

**“Madrid Advanced Exploration Project”** refers to the exploration activities, drilling, bulk sampling and associated activities including the construction of underground mining facilities, roads and other surface infrastructure to support the safe collection of underground bulk samples. These activities are in relation to the Madrid North and South deposits located within the following general geographical coordinates:

NW Latitude: 68° 00' 07" N Longitude: 106° 37' 44" W

SW Latitude: 68° 00' 07" N Longitude: 106° 40' 29" W

SE Latitude: 68° 00' 13" N Longitude: 106° 29' 00" W

NE Latitude: 68° 06' 34" N Longitude: 106° 32' 22" W

**“Madrid North Facilities”** means those facilities including the access/spur road from the existing Windy All Weather Road (AWR) and the surface facilities and pad, required to support the extraction of a bulk sample from the Madrid North Portal. (Approximate Position: 68° 03' 49"N, 106° 36' 31"W)

**“Madrid North to Madrid South AWR”** means the portion of road connecting the Madrid North Facilities to the Madrid South Facilities.

**“Madrid South Facilities”** means those facilities required to support the extraction of a bulk sample from the Madrid South Portal. (Approximate Position: 68° 01' 44"N, 106° 33' 26"W)

Security for the reclamation of the Madrid North Facilities (\$4,042,000, as per SRK Memo *“Recommended Security Amount Split between Madrid North and Madrid South,”* August 1, 2017) will be posted with INAC 60 days prior to the commencement of construction of the access/spur road from the Windy AWR to the Madrid North Facilities.

Security for the construction of the Madrid North to Madrid South AWR will be posted with INAC 60 days prior to commencing construction of the road, in an amount equal to the estimated cost of reclaiming the road, \$17,000 (as per SRK Memo: *“Hope Bay Project: Madrid Advanced Exploration Program: Conceptual Closure and Reclamation Plan,”* October 31, 2014).

Security for the reclamation of the Madrid South Facilities will be posted with INAC 60 days prior to commencing construction of the Madrid South surface facilities and pad, the amount of \$3,072,000 (as per SRK Memo: *“Recommended Security Amount Split between Madrid North and Madrid South”* August 1, 2017).