

AEM's Inuit Business Opportunities Initiative....A Year Later

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Presentation



- ***Part 1: About AEM and our Inuit Business Opportunities Initiative***
- ***Part 2: Initiative results & next steps***



Agnico-Eagle Mines Limited

Company Overview

- AEM has grown to be one of the top 10 gold companies in the world
- 50+ years operating experience
- Six operating Mines in Quebec, Nunavut, Finland and Mexico



A
LaRONDE
QUEBEC, CANADA



B
GOLDEX
QUEBEC, CANADA



C
KITTLA
KITTLA, FINLAND



D
LAPA
QUEBEC, CANADA



E
PINOS ALTOS
CHIHUAHUA, MEXICO

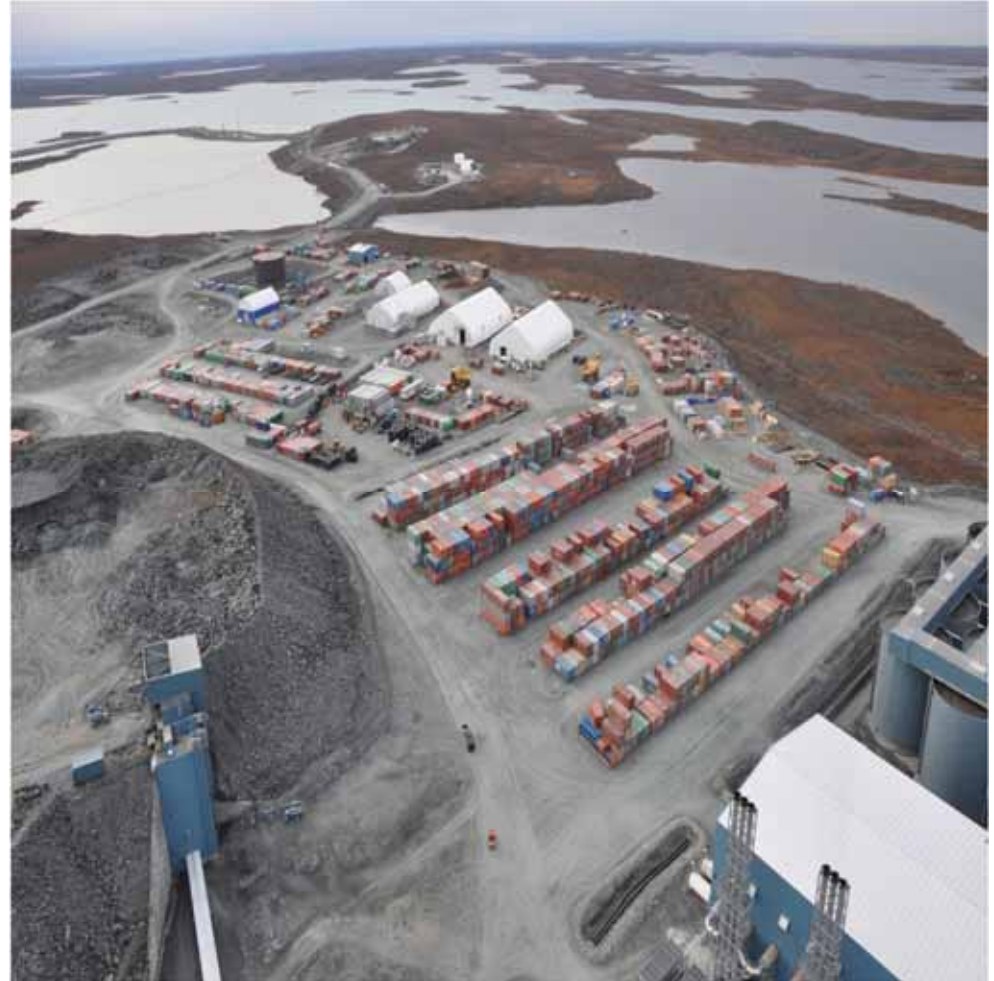


F
MEADOWBANK
NUNAVUT, CANADA



Sea Lift Logistics 2010

- 7 Vessels operated by NSSI \ Arctic Co-ops
- 49,000 metric tons
- Over 2,200 sea-cans
- 54,000 000 litres of fuel



Air Logistics 2010

- 300 regular cargo flights
Calm Air
- 54 Hercules, First Air
- Over 2 100 metric ton
- Over 275 Passenger flights
Sarliaq\Nolinor JV &
Sakku\First Air JV



Logistics 2011

- 450 average workers AEM/Contractors on site
- Fuel: 70 millions liters
- Seacans: 1 500
- Freight: 40 0000 metric ton



Our Commitment

- ***Agnico-Eagle Mines is committed to provide Kivalliq businesses with economic benefits and opportunities.***



From commitment..... to planning for results

- Inuit companies told us they want to see:
 - A fair and transparent process
 - Information
 - A competitive process that provides an opportunity for all businesses to bid.
 - On going communications
- Agnico-Eagle's Inuit Business Opportunities Initiative was launched in April, 2010.
- The Initiative guides the steps that we will take to ensure economic benefits.
- The plan has been well received by Inuit Companies from the Kivalliq.



Initiative launch activity

- ✓ Identified Goods & Services Opportunities
- ✓ Met with & informed Businesses
- ✓ Collected Inuit Company Information
- ✓ Developed a buying schedule
- ✓ Adjusted our buying system
- ✓ Encouraged Joint Venture Discussions



Joint Venture Approach to Development



- Joint venture's between southern and Inuit Companies bring capacities:

- ✓ Expertise in mining
- ✓ Volume of supplies
- ✓ Technical know-how
- ✓ Access to Inuit labor
- ✓ Specialized plant and equipment
- ✓ Capital
- ✓ Skilled labor
- ✓ Cash flow



- 35 New joint ventures have formed since the launch of our initiative.

A year later.....the results

- ***Economic impacts...the facts and figures***
- ***The opportunities***
- ***The challenges***
- ***Our next steps***



The major economic benefit....jobs, jobs, jobs

- As of February, 2011 there were 242 Inuit from the Kivalliq employed by AEM at Meadowbank Mine.
- Payroll for AEM's Inuit employees is approximately \$16 million annually.
- AEM pay checks, plus those of Contractors to their Inuit employees, is used in Kivalliq communities to purchases goods & services.
- Significant induced economic benefits





Our Initiative at Work.....Mill Expansion

- The mill expansion project at Meadowbank was broken into 4 smaller components.
- Early communications with Inuit Companies on the project.
- Facilitated communications between Inuit & Southern Companies on JV approaches
- Advance tender notice to Inuit Companies.
- Tender's required Inuit Content plan (Inuit Ownership & Location, Inuit Labor, Inuit Wages & Inuit purchases)





Our Initiative at Work.....Mill Expansion

- 27 proposals received. 18 from Inuit Companies.
- Awards were based on the 3 C's... Cost, Capacity & Content;
 - Steel Erection: 4 Inuit Co bidders, awarded to Nahanni Nunavut.
 - Building Construction: 4 Inuit Co Bidders, awarded to Nahanni Nunavut.
 - Mechanical: 7 Inuit Co Bidders, awarded to Arctic Heating & Contracting\ABF
 - Electrical: 3 Inuit Co Bidders, awarded to Sarliaq Holdings\Blais Industries
- The Benefits:
 - All work performed by an Inuit JV
 - Capacity building and experience for Inuit JV partners
 - 14-16 Inuit Employees will be hired by contractors

Meadowbank Expenditures

	2010 Up to Q4	%	Project to Date (Q2-2007 thru Q4-2010)	% of Total
Meadowbank Project Expenditures				
Total Project Expenditures - All Suppliers	\$ 119,144,730	100.0%	\$ 1,260,413,840	100.0%
Expenditures to NTI Registered Companies	\$ 25,687,331	21.6%	\$ 261,461,531	20.7%
Expenditures to Nunavut Based Suppliers	\$ 57,002,407	47.8%	\$ 347,445,670	27.6%
Expenditures to Northern Based Suppliers (NU, NT, YT)	\$ 57,419,032	48.2%	\$ 519,256,846	41.2%
Expenditures to Baker Lake Based Suppliers	\$ 28,496,914	23.9%	\$ 108,156,042	8.6%

Large \$ Suppliers

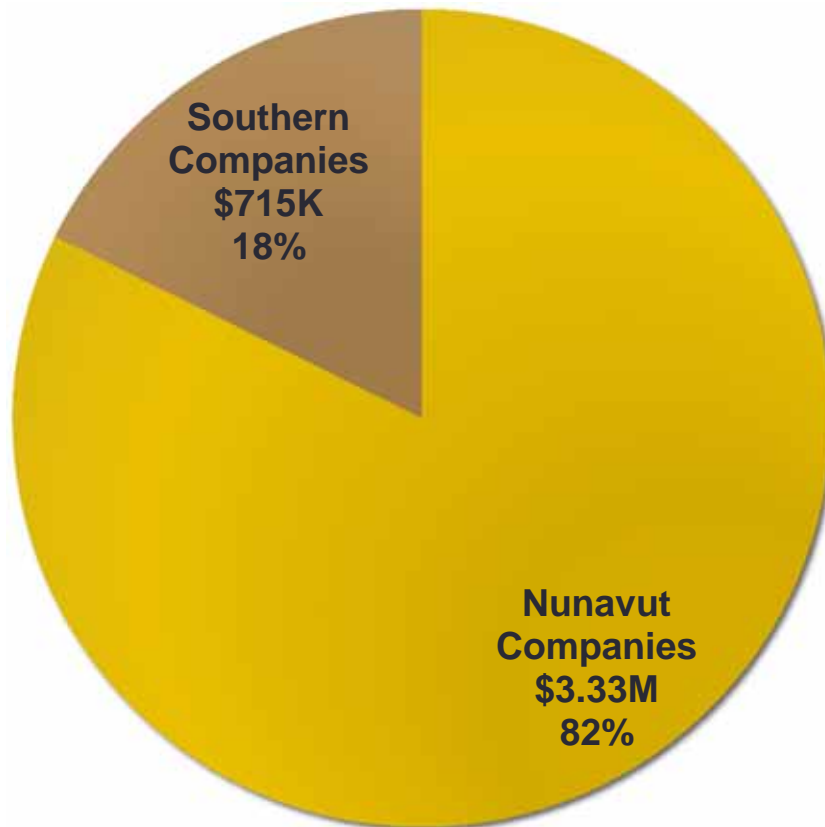
NSSI, NUNA M&T, Toromont Arctic, NTCL, BLCS, Arctic Fuels, Peter's Expediting, Qaaqtuq Dyno Nobel Inc



Just in.....Contract awards for March



Value of Good & Supplies Awards



The Main Players

- Huka Services
- BLCS Development Corp
- Sanavik Co-op
- Peters Expediting

Meliadine Expenditures

Meliadine Project Expenditures	Project to Date 2010	% of Total
Total Project Expenditures - All Suppliers	\$ 13,293,700	100.0%
Expenditures to NTI Registered Companies	\$ 1,361,400	10,2%
Expenditures to Nunavut Based Suppliers	\$ 6,442,700	48,5%
Expenditures to Northern Based Suppliers (NU, NT, YT)	\$ 6,478,300	48,7%
Expenditures to Rankin Inlet Based Suppliers	\$ 4,455,800	33,5%



Potential opportunities

- At Meadowbank:
 - Dike Construction
 - Diamond drilling
 - Kitchen\Dining hall
 - Runway extension?
 - Air transportation?
- At Meliadine:
 - Bridge construction?
 - Road construction?
 - Mine construction planning: Camp, Mill, Offices, Power supply, Fuel storage etc,etc, etc, etc, ? ? ?



Our Next Steps



- ✓ Continue to implement our plan and measure our efforts
- ✓ Build on our success with our Inuit supply partners towards small fabrication shops, warehousing and enhanced outsourced services
- ✓ Training, training, training.
- ✓ Align the Inuit Business Opportunities Initiative with the Meliadine project;
 - ✓ Planning with the Hamlet of Rankin
 - ✓ Round table meets
 - ✓ Information to Kivalliq Businesses



Conclusion.....we are on the right track!

