

**Irrevocable
Standby Letter of Credit No.: BMT0507568OS**

DATE OF ISSUE: AUGUST 11, 2016
DATE OF EXPIRY: AUGUST 10, 2017

BENEFICIARY:
KIVALLIQ INUIT ASSOCIATION
BOX 340
32-4 SIVULLIQ AVENUE
RANKIN INLET
NU X0C 0G0

APPLICANT:
AGNICO EAGLE MINES LIMITED
145 KING STREET EAST, SUITE 400
TORONTO, ON M5C 2Y7

AMOUNT: TWENTY FOUR MILLION SEVEN HUNDRED SEVENTY SEVEN THOUSAND FIVE HUNDRED AND 00/100'S CANADIAN DOLLARS (CAD24,777,500.00)

RE: SECURITY PURSUANT TO PRODUCTION LEASE NO KVPL11D01

AT THE REQUEST AND FOR THE ACCOUNT OF AGNICO EAGLE MINES LIMITED, WE, BANK OF MONTREAL, HEREBY ESTABLISH IN YOUR FAVOUR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. BMT0507568OS (THE "CREDIT") FOR SUMS NOT EXCEEDING IN THE AGGREGATE AMOUNT OF TWENTY FOUR MILLION SEVEN HUNDRED SEVENTY SEVEN THOUSAND FIVE HUNDRED AND 00/100'S CANADIAN DOLLARS (CAD24,777,500.00).

THIS CREDIT IS AVAILABLE WITH US FOR DRAWING AT SIGHT, WITHOUT ENQUIRING AS TO WHETHER YOU HAVE A RIGHT AS BETWEEN YOURSELF AND THE APPLICANT TO MAKE SUCH DEMAND AND WITHOUT RECOGNIZING ANY CLAIM OF THE APPLICANT OR OBJECTION BY THE APPLICANT AGAINST PRESENTATION TO US, BY YOU OR YOUR DULY AUTHORIZED REPRESENTATIVE OR AGENT, OF THE FOLLOWING DOCUMENTS:

1. A SIGHT DRAFT, DRAWN ON BANK OF MONTREAL, GLOBAL TRADE OPERATIONS, 234 SIMCOE STREET, 3RD FLOOR, TORONTO, ON M5T 1T4; AND
2. THE ORIGINAL OF THIS IRREVOCABLE LETTER OF CREDIT NO. BMT0507568S FOR ENDORSEMENT AND PAYMENT THEREON; AND
3. A STATEMENT SIGNED BY AN OFFICIAL OF THE KIVALLIQ INUIT ASSOCIATION CERTIFYING:

(A) THAT THE SIGNATORY IS AN OFFICIAL OF KIVALLIQ INUIT ASSOCIATION AND HAS THE AUTHORITY TO SIGN THE STATEMENT ON BEHALF OF THE KIVALLIQ INUIT ASSOCIATION AND

(B) EITHER

I. THAT THE KIA IS ENTITLED TO APPLY THE AMOUNT DRAWN, BEING ALL OR PART OF THE SECURITY POSTED AND MAINTAINED PURSUANT TO PRODUCTION LEASE KVPL11D01 ISSUED BY THE KIVALLIQ INUIT ASSOCIATION AND AGNICO EAGLE MINES LIMITED AS ORIGINALLY ISSUED OR AS AMENDED, RENEWED OR REPLACED FROM TIME TO TIME, OR

II. THAT THIS CREDIT IS DUE TO EXPIRE IN THIRTY (30) DAYS OR LESS AND THAT THE APPLICANT HAS NOT REPLACED THIS LETTER OF CREDIT BY POSTING WITH THE MINISTER OTHER SECURITY SATISFACTORY TO THE KIA

PARTIAL DRAWINGS ARE PERMITTED.

THIS CREDIT IS EFFECTIVE FROM THE DATE OF ITS ISSUANCE, 09.00 A.M AND EXPIRES ON AUGUST 10, 2017 AT 5.00 P.M (INITIAL EXPIRY DATE), AT OUR COUNTERS.

THIS CREDIT SHALL BE RENEWED AUTOMATICALLY FOR AN ADDITIONAL ONE (1) YEAR PERIOD FROM THE INITIAL EXPIRATION DATE, AND FOR AN ADDITIONAL ONE YEAR PERIOD FROM EACH FUTURE EXPIRATION DATE (EACH SUCH EXPIRATION DATE, THE OPERATIVE EXPIRATION DATE), UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE OPERATIVE EXPIRATION DATE WE NOTIFY YOU IN WRITING BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS CREDIT RENEWED FOR SUCH ADDITIONAL PERIOD.

WE HEREBY AGREE THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT SHALL BE DULY HONoured BY US IF PRESENTED FOR PAYMENT ON OR BEFORE THE EXPIRY DATE OR ANY FUTURE EXPIRATION.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO 600, NOTWITHSTANDING ARTICLE 36 OF SAID PUBLICATION, IF THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 36, WE AGREE TO EFFECT PAYMENT IF THIS IS DRAWN ON US WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

BANK OF MONTREAL

SIGNING OFFICER

AUTHORIZED SIGNING OFFICER