

With its emphasis on **quality**, an exceptional record of creating shareholder value, and one of the most robust **growth** profiles in the industry, Agnico-Eagle Mines Limited has emerged as the gold stock of choice.



AGNICO-EAGLE MINES LIMITED

Meadowbank First Year of Production
Nunavut Symposium – Iqaluit - April 2011



Member of the World Gold Council

www.gold.org

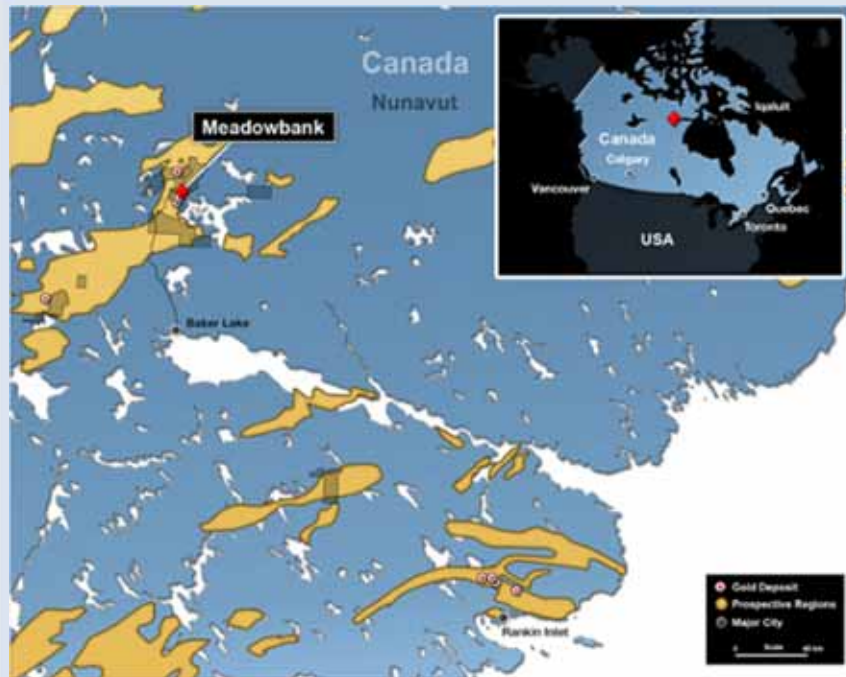
Meadowbank, Canada

Agenda



- Meadowbank Overview
- Accomplishments
- Challenges encountered
- March 10th 2011 Fire
- Future projects

Meadowbank – Overview



- **Location:** Nunavut, Canada, Connected to Baker Lake by a 110 Km all weather private access road
- **Proven and probable gold reserves:** 3.7 million ounces (32 million tonnes at 3.5 g/t)
- **Gold production:** 2011– 362,000 ounces
- **Total cash costs per ounce:** 2011 - \$597
- **Type of mine:** open-pit mining
- **Estimated mine life:** 2010-2019

Meadowbank – Work Force



Employees at Meadowbank - February 28th 2011

<i>Group</i>	<i>Inuit</i>	<i>Southerner</i>	<i>Total</i>	<i>% Inuit</i>
Contractors	28	458	486	6%
Operation (AEM)	242	386	628	39%
Total	270	844	1114	24%

Meadowbank – Work Force (Feb. 28th, 2011)



Community	Number
Baker Lake	133
Rankin Inlet	34
Arviat	49
Chesterfield Inlet	6
Coral Harbour	6
Repulse Bay	5
Whale Cove	2

ACCOMPLISHMENTS

Process Plant



Dome & Pebble crusher



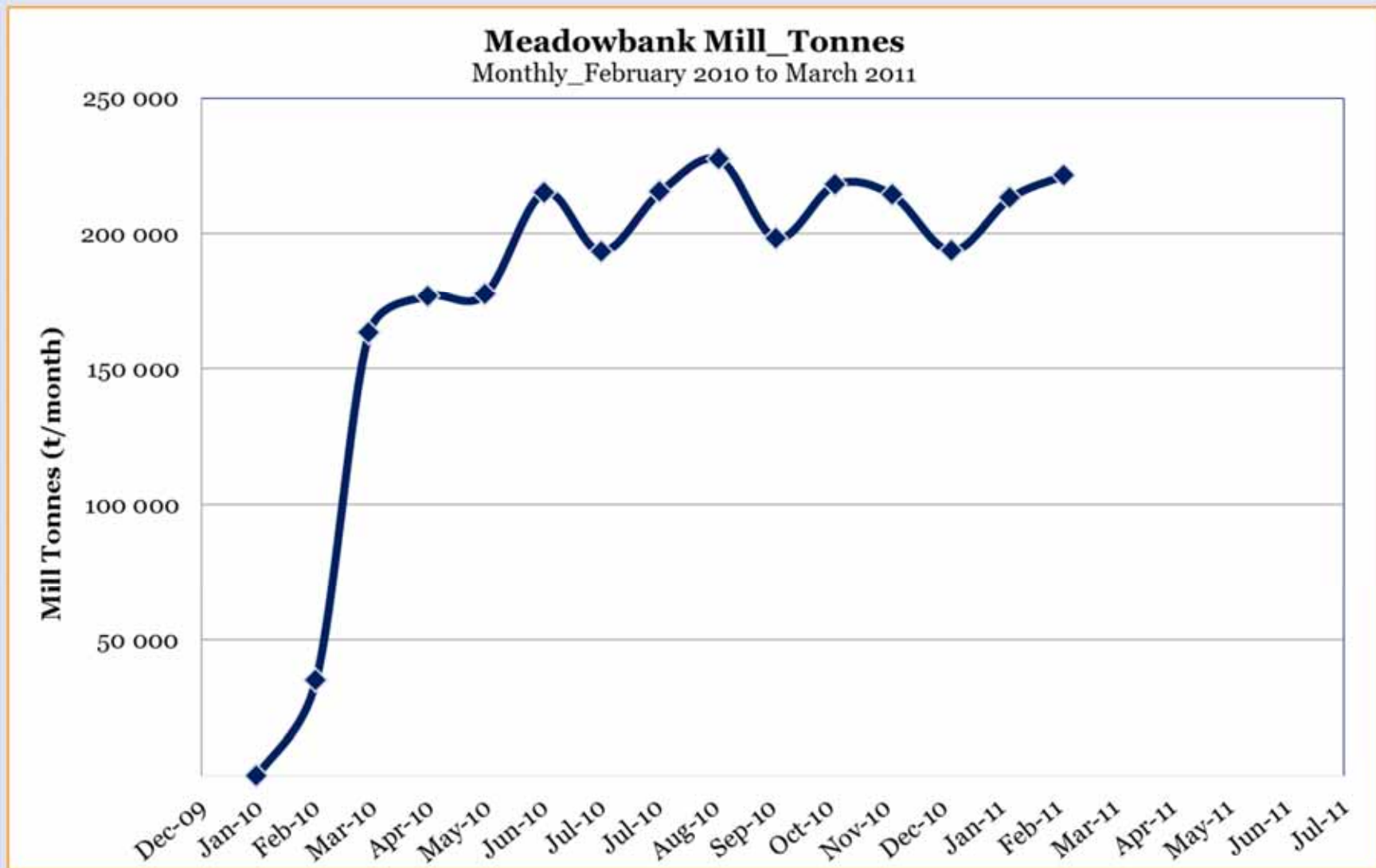
Power & Process Plants

Process Plant in numbers Q4 2010

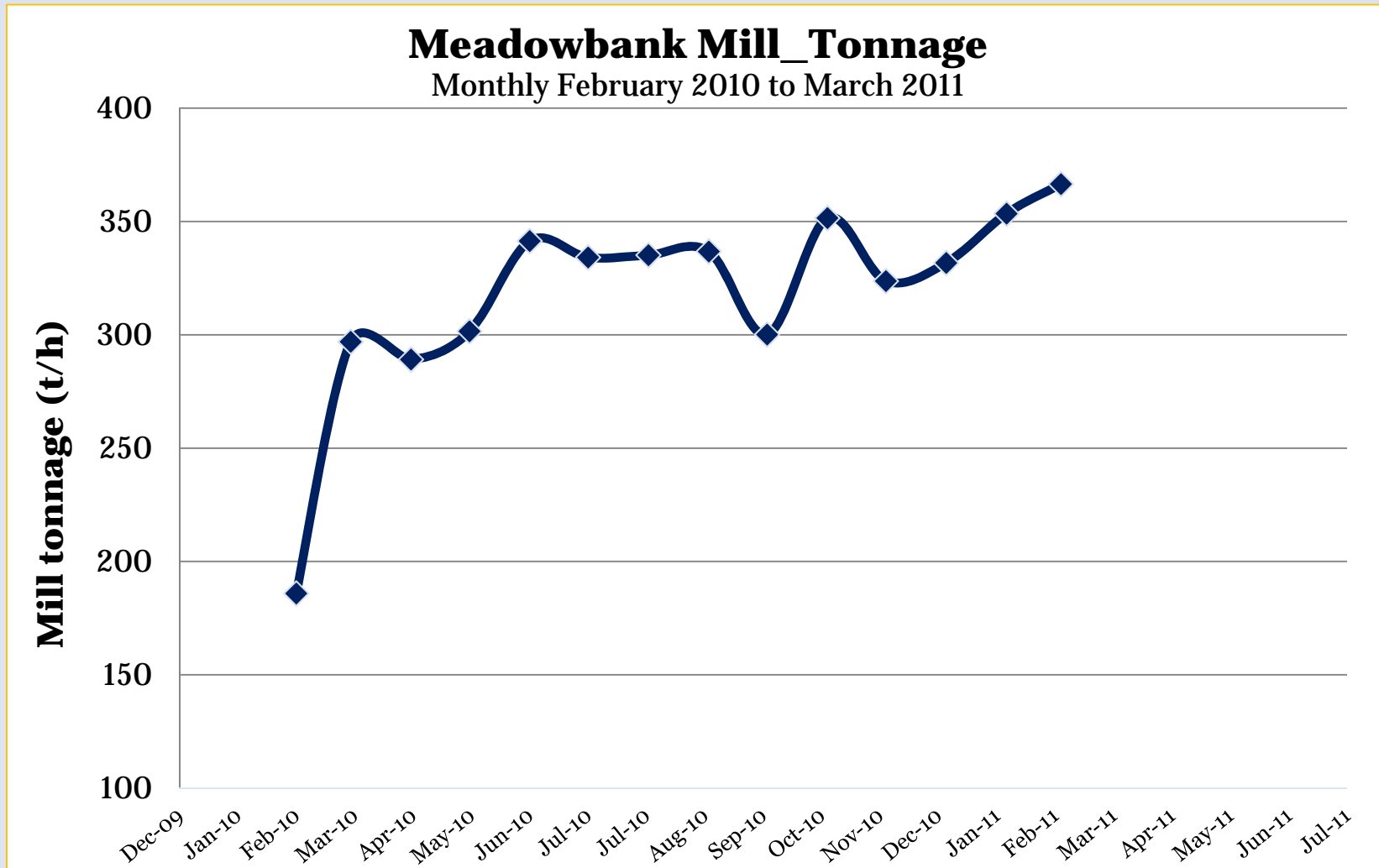


Description		Oct	Nov	Dec	Q4
Tonnage	Actual	198,394	218,260	214,400	631,054
	Budget	263,525	255,024	263,525	782,074
Grade	Actual	3.95	3.67	4.27	3.96
	Budget	4.34	4.19	3.47	4.00
Ounces (pay.)	Actual	24,070	24,335	27,585	75,990
	Budget	34,497	32,224	27,436	94,157
Recovery	Actual	95.1%	94.8%	93.8%	94.6%
	Budget	93.8%	93.8%	93.3%	93.7%
T/hr	Actual	300	351	324	325
	Budget	385	385	385	385
Availabilty	Actual	88.9%	86.2%	89.0%	88.1%
	Budget	92.0%	92.0%	92.0%	92.0%

Process Plant Performances



Process Plant Performances



CHALLENGES ENCOUNTERED

Secondary Crushing



- **Requirement for secondary crusher realized early in the first year. Construction of secondary crusher during winter season**
- **Utilization of portable crusher during construction of new facility in order to increase mill throughput**
- **Secondary crusher scheduled for commissioning at end of Q-2 2011**

Secondary Crusher Installation



Secondary Crusher – Transfer & Take-Up tower advancement



Power Plant



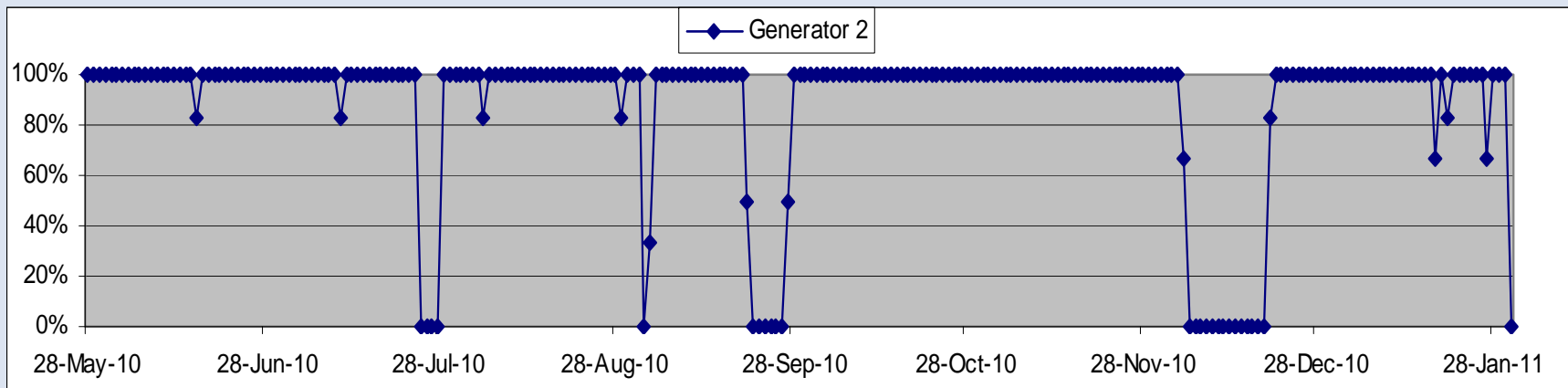
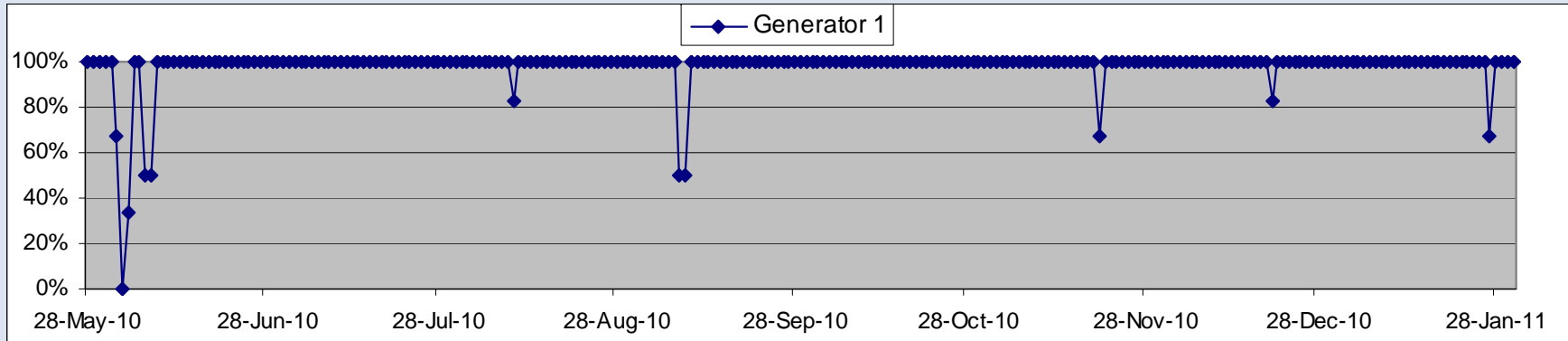
- Provides all site power
- 26.4 megawatt rating
- 6 Caterpillar diesel driven generators (3600 series engine)
- Peak loads 17+ megawatts
- 4 units on line 1 unit stand by 1 unit for maintenance
- Additional 2.8 megawatt unit being added for secondary crusher.
- Additional smaller unit will allow for better efficiency through load balancing

Power Plant Availability

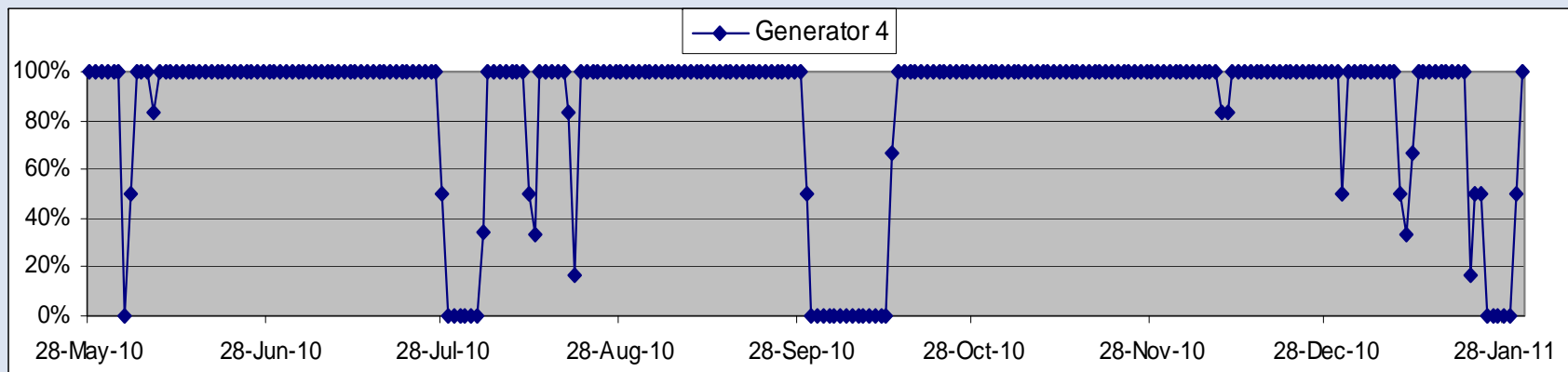
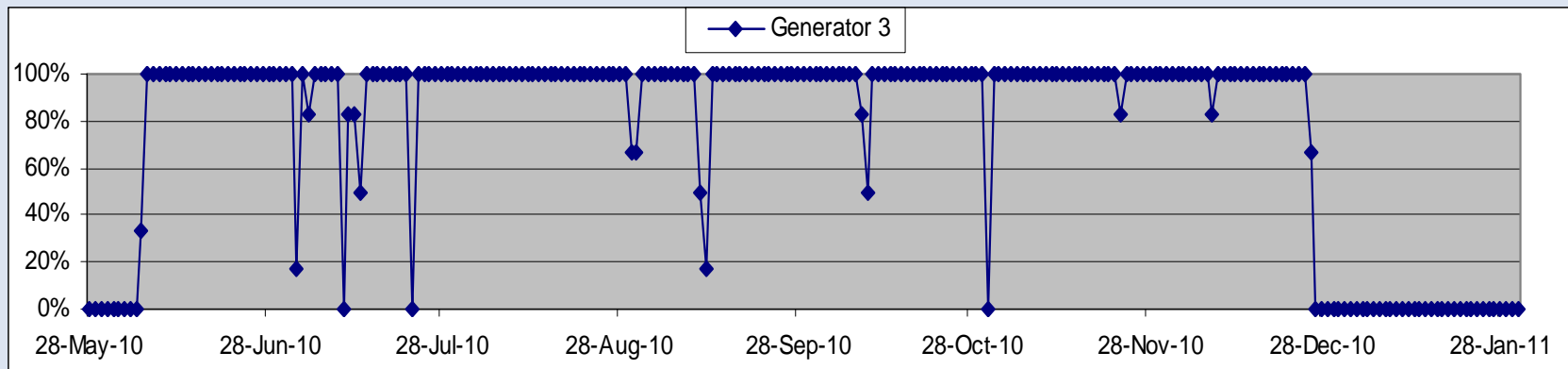


- Experienced low availability due to problems with engine bridge adjustment and dowel failures
- Premature failure of crank shaft on one unit a result of factory contamination
- Premature failure of coolers resulting in numerous warranty replacements.
- Lost tonnage throughput due to plant shutdowns and requirement to energize back up generators on numerous occasions.
- Issues are now under control and reliability has improved

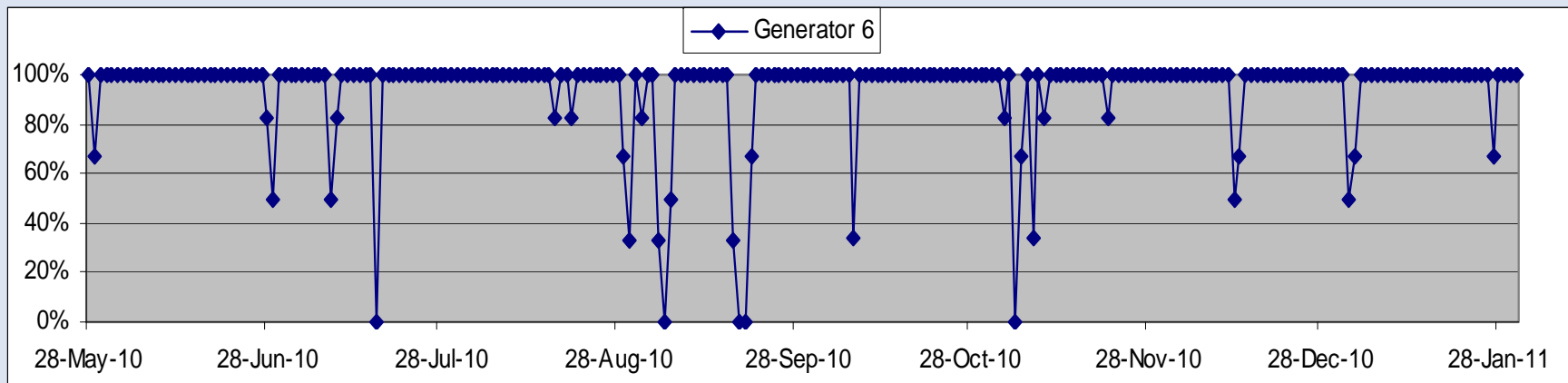
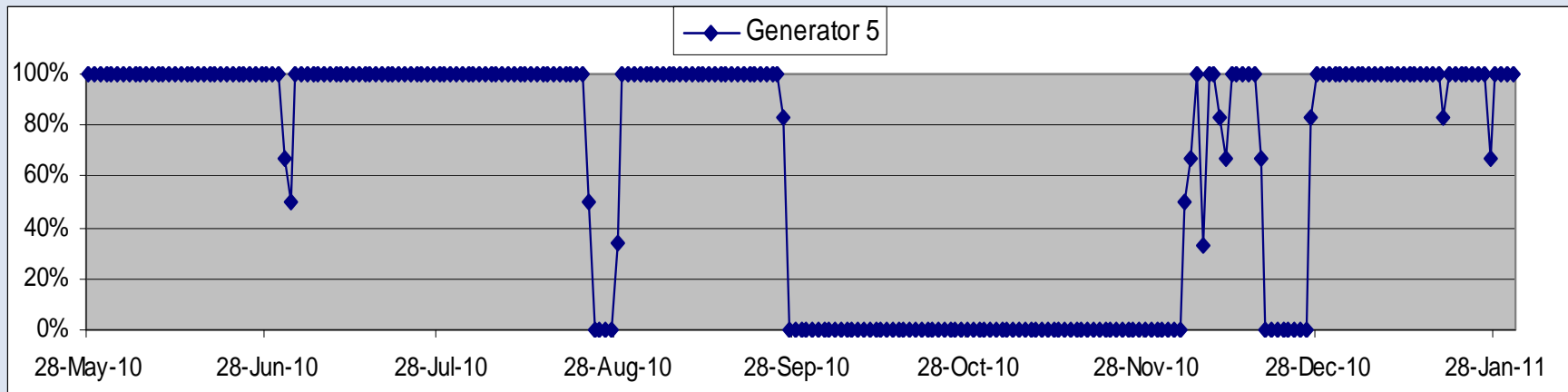
Power Plant Availability Units 1 & 2



Power Plant Availability Units 3 & 4



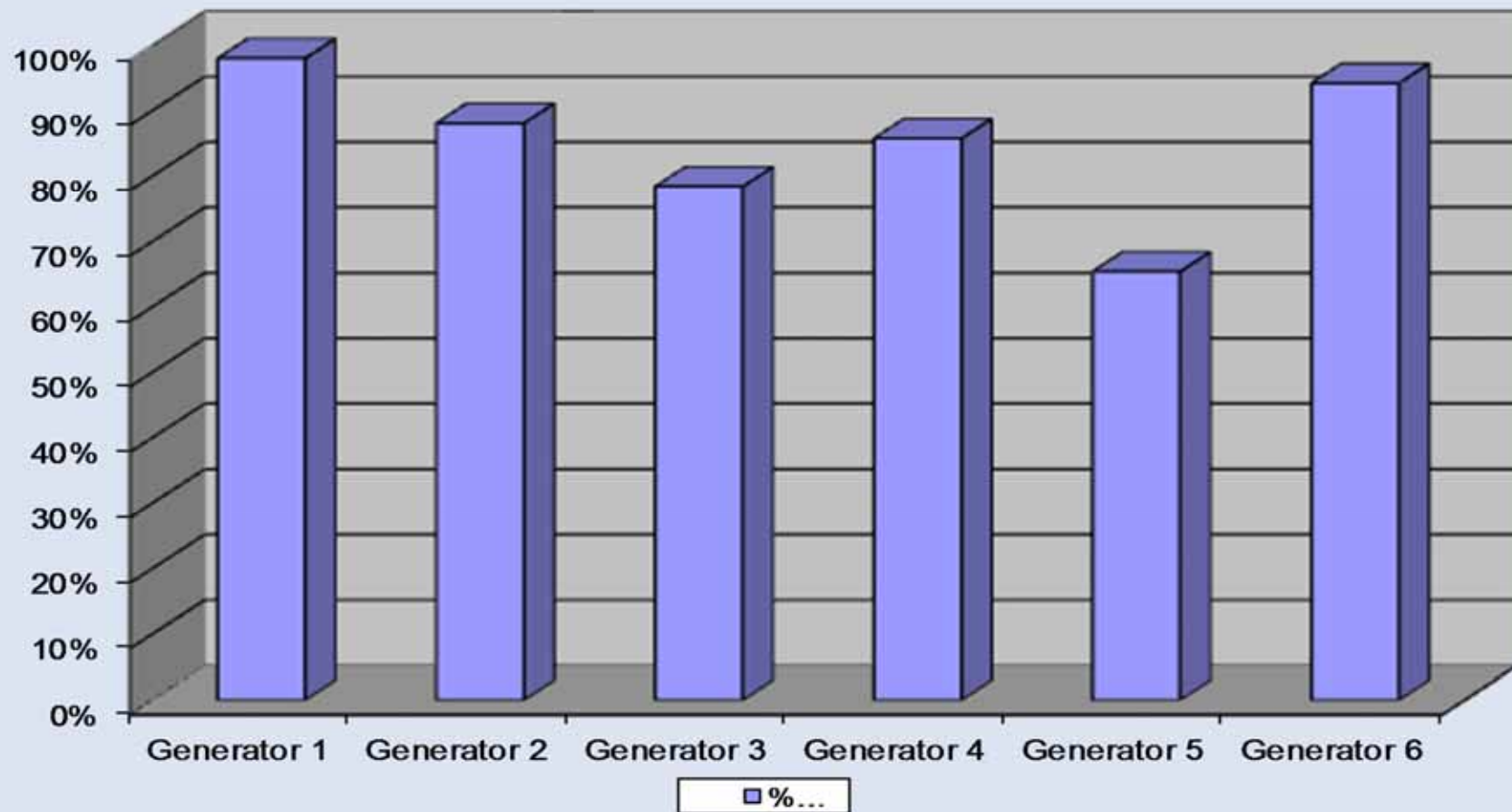
Power Plant Availability Units 5 & 6



Power Plant Availability



Generator Average Availability May 28/10 to Jan. 31/11



Power Plant Availability



Gen-Sets



Challenges encountered- Extrem Weather Condition

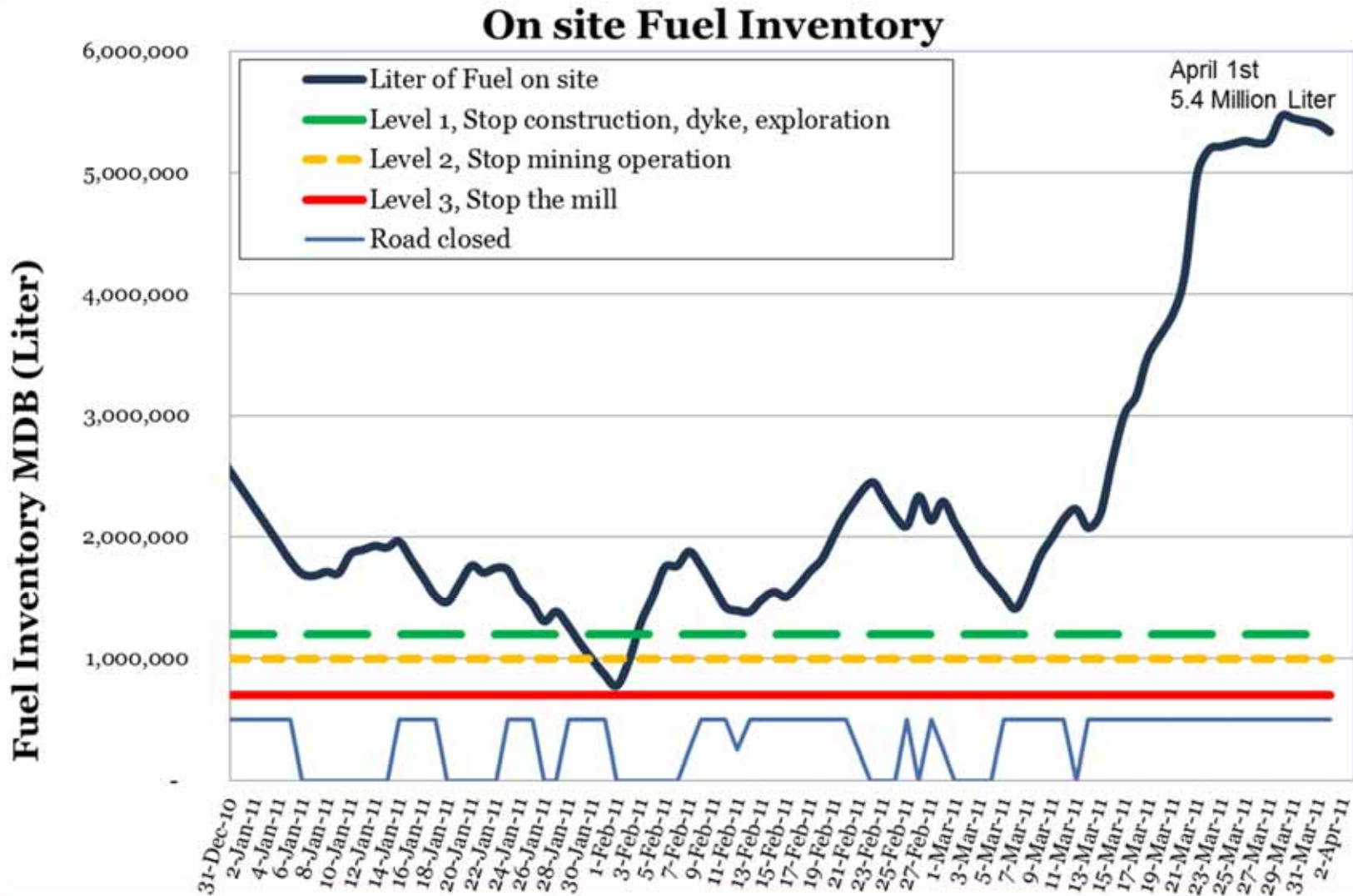


Road maintenance

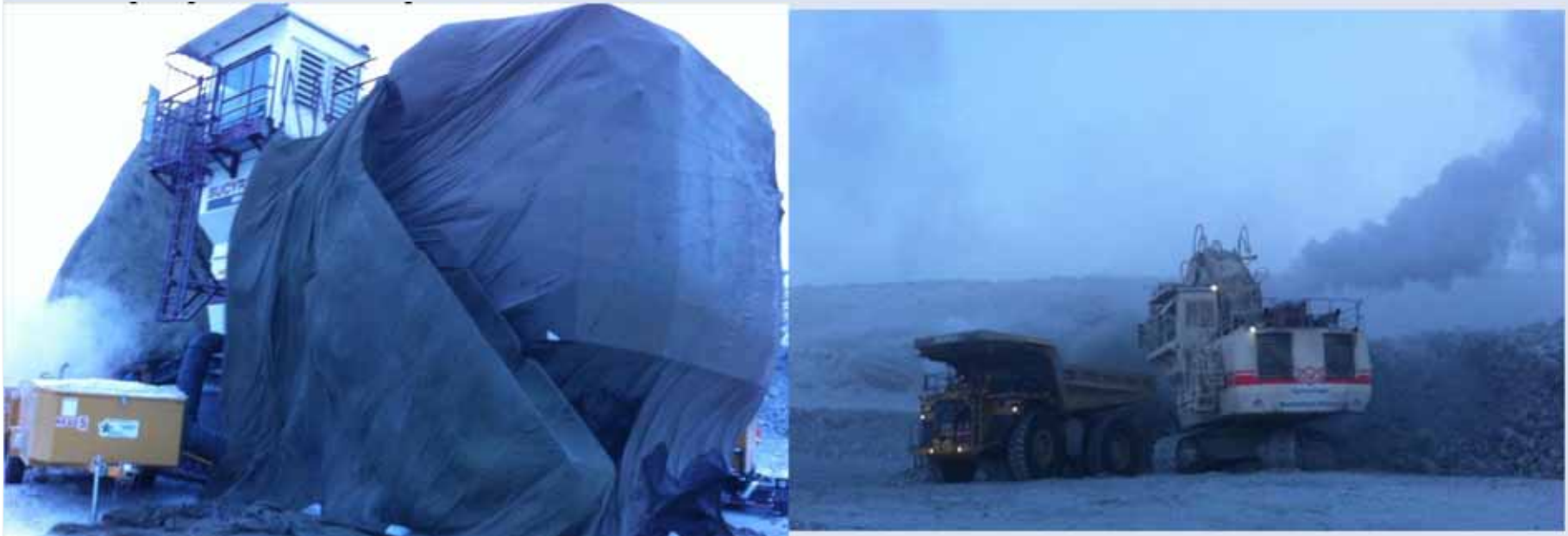


- Delay in site fuel deliveries due to road closure during blizzard conditions
- Reallocation of mine equipment to open all weather road
- Significant increase in snowfall over previous 2 years

Mine performances

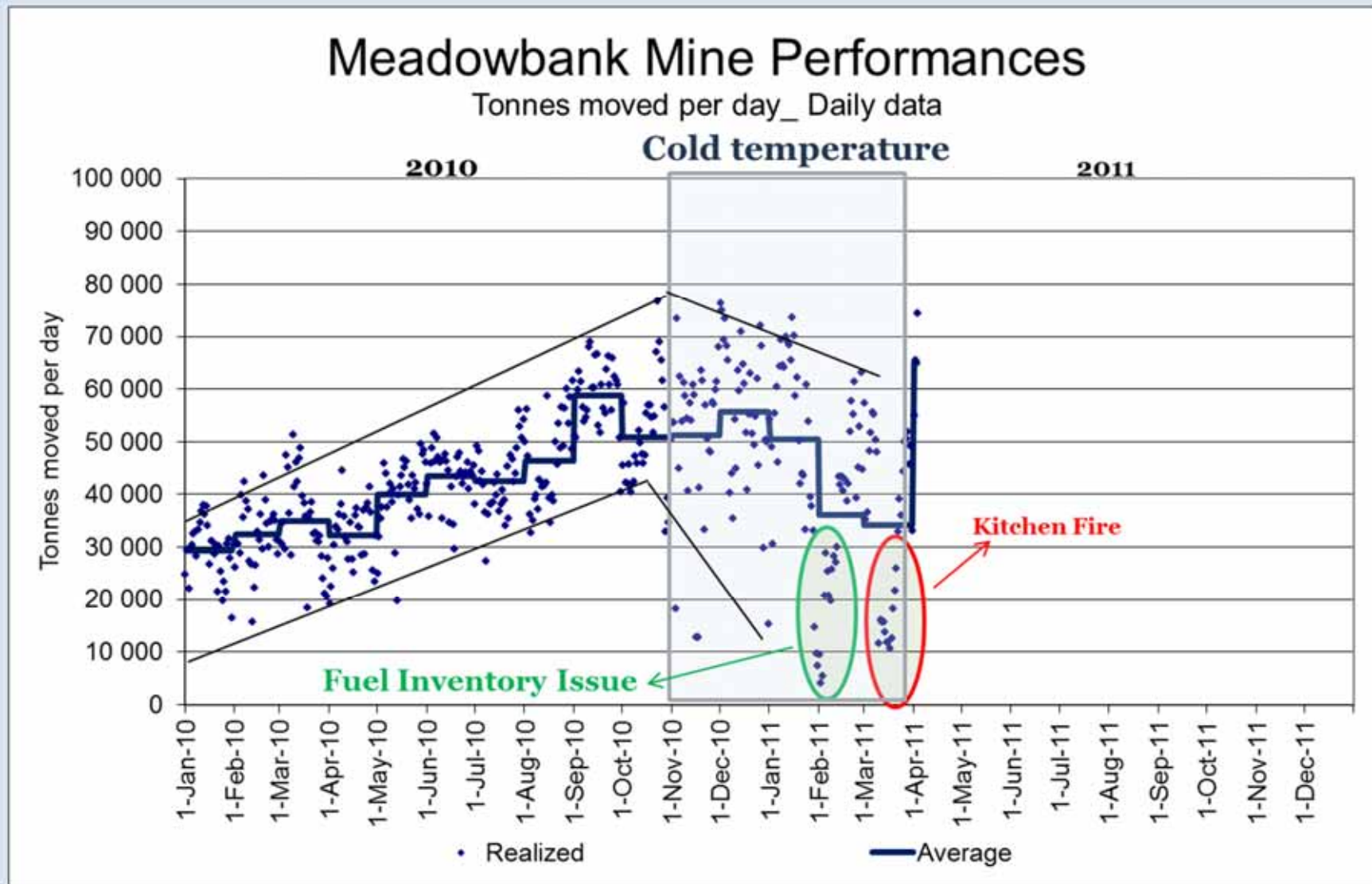


Challenges encountered- Extrem Weather Condition



- Extreme temperatures of -60C with the wind-chill caused hydraulic system failures. Oil viscosity and hose breakage increased downtime significantly

Mine performances



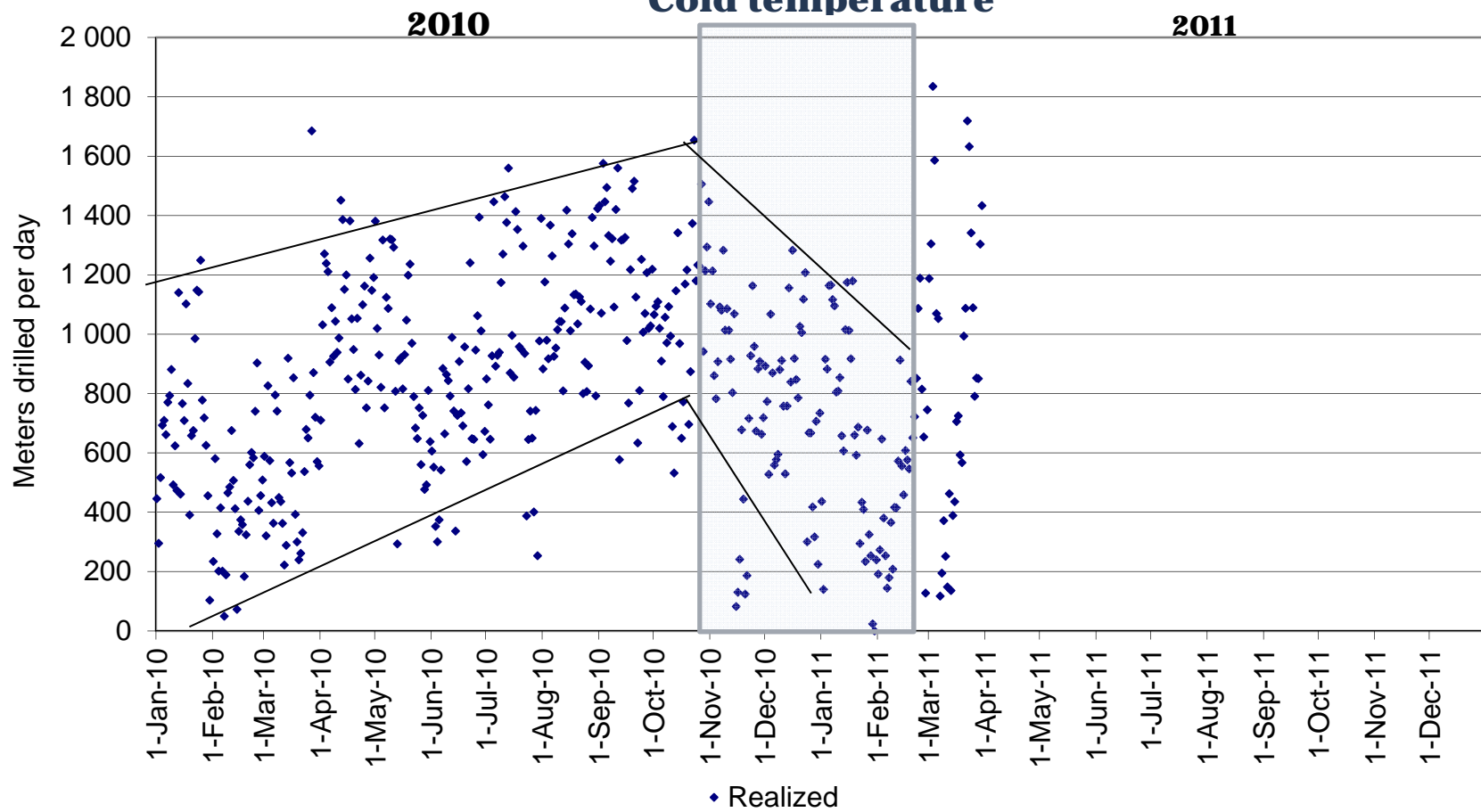
Mine performances



Meadowbank Mine Performances

Meters drilled per day_ Daily data

Cold temperature



Challenges encountered- Extrem Weather Condition



Mining Equipment



- Maintenance shop temperatures dipped to -22C inside the shop when mill was down for maintenance and fewer generator are on line. (waste heat used in service shop)
- Shop heating and ventilation systems to be improved 2011

Maintenance Challenges



- Recruitment of qualified mechanical personnel results in higher cost use of contractors
- Occupancy of service shop was delayed until August of 2010 and repairs continued from a temporary coverall facility
- Drilling with water in sub zero temperature required redesigning of drill equipment on a trial and error basis
- Wash bay facility was under designed and had a negative effect on good maintenance practices

■ MEADOWBANK FIRE

March 10th 2011

Meadowbank Site Fire March 10th 2011



Tailing Pond

Airstrip

Shop

Permanent Camp

Construction
Camp

Burned down kitchen

Power Plant

Process Plant

Meadowbank Kitchen fire



Meadowbank Kitchen on fire



Meadowbank Kitchen on fire



Meadowbank Kitchen fire



Meadowbank Kitchen on fire



Meadowbank Kitchen fire



Meadowbank Kitchen fire

- 490 on site that morning
- 315 persons evacuated in 17 hours
- 175 stayed on site
- Mill continued processing ore from the stockpile.
- Open pit, construction, dyke grouting and diamond drilling shutdown
- On March 21st, 230 employees on site – Maintenance and portion of mine employee
- Temporary kitchen available on March 28th
- Resume full operation with 460 persons on site beginning April
- Permanent replacement kitchen will come on the sealift

Temporary Kitchen



Dining Room in Gym



Future



What's next for Meadowbank

- Rebuild permanent kitchen /dining facility
- New So₂ plant and secondary crusher start up
- Modify service shop heating system
- Assay Lab expansion project – 250 samples to + 400 samples/day
- Install machine shop for on site repairs
- Exploration – Increase reserves and extend the mine life
- More training – Increase % Inuit in every departments
- Keep expanding hiring in all Kivalliq
- Finalize the mill and the mine ramp up
- Decrease the operating cost
- Complete the dyke construction work (2013)

Matna, Thank you, Merci !

