NON-TECHNICAL PROJECT PROPOSAL DESCRIPTION

Amaruq Barge Drilling

Agnico Eagle Mines Limited (AEM) signed an exploration agreement with the Nunavut Tunngavik Inc. in January 2013 for the Amaruq property. This property is located approximately 50 km northwest of the Meadowbank mine and 125 km north of the Baker Lake community. The mineral exploration aims gold mineralization. Drilling on this property began during the summer 2013 with helicopter support. To facilitate and improve the exploration in this area, AEM installed an exploration camp directly on the Amaruq property. This license amendment is requested to have the right to drill on 2 lakes using a drill installed on a barge, to add double-wall fuel tanks at the Amaruq Fuel Farm, to add dorms to the existing camp and to do a minor modification to the water allocation.

The Amaruq project is a very promising project that could lead to the extension of the Meadowbank mine that was planned to close in 2017. The Amaruq project would be used as a Meadowbank satellite deposit. This is the reason why the drilling for mineral deposits must be done rapidly to allow the time needed to complete the studies required and obtain the required permits.

For the barge drilling, many precautionary measures will be applied to reduce the risks of hydrocarbon or used water spills into the water. Double wall tanks placed in a retention basin will be used on the barge for fuel storage. For the waste water produced by the drilling, many techniques will be implemented to maintain good control; 3 casings will be used for each hole to ensure proper used water recuperation, the used water will be treated on the barge in 3 settling tanks and the treated water will be reused for the drilling. The sludge recuperated in the tanks will be transported by helicopter on land and disposed of in an appropriated area located at least 31 metres from a water body where a runoff to the water is not possible.