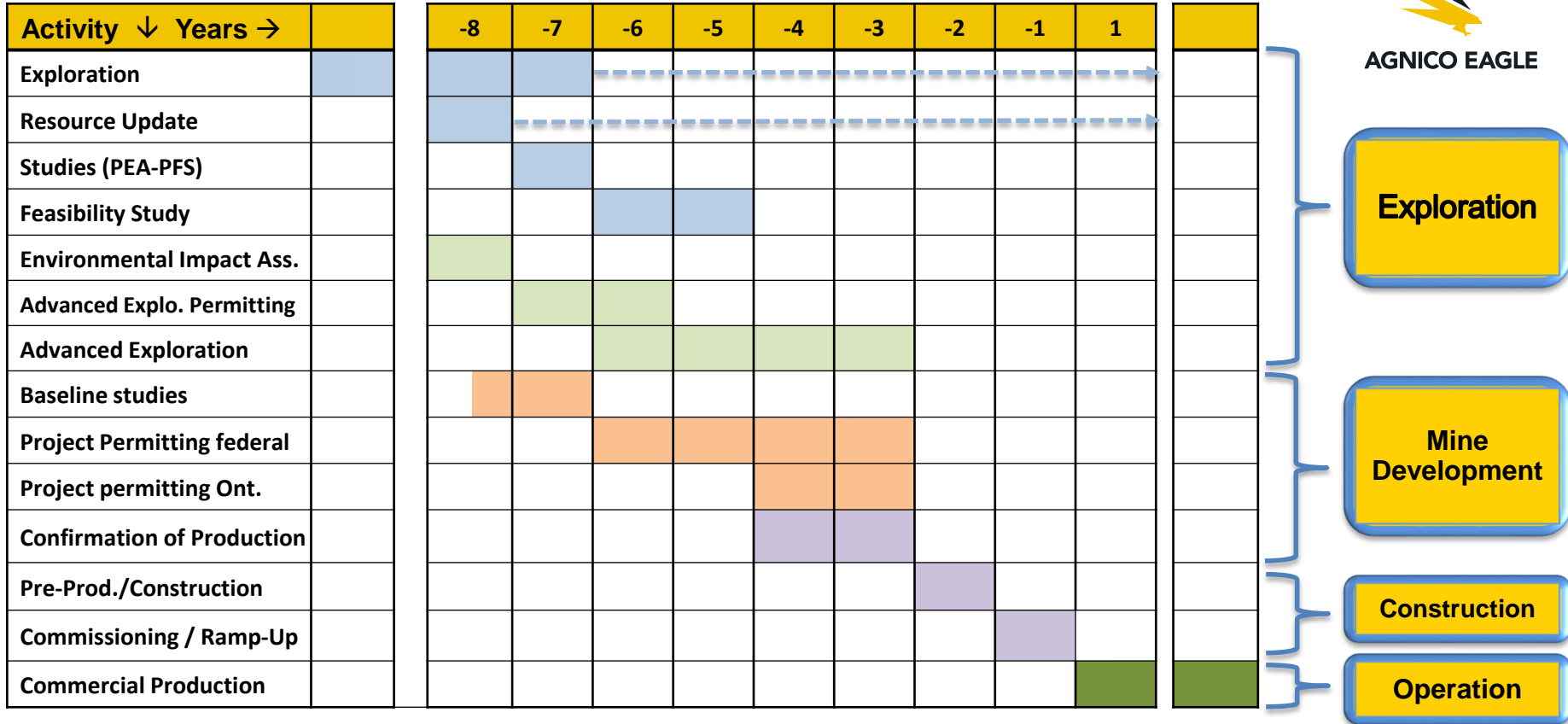
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Mining Stages and Permitting



Typical Example of Mine Development Process - Timelines



* Each step depends on the previous one, so the process can be extended any time.

Advanced Exploration - Permits

MNDM

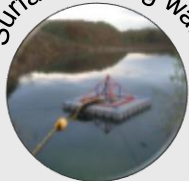
Closure Plan



Closure Plan Amendment

**MOECC
(ECA)**

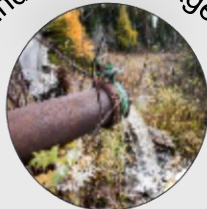
Surface Taking water



Mine Dewatering



Industrial sewage



Air and Noise



**MNRF
(Work Permit)**

Culverts (public land)



Work in shorelines



Other

Construction permit



Septic sewage



Why an **Advanced Exploration**

- Take a bulk sample: metallurgical test and confirmed mineral value (sent to an existing mill)
- Validated mining parameters
- Underground drilling to confirm the model and the ore body
- Confirmed the extraction methods and the cost of possible project
- Complete permitting process and EIA
- **Get approval from the board to build for mine construction**



Bulk sampling can be done with a Shaft, a ramp or both.

Profit made during Advanced Exploration

0 \$

Possible expenses?

25M to 200M \$

Guarantee to have a mine after

None

Upper Beaver **Advanced Exploration Project**

AEM technical team is currently reviewing the parameters of the project

Highlights of possible project:

- Would like to restart advanced exploration in 2020
- Exploration shaft likely at the same location (same as 2012)
- Possibility to add underground access through a ramp (portal)
- Likely use existing road, may have to upgrade road
- Bulk sampling tonnage under review.
- No ore processing on site, no mill and no tailings produced

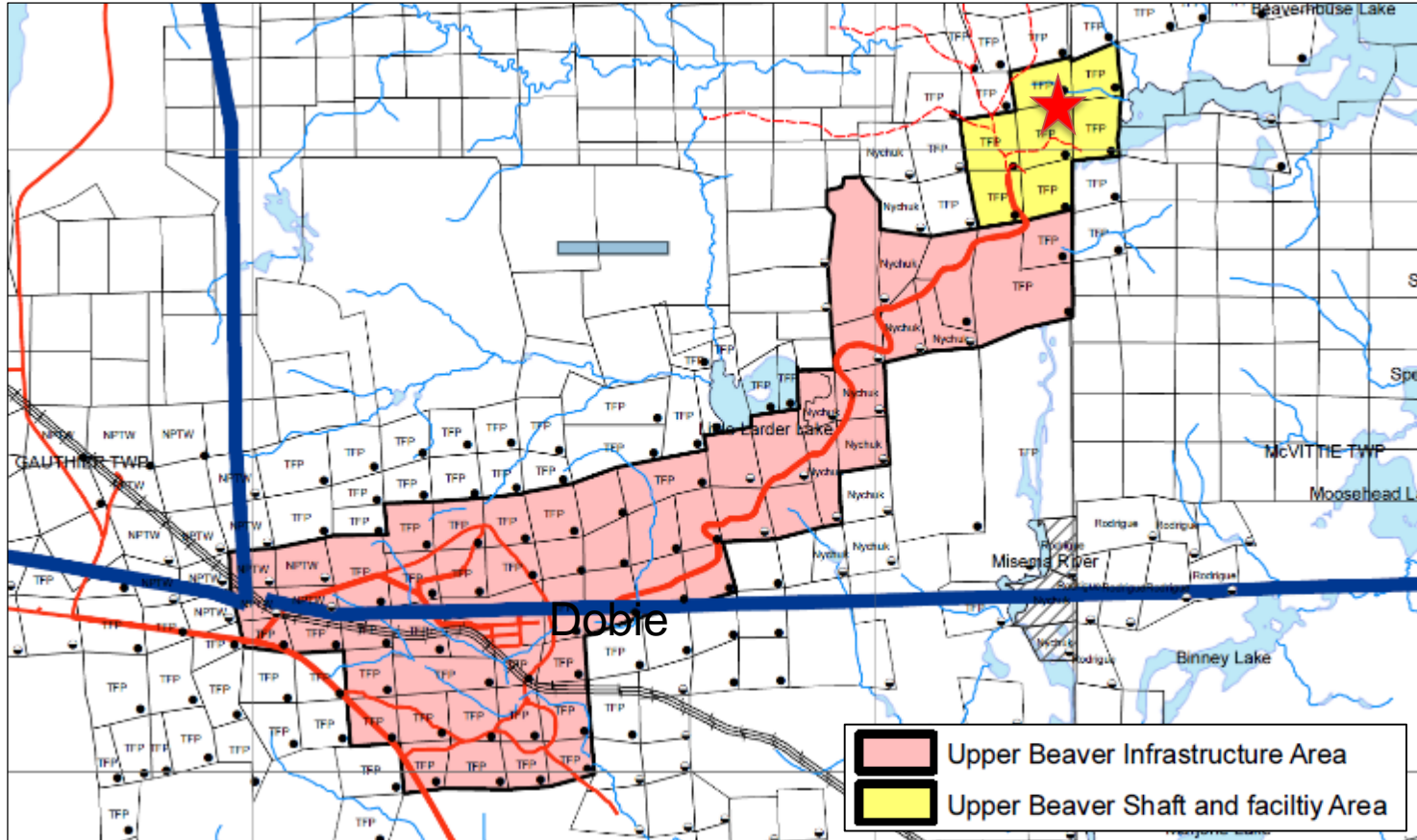
***Permitting to be adjusted according to the chosen option**



UB Advanced Exploration Project



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AEM owns the surface, mining and liabilities rights of the shaft and facility area.

UB Advanced Exploration Project

Example of surface layout



- Offices (a trailer is already there)
- Mine surface opening (ramp/shaft)
- Waste rock pile
- Pump house
- Water treatment plant and pond
- Septic system and domestic water
- Service trailers
- Fuel tanks
- Ditches
- Explosives storage area

Advanced Exploration – Permitting requirement



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Work to be done this summer:

- Confirm the new project description
- Confirm the need to Amend the Closure Plan
- Complete some studies (species at risk)
- Increase some monitoring (baseline):
 - Water sampling
 - Stream flow
- Pump test in the old mine (confirm water quality, volume, exfiltration)
- Water treatment design
- Air modelling (exhaust, hauling)

**MNDM
(Closure Plan)**

**MOECC
(ECA)**

**MNRF
(Work Permit)**



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When will you be consulted?



- Update provided at least quarterly – such as today
- Before we complete drafting of permit request
 - When we have enough information to explain the project
 - To report your concerns-comments
 - To confirm if we need to adjust the project
- Email notice prior permit submission (around 15 days)

If everything goes well, we should be able to meet in September

Other consultation and project presentation

- AEM plan to give a project update at Town council meetings (Gauthier, Larder Lake, Kirkland Lake)
- Letter to be sent to surface owners close to property (mainly cottagers for UB)
- Other general consultation to be determine later



UB Advanced exploration – Tentative schedule

Activity ↓ Years →	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project Description	█	█										
Complete baseline		█	█									
Update technical information		█	█	█								
Permitting drafting			█	█								
Consultation specific for permitting			█									
Finalize drafting permitting				█								
Email notice of permitting				█								
Submit permit application					█							
Permitting review						█	█	█	█			
Start work										█	█	█

* Each step depends on the previous one, so the process can be extended any time.

Possible Contracts for Advanced Exploration Phase

- Diamond drilling
- Security
- Construction
- Waste management : loader, trucking
- Road maintenance : material, grader
- Housekeeping
- Consumables and materials : Concrete, fuel, propane, steel...
- Mine development services, etc.

THANK YOU!
MIGWETCH!