



Pilot Study- Hovercraft Implementation in Nunavut.

The Nunavut territory is a significant part of Agnico Eagle's business and is expected to remain a key component of Agnico Eagle's operations for several decades to come. As Agnico Eagle's Nunavut platform currently spans an area that is well over 400km in length, improving the ability to move people and equipment more freely within this area would have an immediate and significant impact on the company's long term strategy and success in Nunavut, primarily in the areas of logistics and exploration. In this context, Agnico Eagle has identified an opportunity to enhance the potential of its assets in Nunavut.

Hovercrafts have resolved numerous logistical and transportation problems in Northern and Arctic territories of Siberia and the Far East. It is expected that they will also be applicable in Nunavut and may have future all- season benefits for Nunavummiut. The hovercrafts, by design, can be interchangeably used on water and land, while transporting people or industrial loads over small and large rivers, lakes, swamps, snow soil, packed ice bogs, tundra, and coastal seas throughout the year. Noise levels for one unit are about the same as two snowmobiles, the low ground pressure prevents impacts to the terrestrial environment and aquatic environment.

Agnico Eagle is proposing to purchase and transport 2 hovercraft units (3 tonnes) to the Meadowbank site in the third quarter of 2017 summer sealift season to be used to transport personnel and light cargo on the Amaruq Exploration Access Road (AEAR), on the approved winter roads and designated trails to drilling properties on the Amaruq property on a year round basis. The intent is to perform a one-year pilot program starting in the summer of 2017 continuing through the winter of 2017/2018 to validate its operational performance, to demonstrate its viability for search and rescue activities in the area around Meadowbank and to de-risk the later stages of a larger implementation strategy. Depending on the success and findings of the pilot study, the operation of these two hovercrafts is expected to continue beyond 2018.

Compared with alternatives assessed, Agnico Eagle feels that the implementation of the hovercraft technology is the most cost-effective and best overall alternative for exploration from an environmental and economic perspective.