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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

o REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934
OR
ý ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2019
Commission file number: 001-13422

AGNICO EAGLE MINES LIMITED

(Exact name of Registrant as specified in its charter)

Ontario, Canada	**1040**	**98-0357066**
(Province of other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7
(416) 947-1212
(Address and telephone number of Registrant's principal executive offices)

Davies Ward Phillips & Vineberg LLP
900 Third Avenue, 24th Floor, New York, New York 10022
Attention: Jeffrey Nadler
(212) 588-5505
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Common Shares, without par value	**AEM**	**New York Stock Exchange**
(Title of each Class)	*(Trading Symbol(s))*	*(Name of exchange on which registered)*

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

ý Annual information form ý Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

239,619,035 Common Shares as of December 31, 2019

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ý No o

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to

Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ý No o

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company o

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. o

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

EXPLANATORY NOTE

Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on Form 40-F pursuant to the multi-jurisdictional disclosure system of the Exchange Act. The Company is a "foreign private issuer" as defined in Rule 405 under the Securities Act of 1933, as amended. Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

FORWARD-LOOKING INFORMATION

This Annual Report on Form 40-F and the exhibits attached hereto (this "Form 40-F") contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "intend", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this Form 40-F include, but are not limited to, the following:

- the Company's outlook for 2020 and future periods;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;
- other anticipated trends with respect to the Company's capital resources and results of operations;
- statements regarding the Company's plans to suspend all mining activities at its operations in the Abitibi region of Quebec and the expected duration of such suspension;
- statements regarding the Company's plans to reduce activities at the Meliadine mine and the Meadowbank Complex and the operations that are expected to be carried out during, and the duration of, the period of such reduced activities;
- statements regarding the Company's plans to suspend exploration activities in Canada;

- statements regarding the timeline for resuming normal operating levels at each of the Company's operations;
- statements regarding the Company's plans with respect to the use of the $1.0 billion drawn on its US$1.2 billion unsecured revolving bank credit facility; and
- other statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of the COVID-19 on the Company's operations and overall business.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico Eagle upon which the forward-looking statements in this Form 40-F are based, and which may prove to be incorrect, include, but are not limited to, the assumptions set out elsewhere in this Form 40-F as well as: that the duration or scope of the order by the Government of Quebec issued on March 23, 2020 to close all non-essential business in response to the COVID-19 outbreak is not extended or modified; that governments, the Company or others do not take other measures in response to the COVID-19 pandemic or otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business and that there are no other significant disruptions affecting Agnico Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, pandemics, mining or milling issues, political changes, title issues, community protests, including by First Nations groups, or otherwise; that permitting, development, expansion and the ramp up of operations at each of Agnico Eagle's mines, mine development projects and exploration projects proceed on a basis consistent with expectations and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, European Union euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this Form 40-F; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets current expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this Form 40-F reflect the Company's views as at the date hereof and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risk factors set out under "Risk Factors" on page 89 of the Company's annual information form for the year ended December 31, 2019, which is filed as Exhibit 99.1 to this Form 40-F and incorporated by reference herein (the "AIF"). Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based. This Form 40-F contains information regarding anticipated total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne in respect of the Company or at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

CURRENCY

Agnico Eagle presents its consolidated financial statements in United States dollars. All dollar amounts in this Form 40-F are stated in United States dollars ("U.S. dollars", "$" or "US$"), except where otherwise indicated. On March 17, 2020, the exchange rate (based on the daily average exchange rate as reported by the Bank of Canada) for U.S. dollars into Canadian dollars ("C$") was US$1.00 equals C$1.4157.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this Form 40-F have been prepared in accordance with the Canadian securities administrators' (the "CSA") National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("NI 43-101"). These standards are similar to those used by the United States Securities and Exchange Commission's (the "SEC") Industry Guide No. 7, as interpreted by the SEC Staff ("Guide 7"). However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Accordingly, mineral reserve and mineral resource information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

For United States reporting purposes, the SEC has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act, which became effective February 25, 2019. The SEC Modernization Rules more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Guide 7. Issuers must begin to comply with the SEC Modernization Rules in their first fiscal year beginning on or after January 1, 2021, though Canadian issuers that report in the United States using the Multijurisdictional Disclosure System ("MJDS") may still use NI 43-101 rather than the SEC Modernization Rules when using the SEC's MJDS registration statement and annual report forms. Guide 7 will remain effective until all issuers are required to comply with the SEC Modernization Rules, at which time Guide 7 will be rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101.

United States investors are cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great amount of uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports herein are or will be economically or legally mineable.

Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is or will ever be economically or legally mineable.

The mineral reserve and mineral resource data contained or incorporated by reference herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for by-product metals contained in mineral reserves in its calculation of contained ounces and mineral reserves are not reported as a subset of mineral resources.

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This Form 40-F presents certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce" and "minesite costs per tonne", that are not recognized measures under International Financial Reporting Standards ("IFRS"). These measures may not be comparable to measures presented by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, and for an explanation of how management uses these measures, please see the Company's management's discussion and analysis

for the year ended December 31, 2019, which is filed as Exhibit 99.3 to this Form 40-F and incorporated by reference herein (the "Annual MD&A"). The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS. The Company, from time to time, also provides information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. Such estimates are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its mines and projects and, consistent with the reconciliation of these actual costs referred to above, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable IFRS measure.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2019 pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2019, the Company's disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that information the Company is required to disclose in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's board of directors (the "Board"), management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, the Company's management used the criteria set out by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*. Based upon its assessment, management concluded that, as of December 31, 2019, the Company's internal control over financial reporting was effective.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Company's Annual Audited Consolidated Financial Statements, which are filed as Exhibit 99.2 to this Form 40-F and incorporated by reference herein (the "Annual Financial Statements"), and has included its attestation report on management's assessment of the Company's internal control over financial reporting, which is found on page 5 of the Annual Financial Statements.

The Company will continue to periodically review its disclosure controls and procedures and internal control over financial reporting and may make modifications from time to time as considered necessary or desirable.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP's attestation report on management's assessment of the Company's internal control over financial reporting is found on page 5 of the Annual Financial Statements.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

Management regularly reviews its system of internal control over financial reporting and makes changes to the Company's processes and systems to improve controls and increase efficiency, while ensuring that the Company maintains an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

During the year ended December 31, 2019, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2019 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Board has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee is composed of Dr. Leanne Baker (Chair), Mr. Mel Leiderman and Mr. Jamie Sokalsky, as described under "Audit Committee — Composition of the Audit Committee" on page 110 of the AIF.

AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that the Company has at least one "audit committee financial expert" (as defined in paragraph (8) of General Instruction B to Form 40-F) and that Mr. Leiderman and Mr. Sokalsky are the Company's "audit committee financial experts" serving on the Audit Committee of the Board. Each of the Audit Committee financial experts is "independent" under applicable listing standards.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP served as the Company's independent public accountant for each of the fiscal years in the two-year period ended December 31, 2019. For a description of the total amount billed to the Company by Ernst & Young LLP for services performed in the last two fiscal years by category of service (audit fees, audit-related fees, tax fees and all other fees), see "Audit Committee — External Auditor Service Fees" on page 111 of the AIF. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

For a description of the pre-approval policies and procedures of the Company's Audit Committee, see "Audit Committee — Pre-Approval Policies and Procedures" on page 110 of the AIF.

CODE OF ETHICS

The Company has a "code of ethics" (as defined in paragraph (9) of General Instruction B to Form 40-F) that applies to its Chief Executive Officer, Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. The Company's code of ethics is available on the Company's website at *www.agnicoeagle.com* or, without charge, upon request from the Corporate Secretary, Agnico Eagle Mines Limited, Suite 400, 145 King Street East, Toronto, Ontario M5C 2Y7 (telephone 416-947-1212).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements (as defined in paragraph (11) of General Instruction B to Form 40-F) that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

CONTRACTUAL OBLIGATIONS

For tabular disclosure of the Company's contractual obligations, see page 17 of the Annual MD&A under the heading "Liquidity and Capital Resources — Contractual Obligations".

MINE SAFETY DISCLOSURE

Not applicable.

CORPORATE GOVERNANCE

The Company is subject to a variety of corporate governance guidelines and requirements enacted by the Toronto Stock Exchange (the "TSX"), the CSA, the New York Stock Exchange (the "NYSE") and the SEC. The Company is listed on the NYSE and, although the Company is not required to comply with most of the NYSE corporate governance requirements to which the Company would be subject if it were a U.S. corporation, the Company's governance practices differ from those required of U.S. domestic issuers in only the following respects. The NYSE rules for U.S. domestic issuers require shareholder approval of all equity compensation plans (as defined in the NYSE rules) regardless of whether new issuances, treasury shares or shares that the Company has purchased in the open market are used. The TSX rules require shareholder approval of share compensation arrangements involving new issuances of shares, and of certain amendments to such arrangements, but do not require such approval if the compensation arrangements involve only shares purchased in the open market. The NYSE rules for U.S. domestic issuers also require shareholder approval of certain transactions or series of related transactions that result in the issuance of common shares, or securities convertible into or exercisable for common shares, that have, or will have upon issuance, voting power equal to or in excess of 20% of the voting power outstanding prior to the transaction or if the issuance of common shares, or securities convertible into or exercisable for common shares, are, or will be upon issuance, equal to or in excess of 20% of the number of common shares outstanding prior to the transaction. The TSX rules require shareholder approval of acquisition transactions resulting in dilution in excess of 25%. The TSX also has broad general discretion to require shareholder approval in connection with any issuances of listed securities. The Company complies with the TSX rules described in this paragraph.

DISCLOSURE PURSUANT TO SECTION 13(r) OF THE EXCHANGE ACT

In accordance with Section 13(r) of the Exchange Act, the Company is required to include certain disclosures in its periodic reports if it or any of its affiliates knowingly engaged in certain specified activities during the period covered by the report. Neither the Company nor its affiliates have knowingly engaged in any transaction or dealing reportable under Section 13(r) of the Exchange Act during the year ended December 31, 2019.

UNDERTAKING

Agnico Eagle undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

Any change to the name or address of the Company's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Company.

INCORPORATION BY REFERENCE

This Form 40-F, which includes the exhibits filed herewith (other than the section of the AIF entitled "Ratings"), is incorporated by reference into the Company's Registration Statements on Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004). Each of the AIF (other than the section entitled "Ratings"), the Annual Financial Statements and the Annual MD&A is incorporated by reference as an exhibit to the Company's Registration Statement on Form F-10 (registration no. 333-234778).

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form of the Company for the year ended December 31, 2019.
99.2	Annual Audited Consolidated Financial Statements of the Company, including the notes thereto, as at December 31, 2019 and 2018 and for each of the years in the three-year period ended December 31, 2019, together with the auditors' report thereon and the auditors' report on internal control over financial reporting.
99.3	Management's Discussion and Analysis for the year ended December 31, 2019.
99.4	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) , pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
99.5	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) , pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
99.6	Certification of the Chief Executive Officer pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.7	Certification of the Chief Financial Officer pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.8	Consent of Independent Registered Public Accounting Firm.
99.9	Consent of Dyane Duquette
99.10	Consent of Sylvie Lampron
99.11	Consent of Pascal Lehouiller
99.12	Consent of Guy Gosselin
99.13	Consent of Louise Grondin
99.14	Consent of Marc Legault
99.15	Consent of Paul Cousin
99.16	Consent of Francis Brunet
99.17	Consent of Dominique Girard
99.18	Consent of Daniel Pare
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Toronto, Canada
March 27, 2020

AGNICO EAGLE MINES LIMITED

by /s/ DAVID SMITH

David Smith
Senior Vice-President, Finance and
Chief Financial Officer

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Exhibit 99.1



Annual Information Form
for the year ended December 31, 2019

Dated as of March 27, 2020

AGNICO EAGLE MINES LIMITED

ANNUAL INFORMATION FORM

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INTRODUCTORY NOTES

Currency and Exchange Rates

Currencies: Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") presents its consolidated financial statements in United States dollars. All dollar amounts in this Annual Information Form ("AIF") are stated in United States dollars ("U.S. dollars", "$" or "US$"), except where otherwise indicated. Certain information in this AIF is presented in Canadian dollars ("C$"), European Union euros ("Euro" or "€") or Mexican pesos ("MXP").

Exchange Rates: The following tables set out, in Canadian dollars, the exchange rates for the U.S. dollar, based on the daily average exchange rate for 2015 through 2019, and the daily average exchange rates for March 2020 (to March 17, 2020) and the previous six months, in each case as reported by the Bank of Canada (the "US Exchange Rate"). On March 17, 2020, the US Exchange Rate was US$1.00 equals C$1.4157.

	Year Ended December 31,				
	2019	**2018**	**2017**	**2016**	**2015**
High	1.3600	1.3642	1.3743	1.4589	1.3990
Low	1.2988	1.2288	1.2128	1.2544	1.1728
End of Period	1.2988	1.3642	1.2545	1.3427	1.3840
Average	1.3269	1.2957	1.2986	1.3248	1.2787

	2020			2019			
	March (to March 17)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.4157	1.3429	1.3233	1.3302	1.3307	1.3330	1.3343
Low	1.3356	1.3224	1.2970	1.2988	1.3148	1.3056	1.3153
End of Period	1.4157	1.3429	1.3233	1.2988	1.3289	1.3160	1.3243
Average	1.3657	1.3286	1.3087	1.3172	1.3239	1.3190	1.3241

On December 31, 2019 and March 17, 2020, US$1.00 equaled €0.8902 and €0.9106, respectively, as reported by the European Central Bank.

Forward-Looking Statements

Forward-Looking Statements: Certain statements in this AIF, referred to herein as "forward-looking statements", constitute "forward-looking information" under the provisions of Canadian provincial securities laws and constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this AIF include, but are not limited to, the following:

- the Company's outlook for 2020 and future periods;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;

- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;
- other anticipated trends with respect to the Company's capital resources and results of operations;
- statements regarding the Company's plan to suspend all mining activities at its operations in the Abitibi region of Quebec and the expected duration of such suspension;
- statements regarding the Company's plan to reduce activities at the Meliadine mine and the Meadowbank Complex and the operations that are expected to be carried out during, and the duration of, the period of such reduced activities;
- statements regarding the Company's plans to suspend exploration activities in Canada;
- statements regarding the timeline for resuming normal operating levels at each of the Company's operations;
- statements regarding the Company's plans with respect to the use of the $1.0 billion drawn on its US$1.2 billion unsecured revolving bank credit facility; and
- other statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of COVID-19 on the Company's operations and overall business.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico Eagle upon which the forward-looking statements in this AIF are based, and which may prove to be incorrect, include the assumptions set out elsewhere in this AIF as well as: that the duration or scope of the order by the Government of Quebec issued on March 23, 2020 to close all non-essential businesses in response to the COVID-19 outbreak is not extended or modified; that governments, the Company or others do not take other measures in response to the COVID-19 pandemic or otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business and that there are no other significant disruptions affecting Agnico Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, pandemics, mining or milling issues, political changes, title issues, community protests, including by First Nations groups, or otherwise; that permitting, development, expansion and the ramp up of operations at each of Agnico Eagle's mines, mine development projects and exploration projects proceed on a basis consistent with expectations and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this AIF; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets current expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material

delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this AIF reflect the Company's views as at the date of this AIF and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, the risk factors set out in "Risk Factors" below. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

Meaning of "including" and "such as": When used in this AIF, the terms "including" and "such as" mean including and such as, without limitation.

Presentation of Financial Information

International Financial Reporting Standards: The Company reports its financial results using International Financial Reporting Standards ("IFRS"). The Company adopted IFRS as its basis of accounting, replacing United States generally accepted accounting principles ("US GAAP") effective July 1, 2014. As a result, Agnico Eagle's consolidated financial statements are reported in accordance with IFRS. The Company's transition to IFRS reporting had no significant impact on the design or effectiveness of the Company's internal controls over financial reporting. The Company adopted IFRS as its basis of accounting to maintain comparability with other gold mining companies. Unless otherwise specified, all references to financial results herein are to those calculated under IFRS.

Note to Investors Concerning Estimates of Mineral Reserves and Mineral Resources

The mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with the Canadian securities administrators' (the "CSA") National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). These standards are similar to those used by the United States Securities and Exchange Commission's (the "SEC") Industry Guide No. 7, as interpreted by Staff at the SEC ("Guide 7"). However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Accordingly, mineral reserve and mineral resource information contained in this AIF may not be comparable to similar information disclosed by United States companies. Under Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. For United States reporting purposes, the SEC has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), which became effective February 25, 2019. The SEC Modernization Rules more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Guide 7. Issuers must begin to comply with the SEC Modernization Rules in their first fiscal year beginning on or after January 1, 2021, though Canadian issuers that report in the United States using the Multijurisdictional Disclosure System ("MJDS") may still use NI 43-101 rather than the SEC Modernization Rules when using the SEC's MJDS registration statement and annual report forms. Guide 7 will remain effective until all issuers are required to comply with the SEC Modernization Rules, at which time Guide 7 will be rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101. United States investors are cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great

amount of uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports in this AIF are or will be economically or legally mineable. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is or will ever be economically or legally mineable.

The mineral reserve and mineral resource data set out in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for by-product metals contained in mineral reserves in its calculation of contained ounces and mineral reserves are not reported as a subset of mineral resources. See "Mineral Reserves and Mineral Resources" in this AIF for additional information.

Note to Investors Concerning Certain Measures of Performance

This AIF discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce" and "minesite costs per tonne" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the Annual Financial Statements (as defined below) prepared in accordance with IFRS, and for an explanation of how management uses these measures, please see the Company's management discussion and analysis for the period ended December 31, 2019 (the "Annual MD&A").

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Unless otherwise specified, all references to total cash costs per ounce in this AIF are to total cash costs per ounce reported on a by-product basis.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other gold mining companies that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future. Unless otherwise specified, all references to all-in sustaining costs per ounce in this AIF are to all-in sustaining costs per ounce reported on a by-product basis. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS.

The World Gold Council ("WGC") is a non-regulatory market development organization for the gold industry. Although the WGC is not a mining industry regulatory organization, it has worked closely with its member companies to develop relevant non-GAAP measures. The Company follows the guidance on all-in sustaining costs released by the WGC in November 2018. Adoption of the all-in sustaining costs metric is voluntary and, notwithstanding the Company's adoption of the WGC's guidance, all-in sustaining costs per ounce of gold produced reported by the Company may not be comparable to data reported by other gold mining companies. The Company believes that this measure provides helpful information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS, as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

Management also performs sensitivity analyses in order to quantify the effects of fluctuating exchange rates and metal prices. The Company, from time to time, also provides information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. Such estimates are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its mines and projects and, consistent with the reconciliation of these actual costs referred to above, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable IFRS measure.

SELECTED FINANCIAL DATA

The following selected financial data for each of the years in the five-year period ended December 31, 2019 are derived from the consolidated financial statements of Agnico Eagle audited by Ernst & Young LLP. The selected financial data should be read in conjunction with the Company's operating and financial review and prospects set out in Agnico Eagle's annual audited consolidated financial statements as of and for the period ended December 31, 2019, including the notes thereto (the "Annual Financial Statements") and the Annual MD&A.

	Year Ended December 31,				
	2019	**2018**	**2017**	**2016**	**2015**
	(in thousands of U.S. dollars, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	2,494,892	2,191,221	2,242,604	2,138,232	1,985,432
Production	1,247,705	1,160,355	1,057,842	1,031,892	995,295
Exploration and corporate development	104,779	137,670	141,450	146,978	110,353
Amortization of property, plant and mine development	546,057	553,933	508,739	613,160	608,609
General and administrative	120,987	124,873	115,064	102,781	96,973
Impairment loss on equity securities	–	–	8,532	–	12,035
(Gain) loss on derivative financial instruments	(17,124)	6,065	(17,898)	(9,468)	19,608
Finance costs	105,082	96,567	78,931	74,641	75,228
Other (income) expenses	(13,169)	(35,294)	(3,877)	16,233	12,028
Environmental remediation	2,804	14,420	1,219	4,058	2,003
Impairment (reversal) loss	(345,821)	389,693	–	(120,161)	–
Gain on sale of equity securities	–	–	–	(3,500)	(24,600)
Foreign currency translation loss (gain)	4,850	1,991	13,313	13,157	(4,728)
Income (loss) before income and mining taxes	738,742	(259,052)	339,289	268,461	82,628
Income and mining taxes expense	265,576	67,649	98,494	109,637	58,045
Net income (loss) for the year	473,166	(326,701)	240,795	158,824	24,583
Net income (loss) per share – basic	2.00	(1.40)	1.05	0.71	0.11
Net income (loss) per share – diluted	1.99	(1.40)	1.04	0.70	0.11
Weighted average number of common shares outstanding – basic	236,933,791	233,251,255	230,251,876	223,736,595	216,167,950
Weighted average number of common shares outstanding – diluted	238,229,593	233,251,255	232,460,918	225,753,589	217,101,431
Cash dividends declared per common share	0.55	0.44	0.41	0.36	0.32
Balance Sheet Data (at end of period)					
Property, plant and mine development	7,003,665	6,234,302	5,626,552	5,106,036	5,088,967
Total assets	8,789,885	7,852,843	7,865,601	7,107,951	6,683,180
Long-term debt	1,724,108	1,721,308	1,371,851	1,072,790	1,118,187
Reclamation provision	439,801	380,747	345,268	265,308	276,299
Net assets	5,111,514	4,550,012	4,946,991	4,492,474	4,141,020
Common shares	5,589,352	5,362,169	5,288,432	4,987,694	4,707,940
Shareholders' equity	5,111,514	4,550,012	4,946,991	4,492,474	4,140,020
Total common shares outstanding	239,619,035	234,458,597	232,250,441	224,965,140	217,650,795

GLOSSARY OF SELECTED MINING TERMS

"alteration"	Any physical or chemical change in the mineral composition of a rock subsequent to its formation, generally produced by weathering or hydrothermal solutions. Milder and more localized than metamorphism.
"anastomosing"	A network of branching and rejoining fault or vein surfaces or surface traces.
"andesite"	A dark-coloured, fine-grained calc-alkaline volcanic rock of intermediate composition.
"assay"	To analyze the proportions of metals in an ore; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.
"banded iron formation"	An iron formation that shows marked banding, generally of iron-rich minerals and chert or fine-grained quartz.
"bedrock"	Solid rock exposed at the surface of the Earth or overlain by unconsolidated material, weathered rock or soil.
"bench"	A ledge in an open pit mine that forms a single level of operation above which minerals or waste rock are excavated. The ore or waste is removed in successive layers (benches), several of which may be in operation simultaneously.
"breccia"	A rock in which angular rock fragments are surrounded by a mass of fine-grained minerals.
"brittle"	Of minerals, proneness to fracture under low stress. A quality affecting behaviour during comminution of ore, whereby one species fractures more readily than others in the material being crushed.
"bulk emulsion"	Water resistant explosive material pumped into a drilled blast hole and ignited remotely in order to fracture rock in the mining cycle.
"by-product"	A secondary metal or mineral product recovered from the processing of rock.
"carbon-in-leach" or "CIL"	A precious metals recovery step in the mill. Gold and silver are leached from the ground ore and at the same time adsorbed onto granules of activated carbon, which is then separated by screening and processed to remove the precious metals.
"carbon-in-pulp" or "CIP"	A precious metals recovery step in the mill. After gold and silver have been leached from ground ore, they are adsorbed onto granules of activated carbon, which is then separated by screening and processed to remove the precious metals. A CIP circuit comprises a series of tanks through which leached slurry flows. Gold is captured onto captive activated carbon that will periodically be moved counter-currently from tank to tank. Head tank carbon is extracted periodically to further recover adsorbed gold before being returned to the circuit tails tank.
"chalcopyrite"	A sulphide mineral of copper and iron.
"concentrate"	The clean product recovered by froth flotation in the plant.
"conglomerate"	A coarse-grained sedimentary rock composed of rounded fragments set in a fine-grained cemented matrix.
"contact"	A plane or irregular surface between two types or ages of rock.
"counter-current decantation"	The clarification of washery water and the concentration of tailings by the use of several thickeners in series. The water flows in the opposite direction from the solids. The final products are slurry that is removed and clear water that is reused in the circuit.

"crosscut"	An underground passage driven from a shaft towards the ore, at (or near) right angles to the strike of a vein or other orebody.
"cut-off grade"	The minimum metal grade in an ore that can be mined economically.
"cyanidation"	A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving (leaching) it in a weak cyanide solution. May be carried out in tanks inside a mill or in heaps of ore out of doors (heap leach).
"deposit"	A natural occurrence of mineral or mineral aggregate, in such quantity and quality to invite exploitation.
"development"	The preparation of a mining property or area so that an orebody can be analyzed and its tonnage and quality estimated. Development is an intermediate stage between exploration and mining.
"diamond drill"	A drilling machine with a rotating, hollow, diamond-studded bit that cuts a circular channel around a core, which can be recovered to provide a more-or-less continuous and complete columnar sample of the rock penetrated.
"dilution"	The contamination of ore with barren wall rock in stoping, increasing tonnage mined and lowering the overall ore grade.
"dip"	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
"disseminated"	Said of a mineral deposit (especially of metals) in which the desired minerals occur as scattered particles in the rock, but in sufficient quantity to make the deposit an ore. Some disseminated deposits are very large.
"dore"	Unrefined gold and silver bullion bars, which will be further refined to almost pure metal.
"drift"	A horizontal opening in or near an orebody and parallel to the long dimension of the orebody, as opposed to a crosscut that crosses the orebody.
"ductile"	Of rock, able to sustain, under a given set of conditions, 5% to 10% deformation before fracturing or faulting.
"dyke"	An earthen embankment, as around a drill sump or tank, or to impound a body of water or mill tailings. Also, a tabular body of igneous rock that cuts across the structure of adjacent rocks.
"electrowinning"	An electrochemical process in which a metal dissolved within an electrolyte is plated onto an electrode. Used to recover metals such as copper and gold from solution in the leaching of concentrates.
"envelope"	1. The outer or covering part of a fold, especially of a folded structure that includes some sort of structural break. 2. A metamorphic rock surrounding an igneous intrusion. 3. In a mineral, an outer part different in origin from an inner part.
"epigenetic"	Orebodies formed by hydrothermal fluids and gases that were introduced into the host rocks from elsewhere, filling cavities in the host rock.
"epithermal"	Referring to a mineral deposit that formed later than the enclosing rocks consisting of veins and replacement bodies, containing precious metals or, more rarely, base metals.
"extensional-shear vein"	A vein put in place in an extension fracture caused by the deformation of a rock.
"fault"	A fracture or a fracture zone in crustal rocks along which there has been displacement of the two sides relative to one another parallel to the fracture. The displacement may be a few inches or many kilometres long.

"feasibility study"	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations, together with any other relevant operational factors and a detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
"felsic"	A term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
"flotation"	The method of mineral separation in which a froth created by a variety of reagents floats some finely crushed minerals, whereas other minerals sink. The metal-rich flotation concentrate is then skimmed off the surface.
"foliation"	A general term for a planar arrangement of features in any type of rock, especially the planar structure that results in a metamorphic rock.
"footwall"	The rock beneath an inclined vein or ore deposit (opposite of a hanging wall).
"fracture"	Any break in a rock, whether or not it causes displacement, due to mechanical failure by stress; includes cracks, joints and faults.
"free gold"	Gold not combined with other substances.
"glacial till"	Dominantly unsorted and unstratified, unconsolidated rock debris, deposited directly by and underneath a glacier.
"grade"	The relative quantity or the percentage of metal content of an orebody (*e.g.*, grams of gold per tonne of rock or percent copper).
"greenstone belt"	An area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.
"hanging wall"	The rock on the upper side of a vein or ore deposit.
"head grade"	The average grade of ore fed into a mill.
"horst"	An up-faulted block of rock.
"hydrothermal alteration"	Alteration of rocks or minerals by reaction with hydrothermal (magmatic) fluids.
"igneous rock"	Rock formed by the solidification of molten material that originated within the Earth.
"indicated mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into mineral reserves.

"inferred mineral resource"	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be upgraded to a higher category. Investors are cautioned not to assume that part of or all of an inferred mineral resource exists, or is economically or legally mineable.
"infill drilling"	Drilling within a defined mineralized area to improve the definition of known mineralization.
"intrusive"	A body of igneous rock formed by the consolidation of magma intruded below surface into other rocks, in contrast to lava, which is extruded upon the Earth's surface.
"iron formation"	A chemical sedimentary rock, typically thin-bedded or finely laminated, containing at least 15% iron of sedimentary origin and commonly containing layers of chert.
"ITH drill"	A type of rock drill in which a hammer is mounted in the hole, applying percussive force directly to the drill bit.
"leaching"	A chemical process for the extraction of valuable minerals from ore; also, a natural process by which ground waters dissolve minerals.
"lens"	A geological deposit that is thick in the middle and tapers towards the ends, resembling a convex lens.
"lithologic groups"	Groups of rock formations.
"lode"	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
"longitudinal retreat"	An underground mining method where the ore is excavated in horizontal slices along the orebody and the stoping starts below and advances upwards. The ore is recovered underneath in the stope.
"mafic"	Igneous rocks composed mostly of dark, iron- and magnesium-rich silicate minerals.
"massive"	Said of a mineral deposit, especially of sulphides, characterized by a great concentration of ore in one place, as opposed to a disseminated or vein-like deposit. Said of any rock that has a homogeneous texture or fabric over a large area, with an absence of layering or any similar directional structure.
"matrix"	The fine-grained rock material in which a larger mineral is embedded.
"measured mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

	While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into mineral reserves.
"Merrill-Crowe process"	A separation technique for removing gold from a cyanide solution. The solution is separated from the ore by methods such as filtration and counter-current decantation, and then the gold is precipitated onto zinc dust. Silver and copper may also precipitate. The precipitate is filtered to capture the gold slimes, which are further refined (*e.g.*, by smelting, to remove the zinc and by treating with nitric acid to dissolve the silver).
"metamorphism"	The process by which the form or structure of sedimentary or igneous rocks is changed by heat and pressure.
"mill"	A mineral treatment plant in which crushing, wet grinding and further treatment of ore is conducted; also a revolving drum used for the grinding of ore in preparation for treatment.
"mineral reserve"	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.
"mineral resource"	A concentration or occurrence of diamonds, natural solid inorganic material or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Investors are cautioned not to assume that any part or all of the mineral deposits in any category of resources will ever be converted into mineral reserves.
"muck"	Finely blasted rock (ore or waste) underground.
"net smelter return royalty"	A royalty payment made by a producer of metals based on the proceeds from the sale of mineral products after deducting off-site processing and distribution costs including smelting, refining, transportation and insurance costs.
"ounce"	A measurement of weight, especially used for gold, silver and platinum group metals. 1 troy ounce = 31.1035 grams.
"outcrop"	The part of a rock formation that appears at the surface of the Earth.
"oxidation"	A chemical reaction caused by exposure to oxygen, which results in a change in the chemical composition of a mineral.
"pillar"	A block of ore or other rock entirely surrounded by stoping, left intentionally for purposes of ground control or on account of low value.
"plunge"	The inclination of a fold axis or other linear structure from a horizontal plane, measured in the vertical plane.
"polydeformed"	A rock that has been subjected to more than one instance of folding, faulting, shearing, compression or extension as a result of various tectonic forces.
"porphyritic"	Rock texture in which one or more minerals has a larger grain size than the accompanying minerals.
"porphyry"	Any igneous rock in which relatively large crystals are set in a fine-grained groundmass.

"preliminary feasibility study" or "pre-feasibility study"	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method (in the case of underground mining) or the pit configuration (in the case of an open pit) is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.
"pressure oxidation"	A process by which sulphide minerals are oxidized in order to expose gold that is encapsulated in the mineral lattice. The main component of a pressure oxidation circuit consists of a pressurized vessel (autoclave) where the oxygen level, process temperature and acidity are the primary control parameters.
"probable mineral reserve"	The economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study.
"proven mineral reserve"	The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study.
"pyrite"	A yellow iron sulphide mineral, FeS_2, normally of little value. It is sometimes referred to as "fool's gold".
"pyroclastic"	Rocks produced by explosive or aerial ejection of ash, fragments and glassy material from a volcanic vent.
"recovery"	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.
"rock burst"	A sudden and often violent breaking of a mass of rock from the walls of a mine, caused by failure of highly stressed rock and the rapid release of accumulated strain energy.
"sandstone"	A sedimentary rock consisting of grains of sand cemented together.
"schist"	A strongly foliated crystalline rock that can be readily split into thin flakes or slabs due to the well-developed parallelism of more than 50% of the minerals present in it, such as mica or hornblende.
"sedimentary rocks"	Rocks resulting from the consolidation of loose sediment that has accumulated in layers. Examples are limestone, shale and sandstone.
"semi-autogenous grinding" or "SAG"	A method of grinding rock whereby larger chunks of the rock itself and steel balls form the grinding media.
"shear" or "shearing"	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing metamorphic structures such as cleavage and schistosity.
"shear zone"	A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear stress. Such an area is often mineralized by ore-forming solutions.
"sill"	An intrusive sheet of igneous rock of roughly uniform thickness that has been forced between the bedding planes of existing rock.
"slurry"	Fine rock particles in circulating water in a treatment plant.
"stope"	1. Any excavation in a mine, other than development workings, made for the purpose of extracting ore. 2. To excavate ore in an underground mine.

"strike"	The direction, or bearing from true north, of a horizontal line on a vein or rock formation at right angles to the dip.
"stringers"	Mineral veinlets or filaments occurring in a discontinuous subparallel pattern in a host rock.
"sulphide"	A mineral characterized by the linkage of sulphur with a metal, such as pyrite, FeS_2.
"tabular"	Said of a feature having two dimensions that are much larger or longer than the third, such as a dyke.
"tailings"	Material discharged from a mill after the economically and technically recoverable valuable minerals have been extracted.
"tailings dam" or "tailings impoundment" or "tailings pond"	Area closed at the lower end by a constraining wall or dam to which tailings are sent, the prime function of which is to allow enough time for metals to settle out or for cyanide to be naturally destroyed before the water is returned to the mill or discharged into the local watershed.
"tenement"	The right to enter, develop and work a mineral deposit. Includes a mining claim or a mining lease. A synonym of mineral title.
"thickener"	A vessel for reducing the proportion of water in a pulp by means of sedimentation.
"thickness"	The distance at right angles between the hanging wall and the footwall of a lode or lens.
"tonne"	A metric measurement of mass. 1 tonne = 1,000 kilograms = 2,204.6 pounds = 1.1 tons.
"transfer fault"	A structure that can accommodate lateral variations of deformation and strain.
"transverse open stoping"	An underground mining method in which the ore is excavated in horizontal slices perpendicular to the orebody length and the stoping starts below and advances upwards. The ore is recovered underneath the stope through a drawpoint system.
"trench"	A narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure for sampling or observation.
"vein"	A mineral filling of a fault or other fracture in a host rock.
"wacke"	A "dirty" sandstone that consists of a mixture of poorly sorted mineral and rock fragments in an abundant matrix of clay and fine silt.
"winze"	An internal mine shaft.
"Zadra elution circuit"	The process in this part of a gold mill strips gold and silver from carbon granules and puts them into solution.
"zone"	An area of distinct mineralization (*i.e.*, a deposit).

CORPORATE STRUCTURE

Agnico Eagle Mines Limited is a corporation organized under the *Business Corporations Act* (Ontario). The Company was formed by articles of amalgamation under the laws of the Province of Ontario on June 1, 1972, as a result of the amalgamation of Agnico Mines Limited ("Agnico Mines") and Eagle Gold Mines Limited ("Eagle"). Agnico Mines was incorporated under the laws of the Province of Ontario on January 21, 1953 under the name "Cobalt Consolidated Mining Corporation Limited" and changed its name to Agnico Mines Limited on October 25, 1957. Eagle was incorporated under the laws of the Province of Ontario on August 14, 1945.

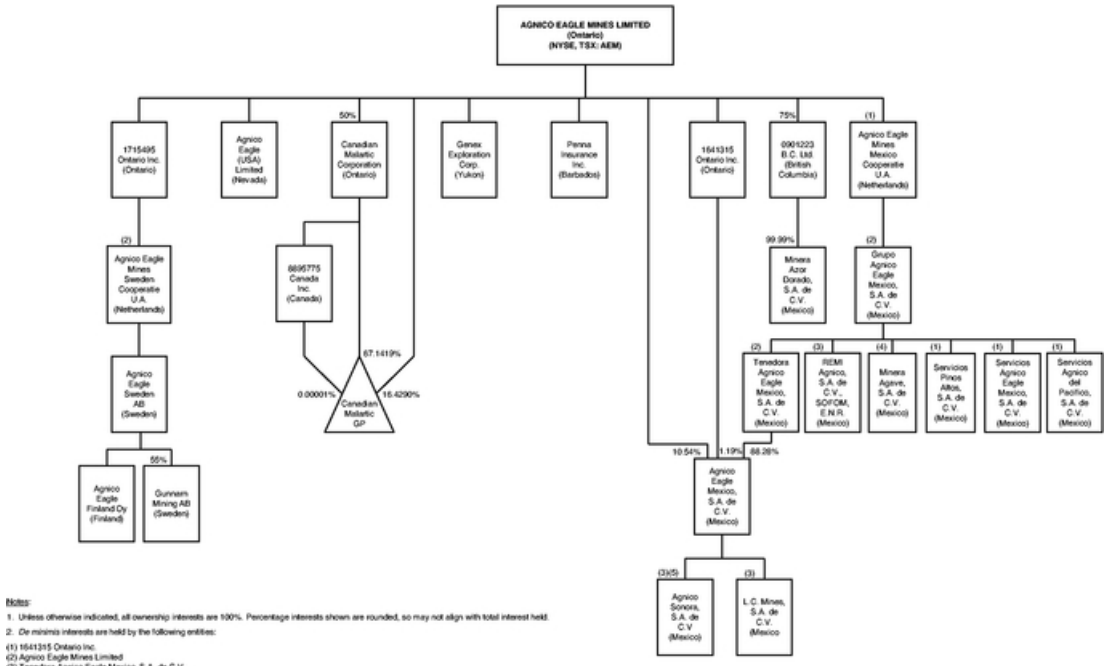
Since 1972, several corporate alterations have taken place. On August 22, 1972, the Company's articles were amended to permit the Company to: (i) borrow money on the credit of the Company, (ii) issue, sell or pledge debt obligations and (iii) charge, mortgage or pledge the Company's property. On June 27, 1980, Articles of Amendment were filed to allow the Company to use the name "Mines Agnico-Eagle Limitée". On July 5, 1984, the Company's articles were amended to delete all of the objects of the Company listed and specify that no restrictions apply to the business or powers that the Company may exercise. On July 3, 1986, Articles of Amendment were filed to set the minimum number of directors of the Company at five and the maximum at nine. On July 29, 1988, the Company's articles were amended to provide that the Company is authorized to issue an unlimited number of shares.

On December 31, 1992, the Company amalgamated with Lucky Eagle Mines Limited. On June 30, 1993, the maximum number of directors of the Company was increased from nine to 12. On January 1, 1996, the Company amalgamated with Goldex Mines Limited and 1159885 Ontario Limited. On October 17, 2001, the Company amalgamated with Mentor Exploration and Development Co. On July 12, 2002, the name of the Company was changed to "Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée". On August 1, 2007, the Company amalgamated with Cumberland Resources Ltd., Agnico-Eagle Acquisition Corporation and Meadowbank Mining Corporation. On May 4, 2010, the maximum number of directors of the Company was increased from 12 to 15.

On January 1, 2011, the Company amalgamated with 1816276 Ontario Inc. (the ultimate successor entity to Comaplex Minerals Corp.). On January 1, 2013, the Company amalgamated with 1886120 Ontario Inc. (the successor corporation to 9237-4925 Québec Inc.). On April 26, 2013, Articles of Amendment were filed to eliminate the hyphen between "Agnico" and "Eagle" and the official name of the Company became "Agnico Eagle Mines Limited/Mines Agnico Eagle Limitée". On January 1, 2020, the Company amalgamated with 2421451 Ontario Inc, which had previously been part of the holding structure through which the Company held its interest in the Canadian Malartic mine.

The Company's head and registered office is located at Suite 400, 145 King Street East, Toronto, Ontario, Canada M5C 2Y7; telephone number (416) 947-1212; website: *www.agnicoeagle.com*. The information contained on the Company's website (or any other website referred to herein) is not part of this AIF. The Company's principal place of business in the United States is located at 1675 E. Prater Way, Suite 102, Sparks, Nevada 89434.

The following chart sets out the corporate structure of the Company, each of its significant subsidiaries and certain other entities, together with the jurisdiction of organization of the Company and each such subsidiary or entity as at March 17, 2020 (all of which are directly or indirectly wholly-owned by the Company, unless otherwise indicated).



Notes:

1. Unless otherwise indicated, all ownership interests are 100%. Percentage interests shown are rounded, so may not align with total interest held.
2. *De minimis* interests are held by the following entities:

(1) 1641315 Ontario Inc.
(2) Agnico Eagle Mines Limited
(3) Tenedora Agnico Eagle Mexico, S.A. de C.V.
(4) Agnico Eagle Mexico, S.A. de C.V.
(5) Grupo Agnico Eagle Mexico, S.A. de C.V.

3. Mine Ownership:

Agnico Eagle Mines Limited – *La Ronde, Lapa, Goldex, Meadowbank, Meliadine, Amaruq*
Agnico Eagle Finland Oy – *Kittila*
Agnico Eagle Mexico ,S.A. de C.V. – *Pinos Altos, Creston Mascota*
Agnico Sonora, S.A. de C.V. – *La India*
Canadian Malartic GP – *Canadian Malartic*

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DESCRIPTION OF THE BUSINESS

The Company is an established Canadian-based international gold producer with mining operations in northwestern Quebec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America and the United States. The Company's operating history includes over three decades of continuous gold production, primarily from underground operations.

The Company's strategy is to deliver high quality growth while maintaining high performance standards in health, safety, environmental matters and social acceptability; build a strong pipeline of projects to drive future production; and employ the best people and motivate them to reach their potential. Over the past 12 years, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer.

The following table sets out the date of acquisition, the date of commencement of construction, the date of achieving commercial production and the estimated mine life for the Company's operating mines.

	Date of Acquisition[1]	Date of Commencement of Construction[1]	Date of achieving Commercial Production[1]	Estimated Mine Life[2]
LaRonde mine	1992	1985	1988	2029
LaRonde Zone 5 mine	2003	2017	June 2018	2027
Goldex mine[3]	December 1993	July 2012	October 2013	2027
Canadian Malartic mine	June 2014	n/a	n/a	2026
Kittila mine	November 2005	June 2006	May 2009	2034
Meadowbank Complex	April 2007	Pre-April 2007	March 2010	2026
Meliadine mine	July 2010	2017	May 2019	2032
Pinos Altos mine	March 2006	August 2007	November 2009	2026
Creston Mascota mine	March 2006	2010	March 2011	2020
La India mine	November 2011	September 2012	February 2014	2024

Notes:

(1) Date when 100% ownership was acquired, other than in respect of the Canadian Malartic mine, which is the date when 50% ownership was acquired. At the time the Canadian Malartic mine was acquired, construction was complete and commercial production had been achieved in May 2011.

(2) Estimated end date for gold production based on the Company's current life of mine plans. The estimated mine life at the Meadowbank Complex includes production from the Amaruq satellite deposit at Meadowbank. Commercial production at the Amaruq satellite deposit at Meadowbank was achieved in September 2019.

(3) Construction of infrastructure for purposes of mining the Goldex Extension Zone (the "GEZ") commenced in July 2005 and the GEZ achieved commercial production in August 2008. Mining operations on the GEZ have been suspended since October 2011. In late 2013, mining and production began from the M and E Zones of the Goldex mine.

In 2019, the Company produced 1,782,147 ounces of gold at production costs per ounce of gold of $735, total cash costs per ounce of gold of $673 and at all-in sustaining costs per ounce of $938. See "Introductory Notes – Note to Investors Concerning Certain Measures of Performance" for a discussion of the use of the non-GAAP measures total cash costs per ounce and all-in sustaining costs per ounce. The Company has traditionally sold all of its production at the spot price of gold due to its general policy not to sell forward its future gold production.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

2017

The Company announced on February 15, 2017 that it approved plans to build mining operations at the Meliadine project and the Amaruq satellite deposit at Meadowbank, which achieved commercial production in May 2019 and September 2019, respectively.

On March 27, 2017, the Company announced that it had agreed to issue and sell 5,003,412 common shares of the Company directly to an institutional investor in the United States at a price of $43.97 per common share, for total consideration of approximately $220 million.

On May 5, 2017, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $40 million 4.42% Series A senior notes due 2025, $100 million 4.64% Series B senior notes due 2027, $150 million 4.74% Series C senior notes due 2029 and $10 million 4.89% Series D senior notes due 2032. For additional details see "Material Contracts – Note Purchase Agreements" below.

On October 25, 2017, the Company amended and restated its credit facility with a group of financial institutions in respect of its $1.2 billion unsecured revolving bank credit facility. For additional details see "Material Contracts – Credit Facility" below.

On November 2, 2017, the Company acquired the Santa Gertrudis gold project from GoGold Resources Inc. for cash consideration of approximately $80 million and the granting of a 2% net smelter return royalty to GoGold Resources Inc. Half of the net smelter royalty granted may be repurchased by the Company at any time for $7.5 million. The 42,000-hectare property is located approximately 180 kilometres north of Hermosillo in Sonora, Mexico.

The following table sets out the Company's capital expenditures in 2017.

	2017 Capital Expenditures (thousands of $)		
	Sustaining	**Development**	**Capitalized Exploration**
LaRonde	65,858	–	1,270
LaRonde Zone 5	–	22,621	–
Canadian Malartic	59,559	18,671	8,320
Meadowbank	22,720	–	–
Amaruq deposit at Meadowbank	–	88,796	–
Kittila	53,999	30,710	3,080
Goldex	24,707	26,989	5,354
Lapa	–	–	–
Pinos Altos	39,692	9,351	294
Creston Mascota deposit at Pinos Altos	5,465	1,355	1,288
La India	6,639	2,624	1,520
Meliadine	–	372,071	–
Other	–	1,883	41
Total Expenditures	**278,638**	**575,071**	**21,167**

2018

On February 27, 2018, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $45 million 4.38% Series A senior notes due 2028, $55 million 4.48% Series B senior notes due 2030 and $250 million 4.63% Series C senior notes due 2033. The notes were issued on April 5, 2018. For additional details see "Material Contracts – Note Purchase Agreements" below.

On March 28, 2018, the Company acquired Yamana Gold Inc.'s ("Yamana") indirect 50% interest in the Canadian exploration assets of Canadian Malartic Corporation ("CMC"), including the Kirkland Lake and Hammond Reef gold

projects and additional mining claims and assets located in Ontario and Quebec (the "CMC Assets"). Pursuant to the transaction, the Company acquired all of Yamana's indirect 50% interest in the CMC Assets, giving the Company 100% ownership of the CMC Assets. The effective purchase price, after the distribution of the sale proceeds by CMC to its shareholders, was $162.5 million in cash.

On December 14, 2018, the Company amended and restated its credit facility with a group of financial institutions in respect of its $1.2 billion unsecured revolving bank credit facility. For additional details see "Material Contracts – Credit Facility" below.

The following table sets out the Company's capital expenditures in 2018.

	2018 Capital Expenditures (thousands of $)		
	Sustaining	**Development**	**Capitalized Exploration**
LaRonde	66,242	10,174	1,072
LaRonde Zone 5	3,058	21,418	–
Canadian Malartic	46,419	31,973	4,441
Meadowbank	14,876	–	–
Amaruq deposit at Meadowbank	–	187,477	–
Kittila	47,108	119,373	7,223
Goldex	20,165	31,380	1,312
Lapa	–	–	–
Pinos Altos	34,834	5,227	236
Creston Mascota deposit at Pinos Altos	3,511	15,333	656
La India	6,672	1,852	673
Meliadine	–	388,736	–
Other	–	2,918	217
Total Expenditures	**242,885**	**815,861**	**15,830**

2019

The Meliadine mine and the Amaruq satellite deposit at Meadowbank achieved commercial production in May 2019 and September 2019, respectively.

The following table sets out the Company's capital expenditures for 2019.

	2019 Capital Expenditures (thousands of $)		
	Sustaining	**Development**	**Sustaining Exploration**
LaRonde	71,086	20,011	1,079
LaRonde Zone 5	6,207	2,770	–
Canadian Malartic	45,522	37,171	358
Meadowbank Complex	18,801	174,886	–
Amaruq Underground project	–	38,380	–
Meliadine	27,724	91,554	3,213
Kittila	70,147	101,597	8,035
Goldex	22,711	21,223	–
Pinos Altos	27,568	13,861	530
Creston Mascota	–	–	–
La India	10,203	4,516	648
Other	–	4,713	314
Total Expenditures	**299,969**	**510,682**	**14,177**

2020

On March 24, 2020, the Company announced that, in response to an order by the Government of Quebec issued on March 23, 2020 (the "Order") to close all non-essential businesses, the Company will take steps to ramp down its operations in the Abitibi region of Quebec (the LaRonde Complex, the Goldex mine and the Canadian Malartic mine (50%)) in an orderly fashion while ensuring the safety of employees and the sustainability of the infrastructure. The Order was part of the Quebec government's response to the COVID-19 pandemic. Each of these operations are to be placed on care and maintenance until April 13, 2020, and as instructed, minimal work will take place during that time. In addition, the Company will reduce activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations, currently serviced out of Mirabel and Val d'Or, Quebec. Exploration activities in Canada will also be suspended during this period. On March 19, 2020, the Company had determined to send home all of its Nunavut-resident employees at its Melaidine and Meadowbank operations for a period of four weeks as a precautionary measure in response to the COVID-10 pandemic.

Also on March 24, 2020, with the reduced production activity at the Quebec and Nunavut operations as a result of the Order, together with the uncertainties with respect to future developments, including the duration, severity and scope of the COVID-19 pandemic and the measures taken to contain the outbreak, the Company withdrew its full year 2020 production and cash costs guidance.

In March of 2020, the Company marketed notes to institutional investors on a private placement basis. The Company expects to issue $200 million of notes with a weighted average maturity of 11 years and a weighted average interest rate of 2.83% in April 2020. The other terms of the notes are expected to be substantially the same as the terms of the existing outstanding notes of the Company, details of which are described under "Material Contracts – Note Purchase Agreements" below. The Company intends to use the proceeds from this note offering to repay a portion of its $360 million 6.67% Series B senior notes due 2020 and for general corporate purposes.

In March, 2020, the Company drew $1.0 billion on its $1.2 billion unsecured revolving bank credit facility. The Company drew these funds as a cautionary measure given the current uncertainty with respect to the COVID-19 pandemic and has no current plans to use the funds, though a portion may be used to repay a portion of the $360 million 6.67% Series B notes due 2020. See "Risk Factors – The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom".

The following table sets out the Company's expected capital expenditures for 2020. As of the date of this AIF, the Company does not expect that the COVID-19 pandemic will affect its planned 2020 capital expenditure program, but cannot provide any assurances that proposed capital expenditure will not be delayed, postponed or cancelled whether as a result of the COVID-19 pandemic, measures taken associated with the pandemic or otherwise. See "The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom."

Estimated 2020 Capital Expenditures (thousands of $)

			Capitalized Exploration	
	Sustaining	**Development**	**Sustaining**	**Non-Sustaining**
LaRonde Complex	87,900	37,100	2,000	–
Canadian Malartic (50%)*	52,600	22,400	–	–
Meadowbank Complex	46,600	47,200	–	–
Amaruq Underground project	–	29,000	–	–
Meliadine*	37,800	64,500	2,900	4,000
Kittila	38,600	134,100	9,000	–
Goldex	25,500	14,700	4,300	2,100
Pinos Altos	29,100	8,200	500	–
Creston Mascota	–	–	–	–
La India	12,200	24,900	700	–
Other	2,000	–	100	–
Total Expenditures	**332,300**	**382,100**	**19,500**	**6,100**

* 2020 estimated capital expenditures relating to Canadian Malartic and Meliadine incorporate anticipated pre-commercial production gold ounces of 15,500 and 16,500, respectively.

Pre-2017

In 1974, the Company acquired its initial interest in the LaRonde property through an indirect investment in Dumagami Mines Limited ("Dumagami"). The Company acquired 100% of the outstanding shares of Dumagami on December 19, 1989 and, on December 29, 1992, Dumagami transferred all of its property and assets, including the LaRonde mine, to the Company and subsequently dissolved.

In the second quarter of 2004, the Company acquired an approximate 14% ownership interest in Riddarhyttan Resources AB ("Riddarhyttan"). At that time, Riddarhyttan was a Swedish precious and base metals exploration and development company that was listed on the Stockholm Stock Exchange whose primary asset was the Kittila property. In November 2005, the Company completed a tender offer (the "Riddarhyttan Offer") for all of the issued and outstanding shares of Riddarhyttan that it did not then own. The Company issued 10,023,882 of its common shares and paid and committed an aggregate of $5.1 million cash as consideration to Riddarhyttan shareholders in connection with the Riddarhyttan Offer. On March 28, 2011, Riddarhyttan was merged with Agnico Eagle AB and Agnico Eagle Sweden AB, with Agnico Eagle Sweden AB as the continuing entity.

In the first quarter of 2005, the Company entered into an exploration and option agreement with Industrias Penoles S.A. de C.V. ("Penoles") to acquire the Pinos Altos property in northern Mexico. In February 2006, the Company exercised its option and acquired the Pinos Altos property on March 15, 2006. Under the terms of the exploration and option agreement, the purchase price of $66.8 million was comprised of $32.5 million in cash and 2,063,635 common shares of the Company.

In February 2007, the Company made an exchange offer for all of the outstanding shares of Cumberland Resources Ltd. ("Cumberland") not then owned by the Company. At the time, Cumberland was a pre-production development stage company listed on the Toronto Stock Exchange ("TSX") and American Stock Exchange whose primary asset was the Meadowbank property. In May 2007, the Company acquired approximately 92% of the issued and outstanding shares of Cumberland that it did not previously own and, in July 2007, the Company completed the acquisition of all Cumberland shares by way of a compulsory acquisition. The Company issued an aggregate of 13,768,510 of its common shares and paid $9.6 million in cash as consideration to Cumberland shareholders in connection with its acquisition of Cumberland.

In April 2010, the Company entered into an agreement in principle with Comaplex Minerals Corp. ("Comaplex") to acquire all of the outstanding shares of Comaplex that it did not already own. At the time, Comaplex was listed on the TSX and owned a 100% interest in the advanced stage Meliadine gold property. In May 2010, the Company executed definitive agreements with Comaplex and, in July 2010 by plan of arrangement under the *Business Corporations Act* (Alberta), the Company acquired 100% of the Meliadine gold property through the acquisition of Comaplex. Pursuant to the arrangement, Comaplex transferred to Geomark Exploration Ltd. all assets and related liabilities other than those relating to the Meliadine project. In connection with the arrangement, the Company issued 10,210,848 of its common shares as consideration to Comaplex shareholders.

In September 2011, the Company entered into an acquisition agreement with Grayd Resource Corporation ("Grayd") pursuant to which the Company made an offer to acquire all of the issued and outstanding common shares of Grayd. At the time, Grayd was a Canadian-based natural resource company that was listed on the TSX Venture Exchange (the "TSX-V") and held a 100% interest in the La India property. In October 2011, the Company made the offer by way of a take-over bid circular, as amended and supplemented, and, in November 2011, acquired approximately 95% of the outstanding common shares of Grayd. In January 2012, the Company completed a compulsory acquisition of the remaining outstanding common shares of Grayd and Grayd became a wholly-owned subsidiary of the Company. In aggregate, the Company issued 1,319,418 of its common shares and paid C$179.7 million in cash as consideration to Grayd shareholders in connection with the transaction.

In May 2013, the Company acquired all of the issued and outstanding common shares of Urastar Gold Corp. ("Urastar") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). At the time, Urastar was a Canadian-based gold exploration company that was listed on the TSX-V and held a 100% interest in certain mining properties in Sonora, Mexico. Under the terms of the arrangement, each shareholder of Urastar received C$0.25 per common share and holders of unexercised in-the-money warrants of Urastar received C$0.15 per warrant. In aggregate, the Company paid $10.1 million in cash to Urastar shareholders and warrantholders in connection with the transaction.

On June 16, 2014, the Company and Yamana jointly acquired 100% of the outstanding shares of Osisko Mining Corporation ("Osisko") pursuant to a court-approved plan of arrangement under the *Canada Business Corporations*

Act (the "Osisko Arrangement") for aggregate consideration of approximately C$3.9 billion, consisting of approximately C$1.0 billion in cash and a combination of common shares of the Company, common shares of Yamana and shares of Osisko Gold Royalties Ltd ("New Osisko"), the newly formed spin-off company that commenced trading on the TSX immediately following the Osisko Arrangement. At the time, Osisko was a Canadian based producing gold mining company that was listed on the TSX. Osisko was 100% owner of the Canadian Malartic mine in the Abitibi region of Quebec. Under the Osisko Arrangement, each Osisko share was exchanged for: (i) C$2.09 in cash (C$1.045 per share from each of the Company and Yamana); (ii) 0.07264 of a common share of the Company; (iii) 0.26471 of a common share of Yamana; and (iv) 0.1 of one common share of New Osisko.

In connection with the Osisko Arrangement, substantially all of the assets and obligations relating to the Canadian Malartic mine in Quebec were transferred to Canadian Malartic GP (the "Partnership"), a newly formed general partnership in which the Company and Yamana each own an indirect 50% interest. The Company and Yamana formed a joint management committee to operate the Canadian Malartic mine. On June 17, 2014, Osisko and the acquisition corporation formed by the Company and Yamana to acquire Osisko amalgamated to form CMC in which Agnico and Yamana each hold a 50% interest.

In November 2014, the Company acquired all of the issued and outstanding common shares of Cayden Resources Inc. ("Cayden") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). At the time, Cayden was a Canadian based gold exploration company that was listed on the TSX-V and indirectly held a 100% interest, or an option to earn a 100% interest, in certain mining properties in Jalisco and Guerrero, Mexico, including the El Barqueno property. Under the terms of the arrangement, each shareholder of Cayden received 0.09 of a common share of the Company and C$0.01 in cash.

In June 2015, the Company acquired all of the issued and outstanding common shares of Soltoro Ltd. ("Soltoro") pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act.* At the time, Soltoro was a Canadian based gold exploration company that was listed on the TSX-V and indirectly held a 100% interest, or an option to earn a 100% interest, in certain mining properties in Jalisco, Mexico, including the El Rayo property (which is contiguous with the Company's El Barqueno property). Under the terms of the arrangement, each shareholder of Soltoro received 0.00793 of a common share of the Company, C$0.01 in cash and one common share of a newly formed Ontario company named Palamina Corp. valued at C$0.02 per share.

In June 2015, the Company acquired from Orex Minerals Inc. ("Orex") 55.0% of the issued and outstanding common shares of Gunnarn Mining AB ("Gunnarn"), which holds the Barsele project in northern Sweden. Consideration for the acquisition was comprised of $6 million paid to Orex at closing and additional payments of $2 million in cash made to Orex on each of the first and second anniversaries of the closing. The Company also agreed to incur $7 million in exploration expenditures associated with the Barsele project, and may earn an additional 15.0% interest in Gunnarn if the Company completes a pre-feasibility study related to the Barsele project. The Company holds a majority of the seats on the board of directors of Gunnarn and is the sole operator of the Barsele project.

OPERATIONS AND PRODUCTION

Business Units and Foreign Operations

The Company operates through three business units: Northern Business, Southern Business and Exploration.

The Company's Northern Business is comprised of the Company's operations in Canada and Finland. The Company's Canadian properties include a directly held, 100% interest in each of the LaRonde Complex (which includes the LaRonde mine and the LaRonde Zone 5 mine), the Goldex mine, the Meadowbank Complex (which includes the processing facilities at the Meadowbank minesite and mining operations at the Amaruq satellite deposit) and the Meliadine mine and a 50% interest in the Canadian Malartic Mine, which is held indirectly through the Partnership, which is held both directly and indirectly though the Company's 50% interest in CMC. The Company's operations in Finland are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2019, the Northern Business accounted for approximately 84% of the Company's gold production.

The Company's Southern Business is comprised of the Company's operations in Mexico. The Company's Pinos Altos mine, including the Creston Mascota deposit, is held through its indirect subsidiary, Agnico Eagle Mexico, S.A. de C.V. The La India mine is owned by the Company's indirect subsidiary, Agnico Sonora, S.A. de C.V. In 2019, the Southern Business accounted for approximately 16% of the Company's gold production.

The Company's Exploration group focuses primarily on the identification of new mineral reserves and mineral resources and new development opportunities in politically stable and proven gold producing regions. Current exploration activities are concentrated in Canada, Europe, Latin America and the United States. Several projects were evaluated during 2019 in these regions where the Company believes the potential for gold occurrences is excellent and which the Company believes to be politically stable and supportive of the mining industry. The Company currently manages 78 properties in Canada, five properties in the United States, three groups of properties in Finland, two properties in Sweden and 21 properties in Mexico. Exploration activities are managed from offices in: Val d'Or, Quebec; Kirkland Lake, Ontario; Reno, Nevada; Chihuahua and Hermosillo, Mexico; Kittila, Finland; Storuman, Sweden; and Vancouver, British Columbia.

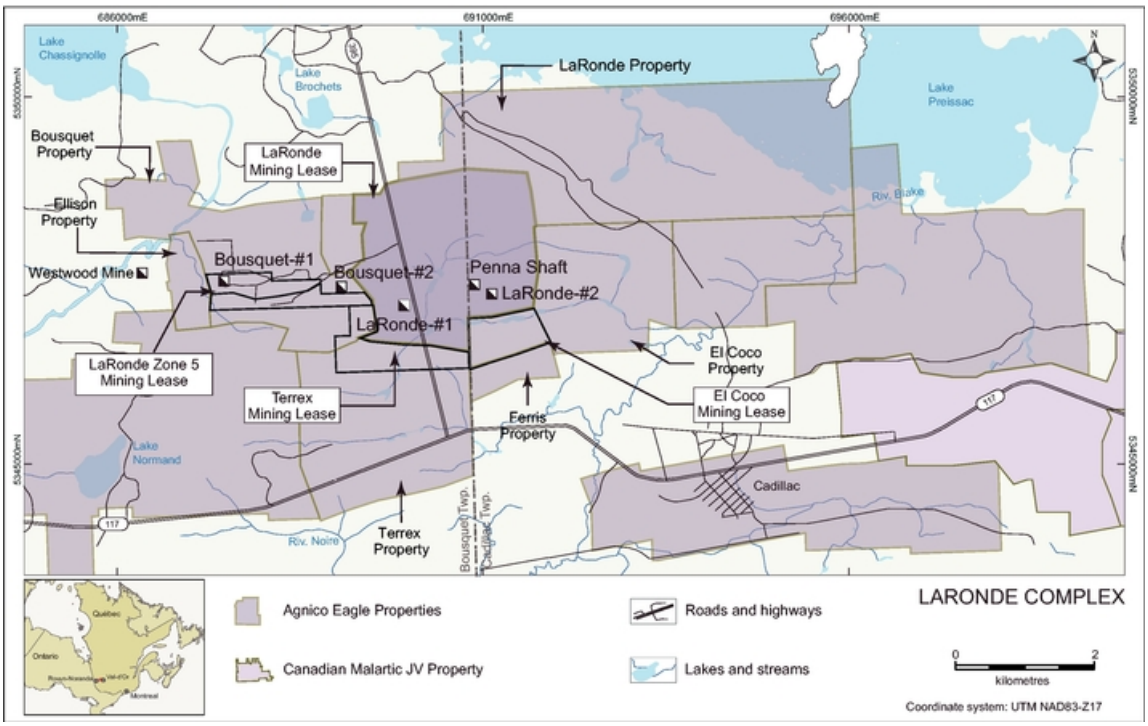
Northern Business

LaRonde Complex

The LaRonde Complex is situated approximately halfway between Rouyn-Noranda and Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac and consists of the LaRonde mine and the LaRonde Zone 5 mine. At December 31, 2019, the LaRonde mine was estimated to have proven and probable mineral reserves containing approximately 2.9 million ounces of gold comprised of 14.9 million tonnes of ore grading 6.02 grams per tonne. The LaRonde Complex consists of the LaRonde property and the adjacent El Coco, Terrex and Bousquet properties, each of which is 100% owned and operated by the Company. The LaRonde Complex can be accessed either from Val d'Or in the east or from Rouyn-Noranda in the west, each of which are located approximately 60 kilometres from the LaRonde mine via Quebec provincial highway No. 117. The LaRonde mine is situated approximately two kilometres north of highway No. 117 on Quebec regional highway No. 395. The Company has access to the Canadian National Railway at Cadillac, Quebec, approximately six kilometres from the LaRonde mine. The Company first acquired an interest in the LaRonde property in 1974 through an indirect investment in Dumagami.

The LaRonde mine operates under mining leases obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). The LaRonde property consists of 36 contiguous mining claims and one provincial mining lease. The El Coco property consists of 22 contiguous mining claims and one provincial mining lease. The Terrex property consists of 21 mining claims and one provincial mining lease. The mining leases on the LaRonde, El Coco and Terrex properties expire in 2028, 2021 and 2034, respectively. Each lease is renewable for three further ten-year terms upon payment of a small fee, other than the LaRonde lease, which is eligible for one additional ten-year term. The Company also has three surface rights leases that relate to the water pipeline right of way from Lake Preissac and the eastern extension of the LaRonde tailings pond #7 on the El Coco property. The surface rights leases are renewable annually.

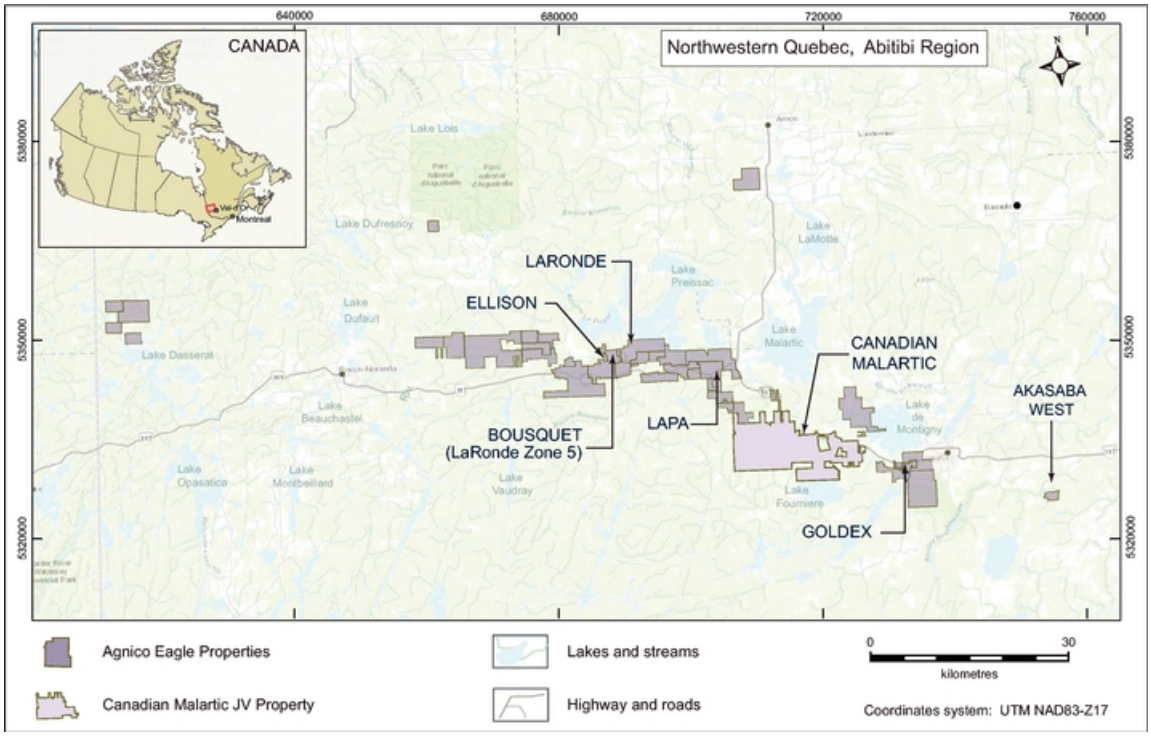
Location Map of the LaRonde Complex (as at December 31, 2019)



The LaRonde mine includes underground operations at the LaRonde and El Coco properties that can both be accessed from the Penna Shaft, a mill, a treatment plant, a secondary crusher building and related facilities. In 2003, exploration work started to extend outside of the LaRonde property onto the Terrex property where a down-plunge extension of Zone 20 North was discovered. The Terrex property is subject to a 5% net profits royalty in favour of Delfer Gold Mines Inc. The Company does not expect to pay royalties in respect of this part of the property in 2020. In 2019, 94% of the ore processed from the LaRonde mine was extracted from the deeper portion of the LaRonde mine (that is, below Level 245) or the "LaRonde mine extension".

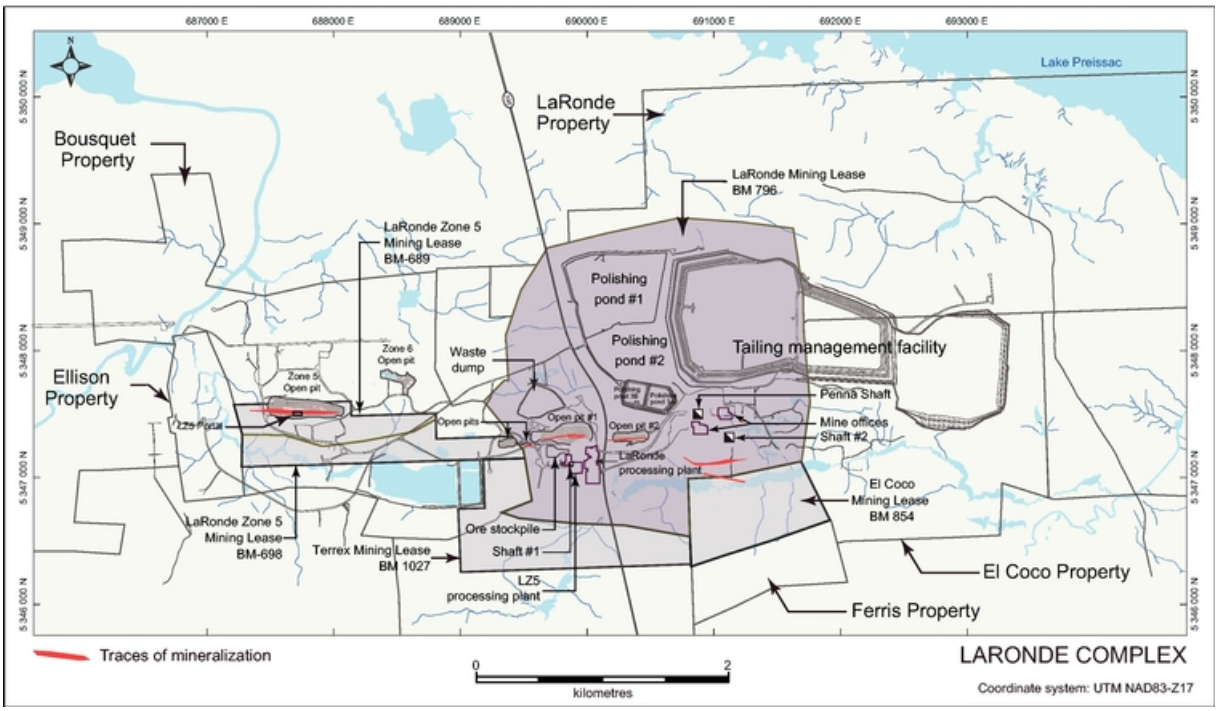
The LaRonde Zone 5 mine, an underground operation accessed via ramp, is adjacent to the LaRonde mine and shares certain infrastructure with the LaRonde mine. Commercial production at the LaRonde Zone 5 mine was achieved on June 1, 2018. The mining method is similar to that currently employed at the LaRonde and Goldex mines (long hole stoping, with cemented paste backfill) and ore is processed in the Lapa mine circuit at the LaRonde processing plant.

Map of the Abitibi region showing the location of the LaRonde, LaRonde Zone 5, Lapa, Goldex and Canadian Malartic mines



Mining and Milling Facilities

Surface Plan of the LaRonde Complex (as at December 31, 2019)



The LaRonde mine was originally developed with a 1,207-metre shaft (Shaft #1) and an underground ramp access system. The ramp access system is available down to Level 25 of Shaft #1 and continues down to Level 220 at the Penna Shaft. The mineral reserve accessible from Shaft #1 was depleted in September 2000 and Shaft #1 is no longer in use. A second production shaft (Shaft #2), located approximately 1.2 kilometres to the east of Shaft #1, was completed in 1994 to a depth of 525 metres and was used to mine Zones 6 and 7. Both ore zones were depleted in March 2000 and the workings were allowed to flood up to Level 6 (approximately 280 metres). A third shaft (the Penna Shaft), located approximately 800 metres to the east of Shaft #1, was completed down to a depth of 2,250 metres in March 2000. The Penna Shaft is used to mine Zones 20 North, 20 South, 6 and 7.

In 2006, the Company initiated construction of the LaRonde mine extension. Hoisting from this deeper part of the LaRonde mine began in the fourth quarter of 2011 and commercial production from the LaRonde extension was achieved in November 2011. Access to the deeper part of the LaRonde mine is provided through a 823-metre internal shaft (Shaft #4) completed in November 2009 that starts from Level 203, for a total depth of 2,858 metres below the surface. A ramp is used to access the lower part of the orebody down to 3,170 metres below the surface. An internal winze system is used to hoist ore from depth to facilities on Level 215, approximately 2,150 metres below the surface, where it is transferred to the Penna Shaft hoist.

Production from the LaRonde mine extension continues to move towards anticipated steady-state levels. Many of the delays encountered during 2019 were related to seismicity, as some areas of the mine were under periodic closure to mitigate seismicity risk which resulted in development delays. The Company expects the levels of seismicity to continue to evolve and the Company continues to adjust the mining methods, ground support, protocols and monitoring to adapt to the evolving levels. As the Company mines deeper at LaRonde, the risks of more frequent and larger seismic events increase. As a result, the Company is studying various design approaches to mining at LaRonde 3 (that portion of the mine located below a depth of 3.1 kilometres).

In 2019, the Company continued to develop the lower portion of the LaRonde mine and the ramps in the East mine and West mine areas continued to be advanced. The construction of a cooling plant in the East portion began during the year and is expected to be in operation in mid-2020. Access to the LR11-3 area also began in 2019, which is a previously developed area below Bousquet 2, which is just to the west of the LaRonde property. In 2020, the

Company expects to complete approximately 13.7 kilometres of development, a portion of which will be dedicated to the LR11-3 area (approximately 1.2 kilometres).

Mining Methods

The primary source of ore at the LaRonde Complex continues to be from underground mining methods. During 2019, two mining methods were used: longitudinal retreat with paste backfill and transverse open stoping with paste or unconsolidated backfill. In addition, to address concerns regarding the frequency and intensity of seismic events encountered at the lower levels of the LaRonde mine, a hybrid of these two methods has been used. In the underground mine, sublevels are driven at between 30-metre and 40-metre vertical intervals, depending on the depth. Stopes are undercut in 15-metre wide panels. In the longitudinal method, panels are mined in 15-metre sections and backfilled with cemented paste backfill. In the transverse open stoping method, approximately 50% of the ore is mined in the first pass and filled with cemented paste backfill. On the second pass, the remainder of the ore is mined and filled with unconsolidated waste rock backfill or cemented paste backfill. At the LaRonde Zone 5 mine, the same mining methods are used (longitudinal retreat with paste backfill and transverse open stoping with paste or unconsolidated backfill). During 2019, the LaRonde mine processed an average of 5,636 tonnes of ore per day compared with 5,775 tonnes of ore per day during 2018. During 2019, the LaRonde Zone 5 mine processed an average of 2,384 tonnes of ore per day compared with 1,940 tonnes of ore per day during 2018.

The Company's operations at the LaRonde mine reach more than three kilometres below the surface. There are very few resources available to model the geomechanical conditions at this depth, where operations are subject to high stress levels and seismic activity. The Company conducts periodic technical reviews of its operations at these levels using consultants with experience in deep mining and has established an expert committee that meets periodically. The Company uses the results of these technical reviews and the advice of the expert committee to adapt best mining practices and adjust the mining sequence for its operations at these levels. The Company believes that the experience it has gained mining at those levels has provided a successful model for future mining at depth. The Company has developed what it believes to be one of the largest seismic monitoring systems in the world with respect to mining activities to manage the seismicity on site, which allows the Company to monitor, and when appropriate apply, proactive non-entry protocols to the mine with round-the-clock availability from the engineering department to respond to any seismic activity that is detected, as well as a comprehensive alarm system. In addition, the Company has located the infrastructure of the LaRonde mine (including the shaft and the mill) in areas that it believes to be of greater stability.

Surface Facilities

Surface facilities at the LaRonde mine include a processing plant with a daily capacity of 7,000 tonnes of ore, which has been expanded four times since 1987 from the original rate of 1,630 tonnes per day. Beginning in 1999, transition to the LaRonde mine's polymetallic massive sulphide orebody required several modifications to the processing plant. In 2008, the installation of a limited copper/lead separation flotation circuit, following the copper flotation circuit, was completed. Also in 2008, a cyanidation plant began operation for the treatment of sulphide concentrate from the Goldex mine. A CIL circuit was completed and began operation in April 2013 to replace the existing LaRonde precious metal Merrill-Crowe circuit. The LaRonde mine is also the site for the Lapa mine ore processing plant (2,000 tonnes per day), which was commissioned in the second quarter of 2009 and is now used to process ore from the LaRonde Zone 5 mine.

The ore from the LaRonde mine requires a series of grinding, copper/lead flotation, zinc flotation and zinc tails precious metals leaching circuits, now followed by CIP recovery. The copper flotation circuit is utilized to improve total gold recovery. Based on laboratory tests and processing experience, increased gold recovery is obtained with the combination of copper flotation and leaching process. Zinc flotation is operated periodically based on the zinc feed grade and the anticipated net smelter revenue. Paste backfill and cyanide destruction plants operate intermittently based on underground requirements. A second paste backfill plant, located near the LaRonde Zone 5 mine's orebody, was commissioned in 2018 to feed the LaRonde Zone 5 mine. The tailings area has a dedicated cyanide destruction and metals precipitation plant that water passes through prior to recirculating to the mill. A biological water treatment plant addresses the presence of thiocyanate in the tailings ponds at the LaRonde mine. The plant uses bacteria to oxidize and destroy thiocyanate in the water and removes phosphate prior to its release to the environment.

The Goldex concentrate circuit consists of pulp received from the Goldex mill via truck. The material is sent to the LaRonde leaching/CIP circuit for gold recovery along with LaRonde residual pulp.

The LaRonde Zone 5 mine processing plant (previously used to process ore from Lapa) consists of a two-stage grinding circuit to reduce the granularity of the ore. The residual pulp is leached in a conventional CIL circuit to dissolve the balance of the precious metal. A carbon strip circuit recovers the gold from the carbon which is recycled to the leach circuit.

Production and Mineral Recoveries

During 2019, the LaRonde mine had payable production of 343,154 ounces of gold, 882,935 ounces of silver, 13,161 tonnes of zinc and 3,397 tonnes of copper from 2.1 million tonnes of ore grading 5.46 grams of gold per tonne and 18.2 grams of silver per tonne, 0.89% zinc and 0.21% copper. The production costs per ounce of gold produced at LaRonde in 2019 were $627. The total cash costs per ounce of gold produced at LaRonde in 2019 were $464 on a by-product basis and were $660 on a co-product basis. The LaRonde processing facility averaged 5,636 tonnes of ore per day and operated 91.2% of available time. Gold and silver recovery averaged 95.00% and 86.37%, respectively. Zinc recovery averaged 84.33% with a concentrate quality of 54.08% zinc. Copper recovery averaged 84.62% with a concentrate quality of 19.04% copper. In 2019, the production costs per tonne at LaRonde were C$139 and the minesite costs per tonne were C$125.

The following table sets out the metal recoveries and concentrate grades at the LaRonde mine in 2019.

		Copper Concentrate (18,937 tonnes produced)		Zinc Concentrate (28,629 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	5.46 g/t	403 g/t	67.92%	15.9 g/t	4.22%	95.00%	343,154 oz
Silver	18.21 g/t	918 g/t	46.42%	161.8 g/t	12.54%	86.37%	882,935 oz
Copper	0.207%	19.04%	84.62%	–%	–%	84.62%	3,397 t
Zinc	0.893%	2.67%	2.75%	54.08%	84.33%	87.08%	13,161 t

During 2019, the LaRonde Zone 5 mine had payable production of 59,830 ounces of gold from 0.9 million tonnes of ore grading 2.27 grams of gold per tonne. The production costs per ounce of gold produced at LaRonde Zone 5 in 2019 were $689. The total cash costs per ounce of gold produced at LaRonde Zone 5 in 2019 were $722 on a by-product basis and were $725 on a co-product basis. The LaRonde Zone 5 processing circuit at the LaRonde mill averaged 2,384 tonnes of ore per day and operated 95.4% of available time. Expected gold recovery averaged 95.04%. In 2019, the production costs per tonne at LaRonde Zone 5 were C$63 and the minesite costs per tonne were C$66.

The following table sets out the metal recoveries at the LaRonde Zone 5 mine in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.27 g/t	95.4%	59,830 oz

Environmental, Permitting and Social Matters

In 2019, the Company was granted a revision to the Certificate of Authorization at the LaRonde Complex which unifies the permits for the entire site. An example of the increased flexibility that the unified Certificate of Authorization allows is the ability to process ore from the LaRonde Zone 5 mine through the LaRonde mill circuit.

Currently, water is treated at various facilities at the LaRonde Complex. Water contained in the tailings that is to be used as underground backfill is treated to degrade cyanide using a sulphur dioxide and air process. The tailings entering the tailings pond are first decanted and the clear water subjected to natural cyanide degradation. This water is then transferred to polishing pond #1 to undergo a secondary treatment at a plant located between polishing ponds #1 and #2 that uses a peroxy silicate process to destroy cyanide, and lime and coagulant (ferric sulfate) are used to precipitate metals in polishing pond #2. The tailings pond occupies an area of approximately 175 hectares. Waste rock that is not used underground for backfill is brought up to the surface and stored south of the tailings pond to be used to build cofferdams and berms inside the pond to increase storage capacity. In 2019, the most recent upstream raise was completed using this waste rock. An old waste rock pile located north of the mill contains approximately 100,000 tonnes of waste. This material will eventually be used at the tailings pond for final shaping prior to reclamation. At the LaRonde Zone 5 mine, a non-acid waste rock pile located north of pit #5 contains approximately 147,000 tonnes and occupies approximately 24 hectares. Reclamation of tailings and waste rock piles is included in the closure plan.

Due to the high sulphur content of the LaRonde mine ore, the Company addresses toxicity issues in the tailings pond water with the operation of a bacteria water treatment plant and the effluent has remained non-toxic since 2006. In addition, water from acid rock drainage around the mills and the waste stockpile are treated at a high-density sludge lime treatment plant to remove metals. Part of this water is then pumped underground for LaRonde mine operations and the remaining water is directed to the final effluent for discharge.

In 2020, the Company expects to begin construction of a new water cell and a new filtration plant in connection with the plan to transition the management of tailings from the current slurry storage to dry stacking.

A dedicated community relations department at the LaRonde mine maintains an open channel of communications with the local communities of Cadillac and Preissac to better respond to local concerns with respect to traffic, noise, vibration and seismicity. Discussions are ongoing with First Nations communities in the region.

Capital Expenditures

Capital expenditures at the LaRonde Complex during 2019 were approximately $101.2 million, which included sustaining capital expenditures, deferred expenses, development capital expenditures and capitalized exploration. Budgeted 2020 capital expenditures at the LaRonde Complex are $127.0 million, including capitalized exploration.

Development

At the LaRonde mine in 2019, 12.7 kilometres of lateral development was completed, focused on the preparation of the lower mine production horizon and permanent infrastructure such as the cooling plant and ventilation network. The development toward the LR11-3 area also started. At the LaRonde Zone 5 mine in 2019, 5.0 kilometres of lateral development was completed, focused on the preparation of levels for production and advancing the ramp toward lower levels.

A total of 12.5 kilometres of lateral development is planned for the LaRonde mine in 2020. The focus of development remains the LaRonde mine extension and the development of the LR11-3 area. A total of 5.0 kilometres of lateral development is planned for the LaRonde Zone 5 mine in 2020, to continue to develop the ramp and prepare new levels.

Geology, Mineralization, Exploration and Drilling

Geology

The LaRonde property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince and the Pontiac Subprovince within the Superior Geological Province of the Canadian Shield. The most important regional structure is the Cadillac-Larder Lake fault zone, marking the contact between the Abitibi and Pontiac Subprovinces, located approximately two kilometres to the south of the LaRonde property.

The geology that underlies the LaRonde mine consists of three east-west-trending, steeply south-dipping and generally south-facing regional groups of rock formations. From north to south, they are: (i) 400 metres (approximate true thickness) of the Kewagama Group, which is made up of a thick band of interbedded wacke; (ii) 1,500 metres of the Blake River Group, a volcanic assemblage that hosts all the known economic mineralization on the property; and (iii) 500 metres of the Cadillac Group, made up of a thick band of wacke interbedded with pelitic schist and minor iron formation.

Zones of strong sericite and chlorite alteration that enclose massive to disseminated sulphide mineralization (including the ore that is mined for gold, silver, zinc and copper at the LaRonde mine) follow steeply dipping, east-west-trending, anastomosing shear zone structures within the Blake River Group volcanic units across the property. These shear zones are part of the larger Doyon-Dumagami Structural Zone that hosts several important gold occurrences (including the Doyon gold mine, the Westwood mine and the former Bousquet mines) and has been traced for over ten kilometres within the Blake River Group, from the LaRonde mine westward to the Mouska gold mine.

Mineralization

The LaRonde deposit is a gold-rich volcanogenic massive sulphide deposit. LaRonde lenses were formed mainly by sulphide precipitation from hydrothermal fluids on the seafloor and by replacement below lenses. The stacking of the LaRonde lenses is the result of successive volcanic events, intercalated by cycles of hydrothermal activity associated with reactivation of synvolcanic faults.

The gold-bearing zones at the LaRonde mine are lenses of disseminated stringers through to massive aggregates of coarse pyrite with zinc, copper and silver content. Ten zones that vary in size from 50,000 to 40 million tonnes have been identified, of which four are (or are believed to be) economic. Gold content is not proportional to the total sulphide content but does increase with copper content. Gold values are also higher in areas where the pyrite lenses are crosscut by tightly spaced north-south fractures.

These historical relationships, which were noted at LaRonde Shaft #1's Main Zone, are maintained at the Penna Shaft zones. The zinc-silver (*i.e.,* Zone 20 North) mineralization with lower gold values, common in the upper mine, grades into gold-copper mineralization within the lower mine. The predominant base metal sulphides within the LaRonde mine are chalcopyrite (copper) and sphalerite (zinc).

The Company believes that Zone 20 North is one of the largest gold bearing massive sulphide mineralized zones in the world and one of the largest known mineralized zones in the Abitibi region of Ontario and Quebec. Zone 20 North contains the majority of the mineral reserves and mineral resources at the LaRonde mine, including 14.9 million tonnes of proven and probable mineral reserves grading 6.0 g/t gold, representing 100% of the total proven and probable mineral reserves at the LaRonde mine, 4.0 million tonnes of indicated mineral resources grading 3.5 g/t gold, representing 90% of the total measured and indicated mineral resources at the LaRonde mine, and 3.1 million tonnes of inferred mineral resources grading 6.0 g/t gold, representing 51% of the total inferred mineral resources at the LaRonde mine.

Zone 20 North extends from 700 metres below surface to at least 3,700 metres below surface, and remains open at depth. With increased access on the lower levels of the mine (i.e., below Level 245 and from the internal shaft on levels 257 and 278), the transformation from a zinc/silver orebody to a gold/copper deposit was effectively completed in 2017. The development of the West mine area, between Levels 278 and 314, provided access to a new zinc/silver rich sector beginning at the end of 2017.

Zone 20 North can be divided into an upper zinc/silver enriched gold poor zone and a lower gold/copper enriched zone. The zinc/silver zone has been traced over a vertical distance of 1,700 metres and a horizontal distance of 570 metres, with thicknesses approaching 40 metres. The gold/copper zone has been traced over a vertical distance of over 2,200 metres and a horizontal distance of 900 metres, with thicknesses varying from three to 40 metres. The zinc/silver zone consists of massive zinc/silver mineralization containing 50% to 90% massive pyrite and 10% to 50% massive light brown sphalerite. The gold/copper zone mineralization consists of 30% to 70% finely disseminated to massive pyrite containing 1% to 10% chalcopyrite veinlets, minor disseminated sphalerite and rare specks of visible gold. Gold grades are generally related to the chalcopyrite or copper content. At depth, the massive sulphide lens becomes richer in gold and copper.

The LaRonde Zone 5 horizon consists of a four-to-30 metre thick horizon of disseminated to stringer sulphide mineralization containing 5% to 20% pyrite and traces of chalcopyrite with rare millimetre-wide grains of visible gold. The LaRonde Zone 5 horizon has a large geological footprint and has been estimated to contain a mass of more than 26 million tonnes. The LaRonde Zone 5 horizon can be followed over 900 metres of east-west strike length over the Bousquet property and another 400 metres on the Ellison property for a total strike length of 1,300 metres. LaRonde Zone 5 has been traced vertically for almost 1,000 metres showing a steep dip to the southwest. In an enlarged area of LaRonde Zone 5, there is gold enrichment near the margins of the economic envelope. LaRonde Zone 5 includes two high grade portions named Zone 5 Footwall and Zone 5 Hanging wall.

Exploration and Drilling

Massive sulphides were discovered in outcrop on the LaRonde property in 1937. Modern reconnaissance exploration began on the property in the 1960s, leading to Dumagami publishing in 1965 an initial, historic mineral resource estimate.

Diamond drilling is used for exploration on the LaRonde property. In 2019, 10 holes (4,880 metres) were drilled for definition (conversion) and 20 holes (10,966 metres) were drilled for exploration. Expenditures on drilling at the LaRonde mine during 2019 were approximately C$2.2 million, including C$1.4 million in drilling expenses charged to capital costs at the LaRonde mine, and C$0.8 million expensed as exploration drilling. No exploration drilling was performed at the LaRonde Zone 5 mine in 2019.

The main focus of the 2019 exploration program was continuing the investigation and conversion of Zone 20 North at depth in both the West mine and East mine areas by extending drill targets down to 3.5 kilometres depth, and exploring the Zone 6 and 7 horizons at depth from the accesses developed toward the west on Levels 292 to 311. The 2019 conversion program on Zone 20 North was focused on infill drilling in the eastern part of LaRonde 3 and conversion from inferred to indicated mineral resources between 3.3 and 3.5 kilometres depth in the western, central and eastern portions of the deposit. The positive results obtained in this program from 2016 to 2018 allowed the addition of probable mineral reserves from level 311 to level 335 in December 2018.

The conversion program is expected to continue in 2020 and will continue to investigate the possibility of extending indicated mineral resources down to 3.5 kilometres depth. Drilling for Zone 6 from levels 292 to 311 returned positive results, allowing for the extension of inferred mineral resources down to 3.4 kilometres depth. In 2020, drilling in Zone 6 will continue to investigate the extent of the mineralization at depth and to the west. Exploration is also intensifying at the adjacent Bousquet property, where the Company is achieving strong operating results at the LaRonde Zone 5 mine and the LR11-3 area mine development. Exploration in 2020 will target historic Bousquet zones, which are showing good potential between 2,000 and 3,000 metres depth. Compilation of historic data from the entire Bousquet property will continue. At the LaRonde Zone 5 mine, 1,500 metres of conversion drilling is planned to convert inferred mineral resources to indicated mineral resources at depth on the eastern margin.

In 2020, the Company expects to spend $1.5 million on 9,500 metres of exploration drilling and $2.0 million on 20,600 metres of definition (conversion) drilling at the LaRonde Complex.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable mineral reserves at the LaRonde mine at the end of 2019 was 2.9 million ounces (14.9 million tonnes of ore grading 6.02 g/t gold, 18.33 g/t silver, 0.26% copper and 0.80% zinc), which represents a decrease of 193,000 contained ounces of gold from the end of 2018, after producing 343,154 ounces of gold (361,125 ounces *in situ* gold mined in 2019). The decrease in mineral reserves is principally associated with ore mined during 2019, partially offset by the conversion of mineral resources to mineral reserves in LaRonde 3 (that portion of the mine located below a depth of 3.1 kilometres) and positive drilling results in the same area. The mineral reserve gold grade increased from 5.85 g/t gold at the end of 2018 to 6.02 g/t gold at the end of 2019. Underground indicated mineral resources at the LaRonde mine decreased by 21,000 contained ounces of gold to a total of 4.4 million tonnes grading 3.42 g/t gold, 27.33 g/t silver, 0.19% copper and 1.15% zinc, primarily due to the conversion of indicated mineral resources into mineral reserves in LaRonde 3, as described above. Underground inferred mineral resources at the LaRonde mine decreased by 20,000 ounces of gold to a total of 5.9 million tonnes grading 4.47 g/t gold, 14.95 g/t silver, 0.23% copper and 0.64% zinc.

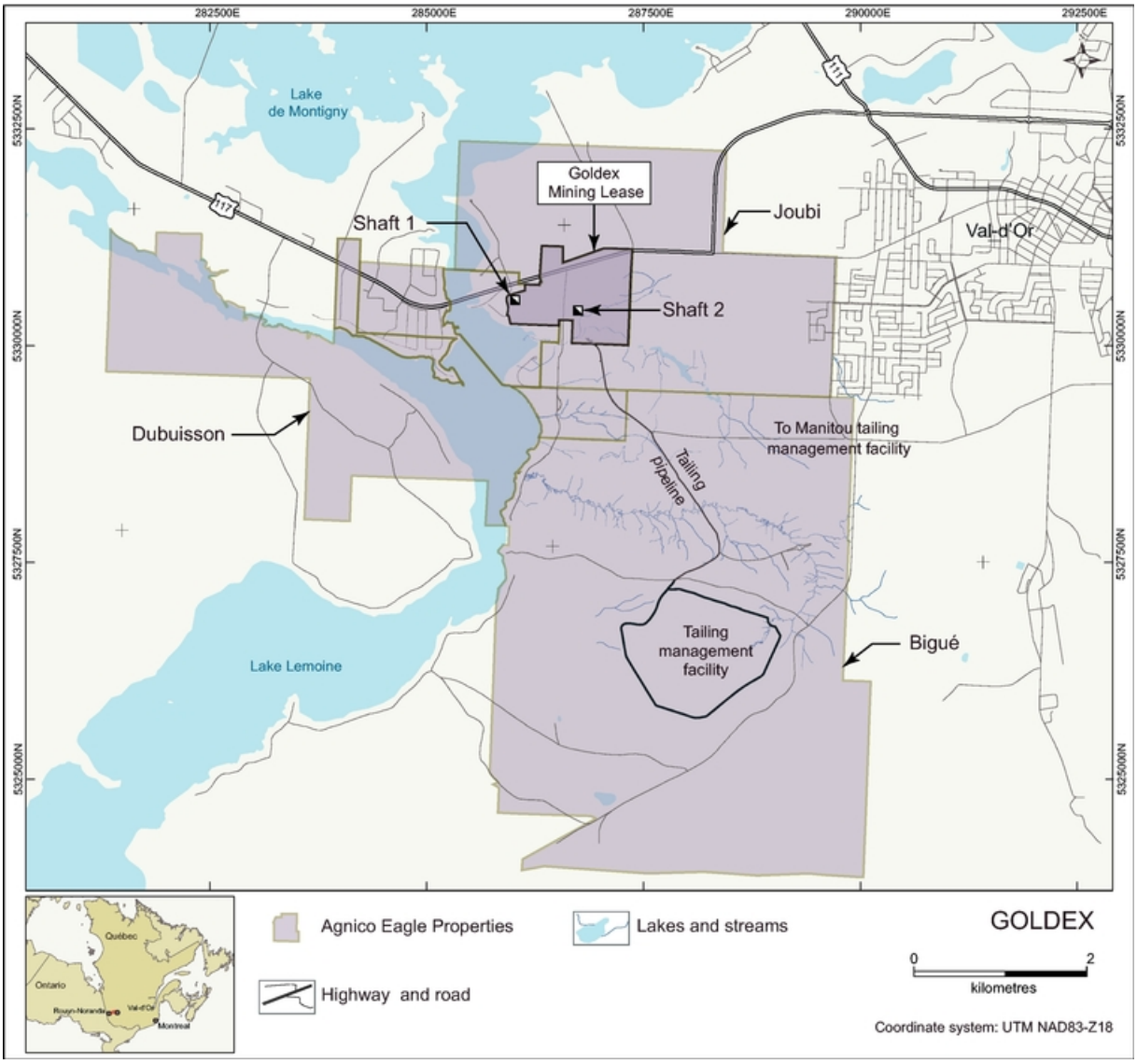
The combined amount of gold in proven and probable mineral reserves at the LaRonde Zone 5 mine at the end of 2019 was 0.7 million ounces (9.3 million tonnes of ore grading 2.30 g/t gold), which represents an increase of 5,000 contained ounces of gold from the end of 2018, after producing 59,830 ounces of gold (63,309 ounces *in situ* gold mined in 2019). The increase in mineral reserves is principally associated with the conversion of mineral resources to mineral reserves and a change in the stope design, which resulted in the addition of mineral reserves down to level 50. The mineral reserve grade increased from 2.25 g/t gold at the end of 2018 to 2.30 g/t gold at the end of 2019. Underground indicated mineral resources at the LaRonde Zone 5 mine increased by 113,000 ounces of gold to a total of 8.5 million tonnes grading 2.29 g/t gold, primarily due to addition of new indicated mineral resources below level 50. Underground inferred mineral resources at the LaRonde Zone 5 mine increased by 113,000 ounces of gold to a total of 4.7 million tonnes grading 4.04 g/t gold.

Goldex Mine

The Goldex mine is located in the City of Val d'Or, Quebec, approximately 60 kilometres east of the LaRonde Complex, and is accessible by Quebec provincial highway No. 117. At December 31, 2019, the Goldex mine was estimated to have proven and probable mineral reserves containing approximately 1.1 million ounces of gold comprised of 21.0 million tonnes of ore grading 1.61 grams per tonne.

The Goldex mine operates under a mining lease obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Environment and the Fight against Climate Change (Quebec). The Goldex property consists of 19 contiguous mining claims and two provincial mining leases. The claims are renewable every second year upon payment of a small fee. One mining lease expires in 2028 and is renewable for three further ten-year terms upon payment of a small fee. The second mining lease expires in 2038. The Company also has one surface lease that is used for the auxiliary tailings pond. This lease is renewable annually upon payment of a fee.

Location Map of the Goldex Mine (as at December 31, 2019)



Agnico Eagle has held a 100% interest in the Goldex property since December 1993. During the period between 1985 and 1996, Shaft #1 was sunk and widely spaced drilling led to the discovery and beginning of the development of the GEZ. The GEZ was mined from 2008 to 2011. The Company does not expect to produce more gold from the GEZ until geotechnical concerns with the rock above the mining horizon are resolved, which may never occur.

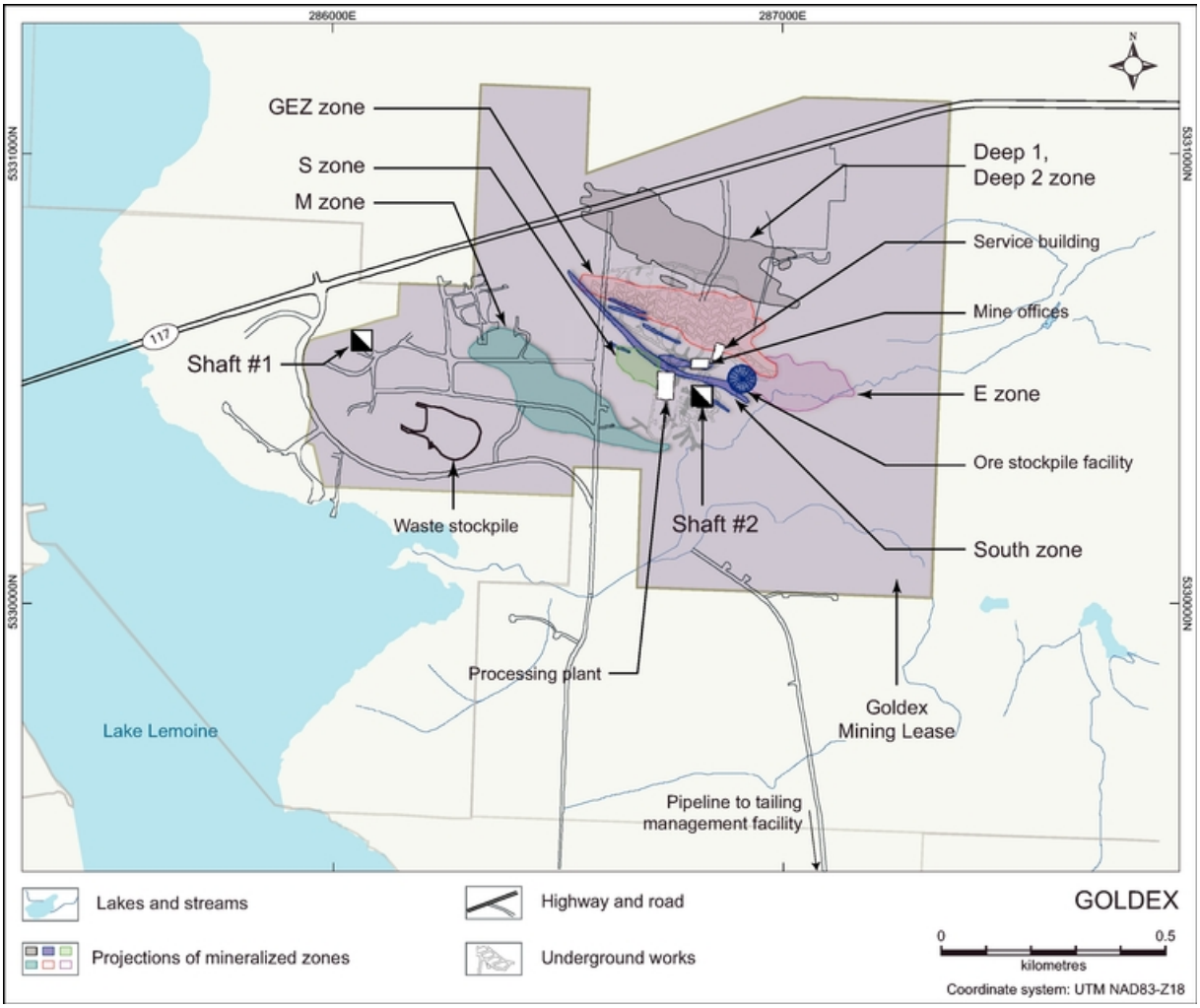
In July 2012, the Company approved the development of the M and E Zones of the Goldex mine and commercial production was achieved in October 2013.

In 2015, the Goldex Deep 1 project was approved for production by Agnico Eagle's board of directors (the "Board" or "Board of Directors") and the Deep 1 project achieved commercial production on July 1, 2017. The Company has focused on mining between 850 metres and 1,200 metres depth, using existing Goldex infrastructure, equipment and personnel. The mining method for the Deep 1 project is primary/secondary longhole stoping with cemented paste backfill, which is the same method currently used in the M and E Zones.

In January 2019, the South Zone entered production. It corresponds to multiple stacked quartz-biotite-sulphide veins in the volcanic rocks located South of the Goldex main deposit. The Company has focused on mining the Eastern part of the South Zone between 970 metres and 1,120 metres depth, using existing Goldex infrastructure, equipment and personnel. The mining method for the South Zone is longitudinal retreat with cemented paste backfill.

Mining and Milling Facilities

Surface Plan of the Goldex Mine (as at December 31, 2019)



The surface facilities at Goldex include a head frame, a hoist room, a covered ore storage facility, a processing plant, a paste backfill plant and a surface building containing a mechanical shop, a warehouse and an office. In addition, the Goldex property had a 790-metre deep shaft (Shaft #1), which historically was used to provide access to underground workings. Shaft #1 was later used for heating and ventilation of the underground workings. In 2018, the Shaft #1 headframe was dismantled and the surface area rehabilitated as part of the ongoing rehabilitation program at Goldex.

The current operating shaft (Shaft #2), completed in 2007, is 865 metres deep and includes five stations. A refurbished friction hoist was installed for production and service duties and an auxiliary hoist was installed for emergency and personnel service.

Rehabilitation of the old ramp near Shaft #1 was completed in 2015 to access the upper portion of the M Zone. The ramp is used for transporting material into the mine and as an emergency exit.

At the Deep 1 Zone, a Rail-Veyor system was installed in 2017 in a dedicated ramp to allow ore transport from level 120 to the existing crusher network on Level 73. The Rail-Veyor loading system on Level 120 is fed via a rock breaker room at Level 115. A maintenance bay is expected to be added in 2020 to maximize operating time of the Rail-Veyor system.

In 2018, the Company approved the development of an exploration ramp for the Deep Zone Extension (Deep 2 Zone) starting at level 120 and ending at level 130. In 2019, the infrastructure on level 125 was completed and level 130 was achieved (1,300 metres elevation). For 2020, the Company approved the advancement of the exploration ramp for the Deep 2 Zone down to level 140 (1,400 metres depth).

Mining Method

The Company mines the M and E zones using primary and secondary longhole stoping methods. Drilling is carried out with ITH drills. Production holes are either 4.5 or 6.5 inches in diameter. Bulk emulsion is used as the primary explosive for stope blasting. For both zones, stopes are approximately 55 metres high. The width and length of individual stopes vary based on local rock mass quality, but an average stope is expected to range between 20,000 and 120,000 tonnes. Ore handling in the M Zone is done with 15 yard load-haul-dump ("LHD") machines. This equipment unloads into an ore pass accessible from each level. In the E Zone, located below the bottom of Shaft #2, ore handling is done with 15 yard LHD machines and 45-tonne trucks.

All stopes are supported with 10-15 metre cable bolts. In addition, the stability of certain stopes is remotely monitored in real time. The Company also uses paste backfill to allow for a high extraction ratio and to increase long term stability.

The same mining method used in the M and E zones is used in the Deep 1 Zone, except that a Rail-Veyor system is used for ore handling between the lowermost level of Deep 1 (Level 120) and the current ore handling facilities (Level 76). The Rail-Veyor loading system on Level 120 is fed via a rock breaker room at Level 115. For Levels 85 to 115, 15 yard LHD machines unload into an ore pass reporting to the rock breaker room on Level 115. For the stopes on Level 120, 45 tonne trucks are used for ore handling to Level 115.

In 2018, the Company completed a test stope within the South Zone to validate the grade and the mining parameters. The South Zone is mined using the longitudinal retreat method with a height of 25 metres between levels. The levels are located between the depths of 970 metres and 1,120 metres. This mining method was selected due to the narrow nature of the deposit (3 metre minimum width). Following the test stope, the first sector of the South Zone, between the depths of 970 metres and 1,060 metres was added to the mine plan for 2019 and 2020. In 2019, a second horizon was added to the plan based on successful conversion drilling results and development started between the depths of 970 and 1,120 metres. Ore handling will be done with 11-yard LHD machines and 45-tonne trucks.

Surface Facilities

Plant construction at Goldex was completed in the first quarter of 2008. Grinding at Goldex is through a two-stage circuit comprised of a SAG mill and a ball mill, and a surface crusher to reduce the size of ore. Approximately two-thirds of the gold is recovered through a gravity circuit, passed over shaking tables and smelted on site. The remainder of the gold and pyrite is recovered through a sulphide bulk flotation process. The concentrate is then thickened and trucked to the mill at the LaRonde mine where it is further treated by cyanidation. Gold recovered is consolidated with precious metals from the LaRonde circuit.

In 2013, a new backfill plant was built on the site. The tailings thickener underflow feeds the backfill plant and two disk filters increase the density before the continuous mixer where binder is added at a ratio of approximately 3.6% before being sent to the underground mine by two positive displacement pumps. Currently, the capacity of the backfill plant is approximately 9,000 tonnes per day.

Production and Mineral Recoveries

During 2019, the Goldex mine had payable production of 140,884 ounces of gold from 2.78 million tonnes of ore grading 1.71 grams of gold per tonne. The production costs per ounce of gold produced at Goldex in 2019 were $586. The total cash costs per ounce of gold produced at Goldex in 2019 were $584 on both a by-product basis and on a co-product basis and the processing facility averaged 7,630 tonnes of ore per day and operated 95.1% of

available time. During 2019, gold recovery averaged 91.1%. The production costs per tonne at Goldex were C$39 and the minesite costs per tonne were C$39 in 2019.

The following table sets out the metal recoveries at the Goldex mine in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.71 g/t	91.9%	140,884 oz

Environmental, Permitting and Social Matters

Environmental permits for the construction and operation of the Goldex mine were received from the Ministry of Environment and the Fight against Climate Change (Quebec) in October 2005. The permits also covered the construction and operation of a sedimentation pond for mine water treatment and sewage facilities. In June 2011, the permits were revised to allow for the expansion of the mine and mill operations to 9,500 tonnes per day. In June 2012, environmental permits were received for the construction and operation of a paste backfill plant in connection with the development of the M and E Zones.

In November 2006, the Company and the Quebec government signed an agreement permitting the Company to dispose of Goldex tailings at the Manitou site, a tailings site formerly used by a third party and abandoned to the Quebec government. The Manitou tailings site had issues relating to acid drainage, and the construction of tailings facilities by the Company and the deposit of tailings from Goldex on the Manitou tailings site was accepted by the Ministry of Environment and the Fight against Climate Change (Quebec) as a valid rehabilitation method to address the acid generation problem at Manitou. Under the agreement, the Company manages the construction and operation of the tailings facilities and contributes an amount equivalent to the Company's budget for tailings facilities set out in the Goldex feasibility study. The Quebec government pays for all costs exceeding this amount and retains responsibility for all environmental contamination at the Manitou tailings site and for final closure of the facilities. The Company also built a separate tailings deposition area near the Goldex mine to be used during tailings pipeline maintenance work. Environmental permits for the construction and operation of the auxiliary tailings pond were received in March 2007. The rehabilitation of the Manitou tailings site is expected to continue during the mining of the M and E Zones and additional mining zones, including the Deep 1 Zone.

The Akasaba West project, a gold-copper deposit located less than 30 kilometres from Goldex, received both provincial and federal permits in 2019. The Company continues to review the timeline for the integration of the Akasaba West project into the Goldex production profile.

Capital Expenditures

Capital expenditures at the Goldex mine during 2019 were approximately $43.9 million, which included sustaining capital expenditures, deferred expenses and capitalized exploration expenses. Total estimated capital expenditures for 2020 are $46.6 million, including capitalized exploration.

Development

During 2019, approximately 7,979 metres of lateral development and 144 metres of vertical development were completed at the Goldex mine. The focus of the development was to support production of the Deep 1 Zone, continue the Deep Zone Extension ramp toward the elevation of 1,300 metres depth, provide drilling platforms and start the second horizon of the South Zone.

In 2020, approximately 7,500 metres of lateral development are planned to follow the Deep Zone mining sequence, continue the Deep Zone Extension ramp and develop accesses in the South Zone. In addition, 255 metres of vertical development are budgeted to establish a ventilation network in the Deep Zone Extension ramp as well as in the South Zone.

Geology, Mineralization, Exploration and Drilling

Geology

The Goldex property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince, a typical granite-greenstone terrane located within the Superior Province of the Canadian Shield. The southern contact of the Abitibi Subprovince with the Pontiac Subprovince is marked by the east-southeast trending Cadillac-Larder Lake fault zone, the most important regional structural feature. The Goldex deposit is hosted within a quartz diorite sill, the "Goldex Granodiorite", located in a succession of mafic to ultramafic volcanic rocks that are all generally oriented west-northwest. The satellite Goldex deposit known as the South Zone is hosted within the volcanic rocks (basalts, gabbro, komatiite) located south of the Goldex main deposit.

The M Zone has an approximate length of 440 metres, a height of 350 metres and a thickness of 130 metres. The E Zone, adjacent to the eastern end of the GEZ, has an approximate length of 250 metres, a height of 290 metres and a thickness of 130 metres. The Deep Zone (including the Deep 1 Zone and the Deep Zone Extension) is the continuity of the GEZ mineralization at depth. For safety purposes, a 90-metre thick pillar has been left below the GEZ, so that mining of the Deep Zone starts at 850 metres below surface, and extends to 1,800 metres below surface. It appears to have an approximate strike length of 350 metres, a height of 950 metres and thickness of 120 metres.

Mineralization

The primary gold mineralization type at Goldex corresponds to the classical quartz-tourmaline vein lode-gold deposit type. The gold-bearing quartz-tourmaline pyrite veins and vein stockwork, hosted within a quartz-diorite dyke, are the result of a strong structural control, related to ductile shearing and brittle faulting. The most significant structure directly related to mineralization is a discrete shear zone, named the Goldex Mylonite, which is up to five metres wide and occurs within the Goldex Granodiorite, just south of the Deep 1 Zone and north of the M Zone.

Several vein sets exist within the M, E and Deep 1 zones, of which the main set consists of extensional-shear veins dipping approximately 30 degrees south. The vein sets and associated alteration halos combine to form stacked envelopes up to 30 metres thick.

Moderate to strong albite-carbonate alteration of the host-rock quartz diorite surrounds the quartz-tourmaline-pyrite veins and covers almost 80% of the mineralized zone; outside of the envelopes, prior chlorite alteration affects the quartz diorite and gives it a darker grey-green colour. Occasionally, enclaves of relatively unaltered medium grey-green-coloured quartz diorite (with no veining or gold) are found within the M, E and Deep 1 zones. They are removed with the rest of the stope's ore to allow for a smooth stope shape, which is required for mining purposes.

Most of the gold occurs as microscopic particles that are almost always associated with pyrite, generally adjacent to pyrite grains and crystals but also 20% included within the pyrite. The gold-bearing pyrite occurs in the quartz-tourmaline veins and in narrow fractures in the albite-carbonate-altered quartz diorite (generally immediately adjacent to the veins).

Gold mineralization in the South Zone corresponds to a quartz-biotite-sulphide vein deposit. Gold is mainly associated to sulphides (pyrrhotite, chalcopyrite, sphalerite and pyrite) along horizons altered in silica and biotite. The host rocks are a sequence of volcanic rocks (andesite, basalts, gabbro and komatiite) located south of the Goldex main deposit. The deposit presents a strong structural control, related to ductile shearing and brittle faulting as based on the actual observations. Studies are underway to better understand the geological model.

Exploration and Drilling

Initial exploration on the Goldex property was concentrated over three periods from 1963 to 1996, including the sinking of Shaft #1 to 457 metres, 32,000 metres of diamond drilling in the M Zone, as well as the discovery and initial development of the GEZ. In 1996, Shaft #1 was deepened to 790 metres, as exploration focused on bulk sampling and underground drilling in the GEZ.

Intensive exploration work on the M and E zones started in 2011. Successful drilling results enabled the Company to bring both zones into production in the third quarter of 2013. While mining the M and E zones, exploration work was conducted on the Deep 1 Zone from 760 metres to 1,200 metres between 2012 and 2017. Deep 1 Zone achieved commercial production in July 2017 based on successful exploration and conversion drilling results. While mining

the M, E and Deep 1 zones, exploration work was conducted on the Deep Zone Extension from 1,200 metres to 1,800 metres depth between 2017 and 2019, as well as on the South Zone.

Diamond drilling at Goldex in 2019 totaled 494 holes (89,912 metres). Of this total, 33 holes (7,919 metres) were for exploration of the MMz and South zones at a cost of $0.3 million; 368 holes (72,743 metres) were for conversion drilling of MMx, E, Deep 1, Deep 2 and South zones at a cost of $4.1 million; 89 holes (8,823 metres) were for delineation drilling in the Deep 1, Deep 2 and South zones at a cost of $0.5 million; and 4 holes (427 metres) were drilled for engineering and mining purposes at a cost of $0.04 million. No expensed exploration drilling was carried out at Goldex in 2019.

In 2020, the Company expects to spend $6.9 million on approximately 79,000 metres of drilling, including 32,000 metres of capitalized surface and underground drilling focused on the MMx, Deep 2 and South zones, 44,000 metres of conversion drilling focused on the Deep 1, Deep 2 and South zones, and 3,000 metres of expensed exploration focused in the deepest part of the Deep 2 Zone, from 1,500 to 1,800 metres depth. No engineering or mine drilling is planned at Goldex in 2020.

Mineral Reserves and Mineral Resources

The combined amount of gold in underground proven and probable mineral reserves at the Goldex mine at the end of 2019 was 1.1 million ounces (21.0 million tonnes of ore grading 1.61 g/t gold), which represents an increase of 125,000 ounces gold in mineral reserves from the end of 2018, after producing 140,889 ounces of gold (153,306 ounces *in situ* gold mined). The increase is largely due to the successful conversion of mineral resources to mineral reserves, mainly in the Deep 1, Deep 2 and South zones, offset by ore mined during 2019.

Measured and indicated underground mineral resources at the Goldex mine increased by 328,000 ounces of gold to 39.2 million tonnes grading 1.60 g/t gold (containing 2.0 million ounces of gold) at December 31, 2019, primarily due to conversion of inferred mineral resources to indicated mineral resources in the Deep 1 and Deep 2 zones. This conversion is the result of a change in the estimation method, now using a conventional kriging block model.

In 2019, there was a decrease in underground inferred mineral resources of approximately 126,000 ounces of gold to 25.2 million tonnes grading 1.50 g/t gold (containing 1.2 million ounces of gold). This decrease in the inferred mineral resources was primarily due to a change in the estimation method for the Deep 1 and Deep 2 zones. This change resulted in new inferred mineral resources in the east and west fringes of these two zones based on the geological and the grade continuities (variography). This amount of new inferred mineral resources was offset by the inferred mineral resources converted to indicated mineral resources in these two zones with conversion drilling.

Canadian Malartic Mine

The Canadian Malartic mine is located within the town of Malartic, Quebec, approximately 25 kilometres west of the City of Val d'Or and 80 kilometres east of City of Rouyn Noranda. It straddles the townships of Fournière, Malartic and Surimau. At December 31, 2019, the Canadian Malartic mine was estimated to have proven and probable mineral reserves containing approximately 2.39 million ounces of gold comprised of 66.90 million tonnes of ore grading 1.11 grams per tonne (representing the Company's 50% interest).

The Company acquired its 50% interest in the Canadian Malartic mine on June 16, 2014 through its joint acquisition of Osisko with Yamana. See "General Development of the Business – Pre-2017" for further details of the Company's acquisition of its 50% interest in the Canadian Malartic mine.

The Canadian Malartic mine operates under mining leases obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Environment and the Fight Against Climate Change (Quebec). The Canadian Malartic property is comprised of the East Amphi property, the CHL Malartic prospect, the Canadian Malartic mine, the Fourniere, Midway and Piche Harvey properties, as well as the Rand property, which was acquired in March 2019. The Canadian Malartic property consists of a contiguous block comprising one mining concession, five mining leases and 289 mining claims. Expiration dates for the mining leases on the Canadian Malartic property vary between November 24, 2029 and July 27, 2037, and each lease is automatically renewable for three further ten year terms upon payment of a small fee.

The Canadian Malartic mine can be accessed from either Val d'Or in the east or Rouyn-Noranda in the west via Quebec provincial highway No. 117. A paved road running north-south from the town of Malartic towards Mourier Lake cuts through the central area of the Canadian Malartic property. The Canadian Malartic property is further

accessible via a series of logging roads and trails. The Canadian Malartic mine is serviced by a rail-line which passes through the town of Malartic and the nearest airport is in Val d'Or.

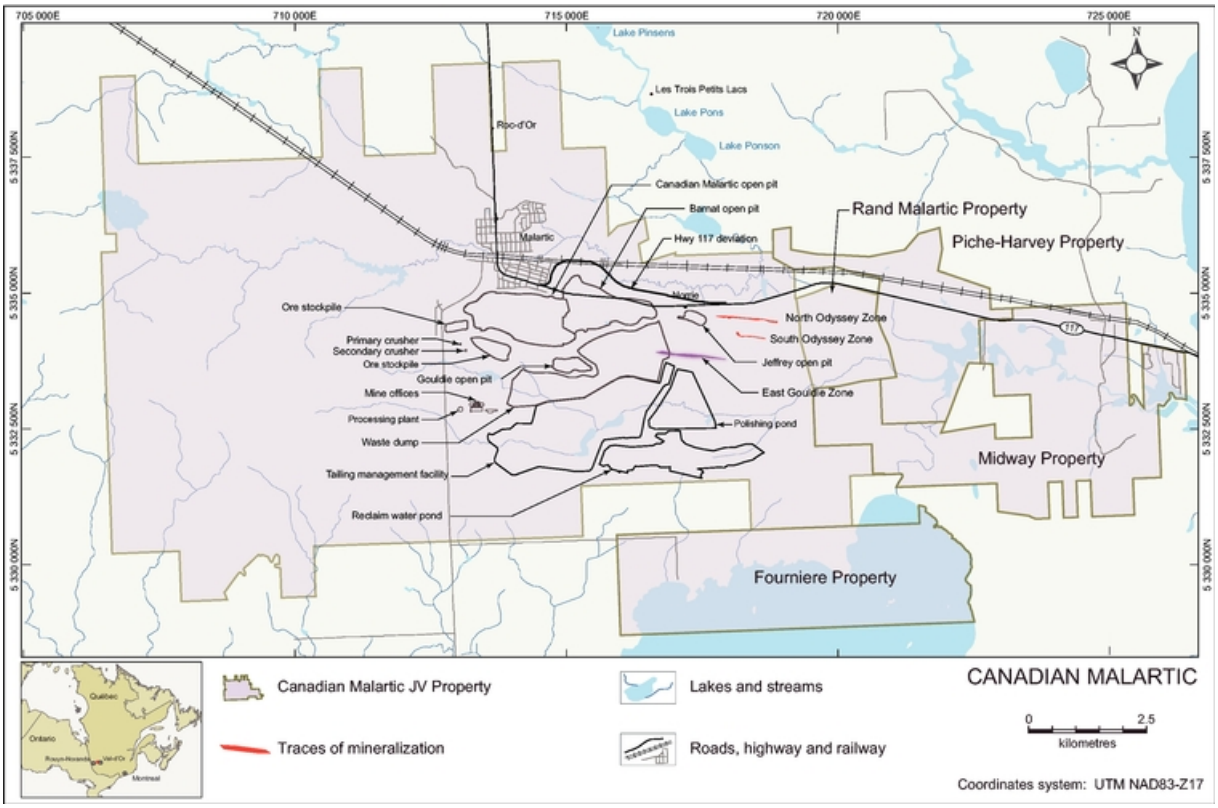
A 135 metre wide buffer zone has been developed along the northern limit of the open pit to mitigate the impacts of mining activities on the residents of Malartic. Inside this buffer zone, a landscaped ridge was built primarily using rock and topsoil produced during pre-stripping work.

Most of the mining claims that make up the Canadian Malartic mine are subject to a 5% net smelter return royalty payable to New Osisko. The mining claims comprising the CHL Malartic prospect are subject to 3% net smelter return royalties payable to each of New Osisko and Abitibi Royalties Inc. In addition, 172 of the mining claims at the Canadian Malartic property are also subject to other net smelter return royalties that vary between 1% and 2%, payable under varying circumstances. In 2019, the Partnership, which is the operator of the Canadian Malartic mine, paid C$75.3 million in the aggregate with respect to these net smelter return royalties.

Gold was first discovered in the Malartic area in 1923. Gold production on the Canadian Malartic property began in 1935 and continued uninterrupted until 1965. Following various ownership changes over the ensuing years, Osisko acquired ownership of the Canadian Malartic property in 2004. Based on a feasibility study completed in December 2008, Osisko completed construction of a 55,000 tonne per day mill complex, tailings impoundment area, five million cubic metre polishing pond and road network by February 2011, and the mill was commissioned in March 2011. The Canadian Malartic mine achieved commercial production on May 19, 2011.

Mining and Milling Facilities

Surface Plan of the Canadian Malartic Mine (as at December 31, 2019)



The Canadian Malartic mine is a large open pit operation comprised of the Canadian Malartic, Barnat, and Jeffrey pits. In 2019, the Partnership completed the deviation of Quebec provincial highway No. 117, which officially opened to the public in October 2019. This gave the Partnership access to the Barnat deposit and allowed for pre-mining preparation work to commerce. Activities at Barnat will continue in 2020 with overburden stripping, topographic

drilling and ore production. The Jeffrey pit, located 500 metres east of the Barnat pit, was mined during 2019 and will be backfilled with waste rock in 2020.

Mining Methods

Mining at the Canadian Malartic mine is by open pit method with excavators and trucks, using large scale equipment. The primary loading tools are hydraulic excavators, with wheel loaders used as a secondary loading tool. The mine production schedule was developed to feed the mill at a nominal rate of 55,000 tonnes per day. The continuity and consistency of the mineralization, coupled with tight definition drilling, that has been confirmed by many years of mining operations, demonstrates the amenability of the mineral reserves and mineral resources to the selected mining method.

The throughput at the Canadian Malartic mine in 2019 averaged 57,669 tonnes per day, compared with 56,120 tonnes per day in 2018. The increased throughput in 2019 was largely due to mill optimization, additional crushed ore from the portable crusher and mill stability.

Surface Facilities

Surface facilities at the Canadian Malartic mine include the administration/warehouse building, the mine office/truck shop building, the process plant and the crushing plant. The processing plant has a nominal capacity of 55,000 tonnes of ore per day.

Ore is processed through conventional cyanidation. Ore blasted from the pit is first crushed by a gyratory crusher followed by secondary crushing prior to grinding. Ground ore feeds successively into leach and CIP circuits. A Zadra elution circuit is used to extract the gold from the loaded carbon. Pregnant solution is processed using electrowinning and the resulting precipitate is smelted into gold/silver dore bars. Mill tails are thickened and detoxified using a Caro acid process, reducing cyanide levels below 20 parts per million. Detoxified slurry is subsequently pumped to a conventional tailings facility.

Production and Mineral Recoveries

During 2019, Agnico Eagle's 50% share of the Canadian Malartic mine's payable production was 334,596 ounces of gold and 420,996 ounces of silver from 20.8 million tonnes of ore (100% basis) grading 1.11 grams of gold per tonne and 1.65 grams of silver per tonne. The production costs per ounce of gold produced at Canadian Malartic in 2019 were $628. The total cash costs per ounce of gold produced at Canadian Malartic in 2019 were $606 on a by-product basis and $626 on a co-product basis. The Canadian Malartic processing facility averaged 57,669 tonnes per day (100% basis) and operated approximately 95.5% of available time. Gold and silver recovery averaged 88.7% and 75.3%, respectively. The production costs per tonne at Canadian Malartic and the minesite costs per tonne were both C$26 in 2019.

The following table sets out the metal recoveries at the Canadian Malartic mine on a 100% basis in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.11 g/t	88.7%	669,191 oz
Silver	1.65 g/t	75.3%	841,991 oz

Environmental, Permitting and Social Matters

In 2015, the Partnership developed and implemented an action plan to mitigate noise, vibrations, atmospheric emissions and ancillary issues related to the Canadian Malartic mine. Mitigation measures were put in place to improve the process and avoid environmental non-compliance events. As a result, over time, the Partnership has improved its environmental performance. With respect to activities in 2019, the Partnership received four non-compliance notices, two for overpressure and two for NOx emissions. The mine's team of on-site environmental experts continues to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continues to implement improvement measures.

Since the spring of 2015, the Partnership has been working collaboratively with the community of Malartic and its citizens to develop a "Good Neighbour Guide". Implementation of the Good Neighbour Guide, which includes compensation and home-acquisition programs, began on September 1, 2016. Over 90% of the residents of Malartic have agreed to participate in the compensation program. Compensation offered to eligible residents of Malartic in 2019 will be paid in the first quarter of 2020. Under the home-acquisition program, 47 residences have been acquired to date in the southern sector of Malartic, of which 37 have subsequently been sold under the Partnership's resale program that was implemented in April 2018.

In the fall of 2019, the Partnership settled a class action lawsuit with respect to allegations involving the Canadian Malartic mine. See "Legal Proceedings and Regulatory Actions" for further details on the class action lawsuit and settlement.

As part of ongoing stakeholder engagement, a draft agreement with four First Nations groups has been prepared and presented for consultation by the communities. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

The waste rock pile was originally designed to accommodate approximately 326 million tonnes of waste rock requiring a total storage capacity of approximately 161 million cubic metres. The design of the waste rock pile has been modified to accommodate the Canadian Malartic pit extension and now includes storage capacity for approximately 740 million tonnes.

The expansion of the open pit, with future production from the Canadian Malartic pit extension, will increase the total amount of tailings to approximately 300 million tonnes over the life of mine. The total capacity of the current tailings management facility is estimated to be 230 million tonnes, including a tailings cell authorized by the Ministry of Environment and the Fight Against Climate Change (Quebec) in September 2017. Construction of this cell started in 2017 and operations began in 2018. The Partnership also plans to store additional tailings in the Canadian Malartic pit at the end of its operations. According to the mine plan, between 70 and 80 million tonnes of tailings could be deposited in the Canadian Malartic pit once mining in the pit is completed.

All permits related to mining the Canadian Malartic pit extension have been received. Prior to beginning in-pit tailings deposition, the Partnership has committed to completing a hydrogeological study to demonstrate that the Canadian Malartic pit would provide a hydraulic trap and contain the tailings with minimal environmental risk. Golder Associates Ltd. is preparing this study.

An annual hydrological site balance is maintained to provide a yearly estimate of water volumes that must be managed in the different structures of the water management system of the Canadian Malartic mine during an average climatic year (in terms of precipitation). Results of this hydrological balance indicate that excess water from the southeast pond may have to be released into the environment. A water treatment plant treats the water to be released into the environment so that it meets water quality requirements. In addition to ensuring effluent compliance, this water treatment plant reduces the risks associated with surface water management and adds flexibility to the water usage system.

Reclamation and closure costs have been estimated for rehabilitating the tailings facility and waste dump, revegetating the surrounding area, dismantling the plant and associated infrastructure and performing environmental inspection and monitoring for a period of ten years. In accordance with applicable regulations, financial guarantees have been provided for these estimated reclamation and closure costs. Reclamation plans are expected to be updated in 2020, in accordance with regulatory requirements.

Capital Expenditures

The Company's portion of capital expenditures at the Canadian Malartic mine during 2019 were approximately $83.1 million, which included sustaining capital expenditures, deferred expenses, capitalized exploration and costs associated with the Barnat pit expansion. The Company's portion of budgeted 2020 capital expenditures at the Canadian Malartic mine are $75.0 million, including capitalized exploration.

Development

Development activities at the Canadian Malartic mine in 2019 were focused on the pit extension and deviation of Quebec provincial highway No. 117, which was officially opened to public in October 2019. This gave the Partnership access to the Barnat pit to commerce pre-mining preparation work. Development activities in 2020 are expected to include additional stripping activities in the extension area, topographic drilling, and other field works.

Geology, Mineralization, Exploration and Drilling

Geology

The Canadian Malartic property straddles the southern margin of the eastern portion of the Abitibi Subprovince, an Archean greenstone belt situated in the southeastern part of the Superior Province of the Canadian Shield. The Abitibi Subprovince is limited to the north by gneisses and plutons of the Opatica Subprovince, and to the south by metasediments and intrusive rocks of the Pontiac Subprovince. The contact between the Pontiac Subprovince and the rocks of the Abitibi greenstone belt is characterized by a major fault corridor, the east-west trending Larder Lake – Cadillac Fault Zone ("LLCFZ"). This structure runs from Larder Lake, Ontario through Rouyn-Noranda, Cadillac, Malartic, Val d'Or and Louvicourt, Québec, at which point it is truncated by the Grenville Front.

The regional stratigraphy of the southeastern Abitibi area is divided into groups of alternating volcanic and sedimentary rocks, generally oriented at N280 – N330 and separated by fault zones. The main lithostratigraphic divisions in this region are, from south to north, the Pontiac Group of the Pontiac Subprovince and the Piché, Cadillac, Blake River, Kewagama and Malartic groups of the Abitibi Subprovince. The various lithological groups within the Abitibi Subprovince are metamorphosed to greenschist facies. Metamorphic grade increases toward the southern limit of the Abitibi belt, where rocks of the Piché Group and the northern part of the Pontiac Group have been metamorphosed to upper greenschist facies.

The majority of the Canadian Malartic property is underlain by metasedimentary units of the Pontiac Group, lying immediately south of the LLCFZ. The north-central portion of the property covers an approximately 9.5 kilometre section of the LLCFZ corridor and is underlain by mafic-ultramafic metavolcanic rocks of the Piché Group cut by intermediate porphyritic and mafic intrusions. The Cadillac Group covers the northern part of the property (north of the LLCFZ). It consists of greywacke containing lenses of conglomerate.

Mineralization

Surface drilling by Lac Minerals Ltd. in the 1980s defined several near-surface mineralized zones now included in the Canadian Malartic deposit (the F, P, A, Wolfe and Gilbert zones), all expressions of a larger, continuous mineralized system located at depth around the historical underground workings of the Canadian Malartic and Sladen mines. In addition to these, the Western Porphyry Zone occurs one kilometre northeast of the main Canadian Malartic deposit and the Gouldie mineralized zone occurs approximately 1.2 kilometres southeast of the main Canadian Malartic deposit. Approximately 1.5 kilometres to the east is the Odyssey deposit, with mineralization associated with a fault along both hanging wall and footwall contacts of a 300 metre wide dioritic intrusive.

Mineralization in the Canadian Malartic deposit occurs as a continuous shell of 1% to 5% disseminated pyrite associated with fine native gold and traces of chalcopyrite, sphalerite and tellurides. The gold mineral resource is mostly hosted by altered clastic sediments of the Pontiac Group (70%) overlying an epizonal dioritic porphyry intrusion. A portion of the deposit also occurs in the upper portions of the porphyry body (30%).

The South Barnat deposit is located to the north and south of the old South Barnat and East Malartic mine workings, largely along the southern edge of the LLCFZ. The disseminated/stockwork gold mineralization at South Barnat is hosted both in potassic-altered, silicified greywackes of the Pontiac Group (south of the fault contact) and in potassic-altered porphyry dykes and schistose, carbonatized and biotitic ultramafic rocks (north of the fault contact).

The East Gouldie Zone, discovered in late 2018, is included in the Pontiac sedimentary sequence, south of the Larder-Lake Cadillac Deformation Zone. The gold mineralization is associated within a shear zone accompanied by silica alteration and very fine disseminated pyrite of 1% to 2%.

Several mineralized zones have been documented within the LLCFZ (South Barnat, Buckshot, East Malartic, Jeffrey, Odyssey, East Amphi, Fourax), most of which are generally spatially associated with stockworks and disseminations within mafic or intermediate porphyritic intrusions.

Exploration and Drilling

Gold was first discovered in the Malartic area in 1923 by the Gouldie Brothers at what is now designated the Gouldie Zone. Between 1935 and 1983, the Canadian Malartic, Barnat/Sladen and East Malartic mines produced approximately 5.5 million ounces of gold and 1.9 million ounces of silver, mostly from underground operations.

Diamond drilling is used for exploration on the Canadian Malartic property. In 2019, over 80 holes (82,378 metres) were drilled with the aim of increasing inferred mineral resources. Conversion drilling expenditures at the Canadian Malartic mine during 2019 were approximately C$7.5 million (50% basis). The main focus of the 2019 conversion program was on the East Gouldie Zone, located 700 metres south of the Cadillac-Larder Lake Deformation Zone. The drilling on East Gouldie covered over 1,400 metres along the strike and tested the down-plunge mineralization between 800 metres to 1,900 metres depth. A smaller program tested the depth extension of mineralization below the pit along the Sladen deformation zone.

In 2019, regional exploration on the Canadian Malartic property, other than the pit area, involved 44 holes (21,903 metres) of exploration drilling in the Marianne Zone target (part of the Odyssey project) and on initial exploration of the Rand property. Regional exploration expenditures at the Canadian Malartic mine during 2019 were approximately C$2.1 million (50% basis).

In 2020, the Company expects to spend $7.5 million (50% basis) for 90,000 metres (100% basis) of conversion drilling focused on increasing the known mineralization of the East Gouldie Zone and the Odyssey project including the East Malartic and Odyssey zones. Regional exploration will target mainly the Rand and East Amphi areas of the property with 22,000 metres of exploration drilling for $5.0 million (50% basis).

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable open pit mineral reserves at the Canadian Malartic property at the end of 2019 (on a 50% basis) was 2.39 million ounces (66.9 million tonnes of ore grading 1.11 g/t gold), which represents a decrease of approximately 391,416 ounces of gold as compared to the end of 2018, after producing 334,596 ounces of gold (437,892 ounces *in situ* gold mined). The reduction in mineral reserves was principally associated with ore mined during 2019. Measured and indicated mineral resources at the Canadian Malartic property decreased by 0.79 million tonnes to 14.7 million tonnes grading 1.79 g/t gold, mainly due to an adjustment of the economic parameters for the open pit mineral resources and to the revision of the geotechnical mining parameters for underground mineral resources. Inferred mineral resources at the Canadian Malartic property increased by 29.97 million tonnes in 2019 to 66.2 million tonnes grading 2.30 g/t gold, mainly due to the addition of a new mineralized zone (East Gouldie) and underground mineral resources below 1,000 meters from surface for the East Malartic Zone. As at December 31, 2019, the East Malartic deposit had underground indicated mineral resources of 5.0 million tonnes grading 2.18 g/t gold and underground inferred mineral resources of 39.4 million tonnes grading 2.05 g/t gold. As of the same date, the nearby Odyssey deposit had underground indicated mineral resources of 1.0 million tonnes grading 2.10 g/t gold and inferred mineral resources of 11.7 million tonnes grading 2.22 g/t gold. The discovery of East Gouldie in late 2018 added new inferred mineral resources of 12.8 million tonnes grading 3.34 g/t gold. All mineral reserve and mineral resource estimates for Canadian Malartic, East Gouldie, East Malartic and Odyssey reflect Agnico Eagle's 50% ownership in the property.

Kittila Mine

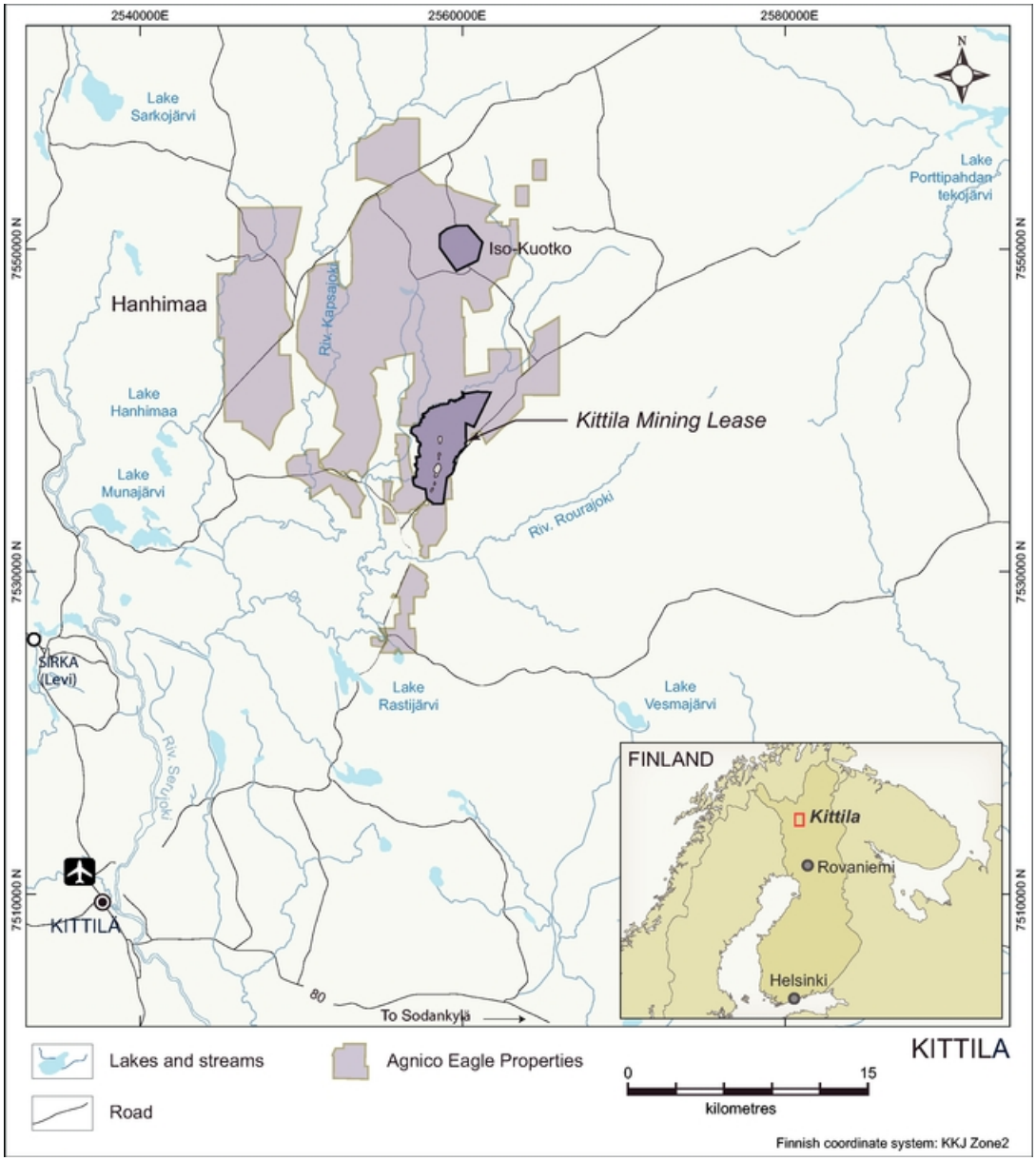
The Kittila mine, which achieved commercial production in May 2009, is located in northern Finland, approximately 900 kilometres north of Helsinki and 50 kilometres northeast of the town of Kittila. At December 31, 2019, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.10 million ounces of gold comprised of 28.9 million tonnes of ore grading 4.40 grams of gold per tonne. The Kittila mine is accessible by paved road from the village of Kiistala, which is located on the southern portion of the main claim block. The gold deposit is located near the small village of Rouravaara, approximately ten kilometres north of the village of Kiistala.

The total landholdings surrounding and including the Kittila mine comprise two mining licences and 76 individual tenements. The tenements form a continuous block around the Kittila and Kuotko mining licences. The block has been divided into the Suurikuusikko area (which includes the Rouravaara area), the Suurikuusikko West area, the Suurikuusikko East area, the Hanhimaa area and the Kittila and Kuotko mining licences. The Kuotko mining licence is located approximately 15 kilometres north of the Kittila mine.

All of the tenements at the Kittila mine are registered in the name of Agnico Eagle Finland Oy, an indirect, wholly-owned subsidiary of the Company. The expiry dates of the tenements vary, with the earliest expiry date having occurred in January 2019 (for which extension applications have been submitted and are expected in the ordinary course). Tenements are initially valid for four years, provided exploration work in the area is reported annually and an annual fee is paid to maintain title. Extensions of titles can be granted for 11 additional years upon payment of a slightly higher fee and active exploration in the area. During the exploration phase, the boundaries of the tenements may be changed by either reducing parts or the whole of an individual tenement or by merging individual tenements into larger ones. Agnico Eagle Finland Oy also holds the mining licence in respect of the Kittila mine. The mine is subject to a 2.0% net smelter return royalty payable to the Republic of Finland.

The mine is located within the Arctic Circle, but the climate is moderated by the Gulf Stream off the coast of Norway, such that northern Finland's climate is comparable to that of eastern Canada. Exploration and mining work can be carried out year-round.

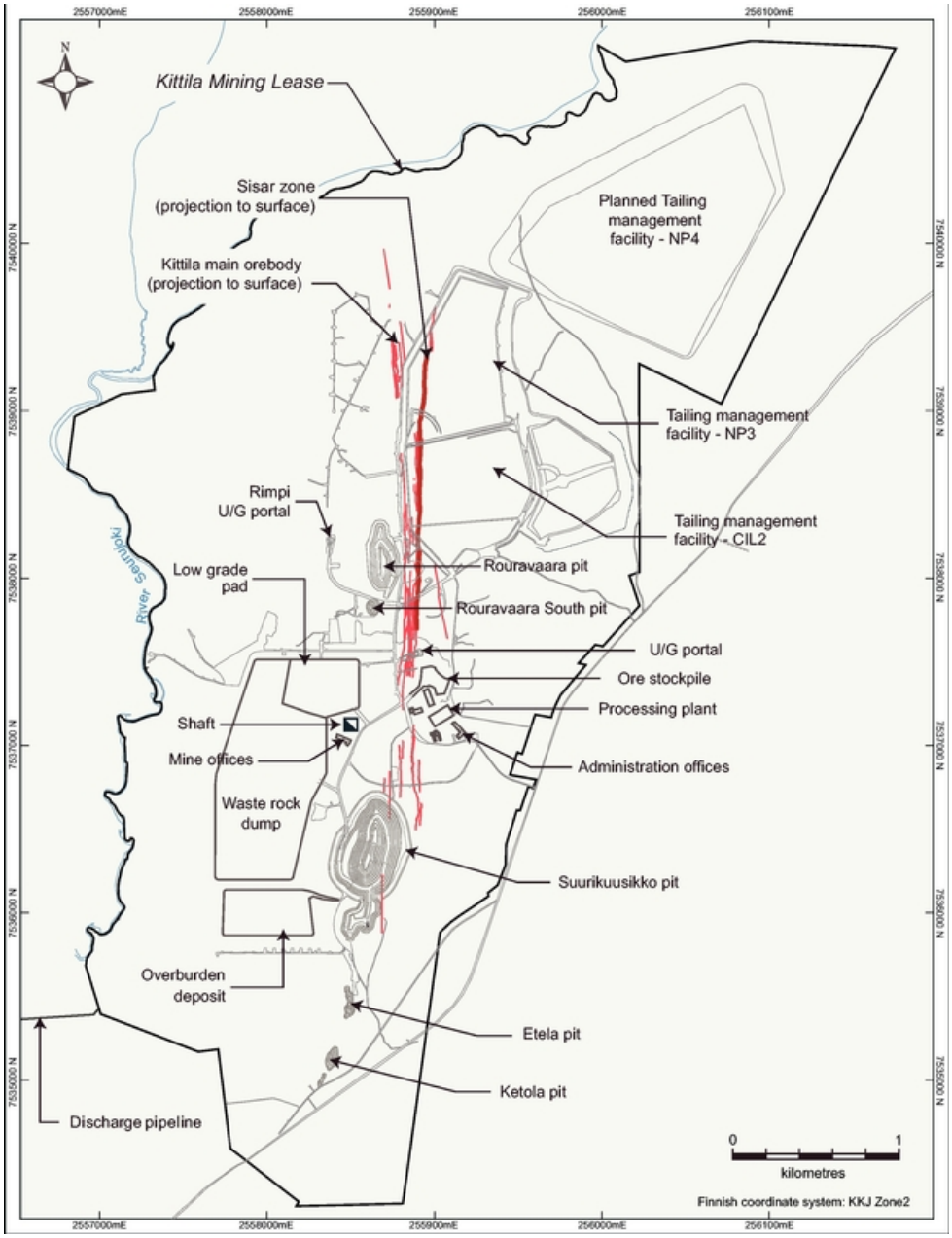
Location Map of the Kittila Mine (as at December 31, 2019)



The Company acquired its 100%, indirect interest in the Kittila mine through the acquisition of Riddarhyttan in November 2005. In June 2006, the Company approved construction of the Kittila mine. Mining at Kittila started initially using the open pit mining method. Open pit mining ended in November 2012 and all mining is currently carried out underground via ramp access. Ore is processed in a 3,750-tonne per day surface processing plant that was commissioned in late 2008, and expanded from 3,000 to 3,750 tonnes per day in 2014. Limited gold concentrate production started in September 2008 and gold dore bar production commenced in January 2009.

Mining and Milling Facilities

Surface Plan of the Kittila Mine (as at December 31, 2019)



The orebodies at Kittila were initially mined from two open pits, followed by underground operations accessed by ramp to mine the deposits further beneath the surface. Smaller additional open pits may be used to mine any remaining mineral reserves close to the surface in the future. As of December 31, 2019, a total of 14.1 million tonnes of ore have been processed, including ore from the open pits and underground, 0.2 million tonnes of ore were stockpiled and 43.4 million tonnes of waste rock have been excavated, from both open pit and underground excavation. Work continued throughout 2019 to develop the exploration and Rimpi ramps, as well as other work to access the underground mineral reserves, including development of a ramp towards the Sisar Zone. Total underground development at the end of 2019 was approximately 130.7 kilometres. Underground mining

commenced in the fourth quarter of 2010 and, at the end of 2019, a total of 11.5 million tonnes of ore has been mined from the underground portion of the mine.

In 2018, the Company commenced construction of the shaft and mill expansion. In 2019, the Company commissioned the Rimpi paste backfill plant and the central pumping station and commenced construction of the discharge pipeline and the new main level in the underground mine. In 2020. the Company expects to commission the first phase of new tailings storage facility, NP4.

Mining Methods

At the Kittila mine, the Suurikuusikko and the Rouravaara orebodies are currently mined by underground mining methods accessed via ramp. Approximately 5,000 tonnes of ore per day are fed to the concentrator, exceeding the nominal capacity of 3,750 tonnes per day. The underground mining method is open stoping with delayed backfill. Stopes are between 25 and 40 metres high and yield between 8,000 and 40,000 tonnes of ore per stope. To ensure sufficient ore production is available in the future to supply the mill, over 17,000 metres of tunnels will be developed each year. After extraction, stopes are filled with paste backfill or cemented backfill to enable the safe extraction of ore in adjacent stopes. Ore is trucked to the surface crusher via the ramp access system. On February 14, 2018, the Board approved the construction of a 1,044 metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades. In 2019 the expansion project progressed on schedule. Headframe slip forming is completed and equipping is on-going, raise boring and reaming is complete down to the 875 meter level and rock line excavation work is complete. In 2020, the Company expects to focus on civil construction and equipping, as well as final tie-ins.

Surface Facilities

Construction of the processing plant and associated equipment was completed in 2008. Facilities at the Kittila mine include office buildings, a maintenance facility for mining equipment, a warehouse, a second maintenance shop, an oxygen plant, a processing plant, a paste backfill plant, a tank farm, a crusher, conveyor housings, an ore bin and a sulfate removal plant at the NP3 tailings area. In addition, there are several temporary structures used for contractor offices and work areas. The shaft and mill expansion project includes the construction of a 1,044 metre deep shaft and an expected increase to milling capacity from 1.6 Mta to 2.0 Mta.

The ore at the Kittila mine is treated by grinding, flotation, pressure oxidation and CIL circuits. After grinding, ore processing consists of two stages. In the first stage, ore is enriched by flotation and, in the second stage, the gold is extracted by pressure oxidation and CIL processes. At the end of the second stage, gold is recovered from the carbon in a Zadra elution circuit and recovered from the solution using electrowinning and finally poured into dore bars using an electric induction furnace.

Production and Mineral Recoveries

In 2019, the Kittila mine had payable production of 186,101 ounces of gold from 1.59 million tonnes of ore grading 4.15 grams of gold per tonne. The production costs per ounce of gold produced at Kittila in 2019 were $766. The total cash costs per ounce of gold produced at Kittila in 2019 were $736 on a by-product basis and were $737 on a co-product basis and the processing facility averaged 4,359 tonnes of ore per day and operated 86.9% of available time. During 2019, flotation recoveries averaged 93.7%; recoveries in the second stage of the process averaged 93.5% and global recoveries were 87.6%. The production costs per tonne at Kittila were €80 and the minesite costs per tonne were €76 in 2019.

The following table sets out the metal recoveries at the Kittila mine in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	4.15 g/t	87.6%	186,101 oz

Environmental, Permitting and Social Matters

Agnico Eagle Finland Oy currently holds a mining licence, an environmental permit and operational permits in respect of the Kittila mine.

The construction of the first phase of the Tailings Storage Facility ("TSF") was completed in the fall of 2008. Work on the second phase was completed in 2010. Work on the third phase began in 2013 and included work to heighten the confining structure. An additional raise was completed in 2017 and further raises were completed in 2018 and 2019 with the use of cement injection to increase stability. Following receipt of the necessary permit, construction of a new TSF cell commenced in 2019 and the new cell is expected to be commissioned for tailings deposition in 2021. See "Risk Factors – If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production".

Water from dewatering the mine and water used in the mine is collected and treated by sedimentation. Reclaimed water from neutralized tails is treated in a water treatment plant in order to reduce total sulfate loading. Emissions and environmental impact are monitored in accordance with the comprehensive monitoring program that has been approved by the Finnish environmental authorities. Work on enhancing the scrubbing of mill gases has resulted in a design to recover heat loss and use it to heat buildings. Engineering work on a district heat network expansion continued during 2019 and the project is expected to be completed in 2020. Financial assurance for site closure is provided to the environmental authorities on an annual basis in the amount prescribed by the environmental permit.

The environmental permit renewal was received in July 2013. To comply with the requirements of the permit, a water treatment plant for sulfate was built and commissioned in the fourth quarter of 2016. This new treatment plant is part of an updated effluent management plan which includes relocation of the effluent discharge. Permitting is underway for this new discharge location and the Company has received the approval of a transitional permit that will allow it to meet effluent discharge limits until a new effluent discharge point is authorized and implemented. To ensure compliance with requirements for total nitrogen concentration and loading, short term measures were applied to treat reclaim water during the summer. Piloting of a more permanent solution began in 2019 and will continue in 2020.

Capital Expenditures

Capital expenditures at the Kittila mine during 2019 totaled approximately $179.8 million, which included underground development, sustaining capital costs, capitalized exploration, as well as costs associated with the shaft construction and mill expansion project.

The Company expects capital expenditures during 2020 at the Kittila mine to be approximately $181.7 million, including capitalized exploration.

Development

In 2019, underground development continued in the Suuri, Roura, Etelä and Rimpi mining areas. A total of 19,500 metres of ramp and sublevel access development were completed during the year. A total of 0.3 million tonnes of ore from development and 1.5 million tonnes of stope ore were mined in 2019. The Company expects to complete approximately 16,400 metres of lateral development and 147 metres of vertical development during 2020.

Geology, Mineralization, Exploration and Drilling

Geology

The Kittila mine is situated within the Kittila Greenstone belt, part of the Lapland Greenstone belt in the Proterozoic-age Svecofennian geologic province. The appearance and geology of the area is similar to that of the Abitibi region of the Canadian Shield. In northern Finland, the bedrock is typically covered by a thin but uniform blanket of unconsolidated glacial till. Bedrock exposures are scarce and irregularly distributed.

The mine area is underlain by mafic volcanic and sedimentary rocks metamorphosed to greenschist assemblages and assigned to the Kittila group. The major rock units trend north to north-northeast and are near-vertical. The volcanics are further sub-divided into iron-rich tholeiitic basalts located to the west and magnesium-rich tholeiitic basalt, coarse volcaniclastic units, graphitic schist and minor chemical sedimentary rocks located to the east. The contact between these two rock units consists of a transitional zone (the "Porkonen Formation") varying between 50 and 200 metres in thickness. This zone is strongly sheared, brecciated and characterized by intense hydrothermal

alteration and gold mineralization, features consistent with major brittle-ductile deformation zones. The zone is part of a major north-northeast-oriented shear zone (the "Suurikuusikko Trend").

Mineralization

The Porkonen Formation hosts the Kittila gold deposit, which contains multiple mineralized zones stretching over a strike length of more than 25 kilometres. Most of the work at the Kittila mine has been focused on the 4.5-kilometre stretch that hosts the known gold in mineral reserves and mineral resources. From north to south, the zones are Rimminvuoma ("Rimpi-S"), the deep extension of Rimminvuoma ("Rimpi Deep"), North Rouravaara ("Roura-N"), Central Rouravaara ("Roura-C"), depth extension of Rouravaara and Suurikuusikko ("Suuri/Roura Deep"), Suurikuusikko ("Suuri"), Etela and Ketola. The Suuri and Suuri/Roura Deep zones include several parallel sub-zones that have previously been referred to as Main East, Main Central and Main West. The Suuri zone hosts approximately 5% of the current proven and probable gold reserve estimate on a contained-gold basis, while Suuri Deep has approximately 21%, Roura-N and Roura-C approximately 2%, Roura Deep approximately 39%, Rimpi Deep approximately 27% and Rimpi-S approximately 6%.

Gold mineralization in these zones is associated with intense hydrothermal alteration (carbonate-albite-sulphide), and is almost exclusively refractory, locked inside fine-grained sulphide minerals: arsenopyrite (approximately 73%) or pyrite (approximately 23%). The remainder is free gold, which is manifested as extremely small grains of gold in pyrite.

Exploration and Drilling

Gold was initially discovered near the village of Kiistala in 1986. Diamond drilling is used for exploration on the Kittila property. In 2019, exploration within the mining licence area focused on the Roura and Rimpi areas, including the Sisar Zone. A total of 878 drill holes were completed in 2019 for a length of 114,234 metres. Of these drill holes, 775 holes (74,289 metres) were for delineation drilling, nine holes (546 metres) were for condemnation and technical studies, 31 holes (8,731 metres) were for conversion drilling and 63 holes (30,668 metres) were for mine exploration. Total expenditures for exploration and delineation related diamond drilling in 2019 were $12.5 million, including $0.9 million for conversion drilling and $6.3 million for exploration. In 2019, there was no drilling on the Kuotko mining licence area.

Outside of the Kittila and Kuotko mining licence areas, systematic diamond drilling and target-focused ground geophysical surveying continued along the Suurikuusikko Trend, and a number of targets were tested by diamond drilling in 2019. A total of 21 holes (4,539 metres) were drilled on exploration targets outside of the mining licence areas in 2019, at a cost of $2.5 million.

For 2020, the capitalized exploration budget for the Kittila mine is approximately $9.0 million for 46,000 metres of drilling designed to further explore the mine's mineral reserve and mineral resource potential and to evaluate the potential to develop the Sisar Zone as a new mining horizon at Kittila. Outside of the mining licence areas, $2.8 million of expensed exploration expenditures, including 12,000 metres of diamond drilling, is planned for exploration along the Suurikuusikko, Kapsa and Hanhimaa Trends.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable mineral reserves at the Kittila mine at the end of 2019 was 4.10 million ounces (28.9 million tonnes of ore grading 4.40 g/t gold), which represents a decrease of approximately 317,700 ounces of gold as compared to the end of 2018, after producing 186,101 ounces of gold (212,267 ounces in *situ gold* mined). This decrease was primarily due to a change in the parameters used for mineral reserve estimation. The mineral reserve gold grade decreased from 4.50 g/t gold at the end of 2018 to 4.40 g/t gold at the end of 2019.

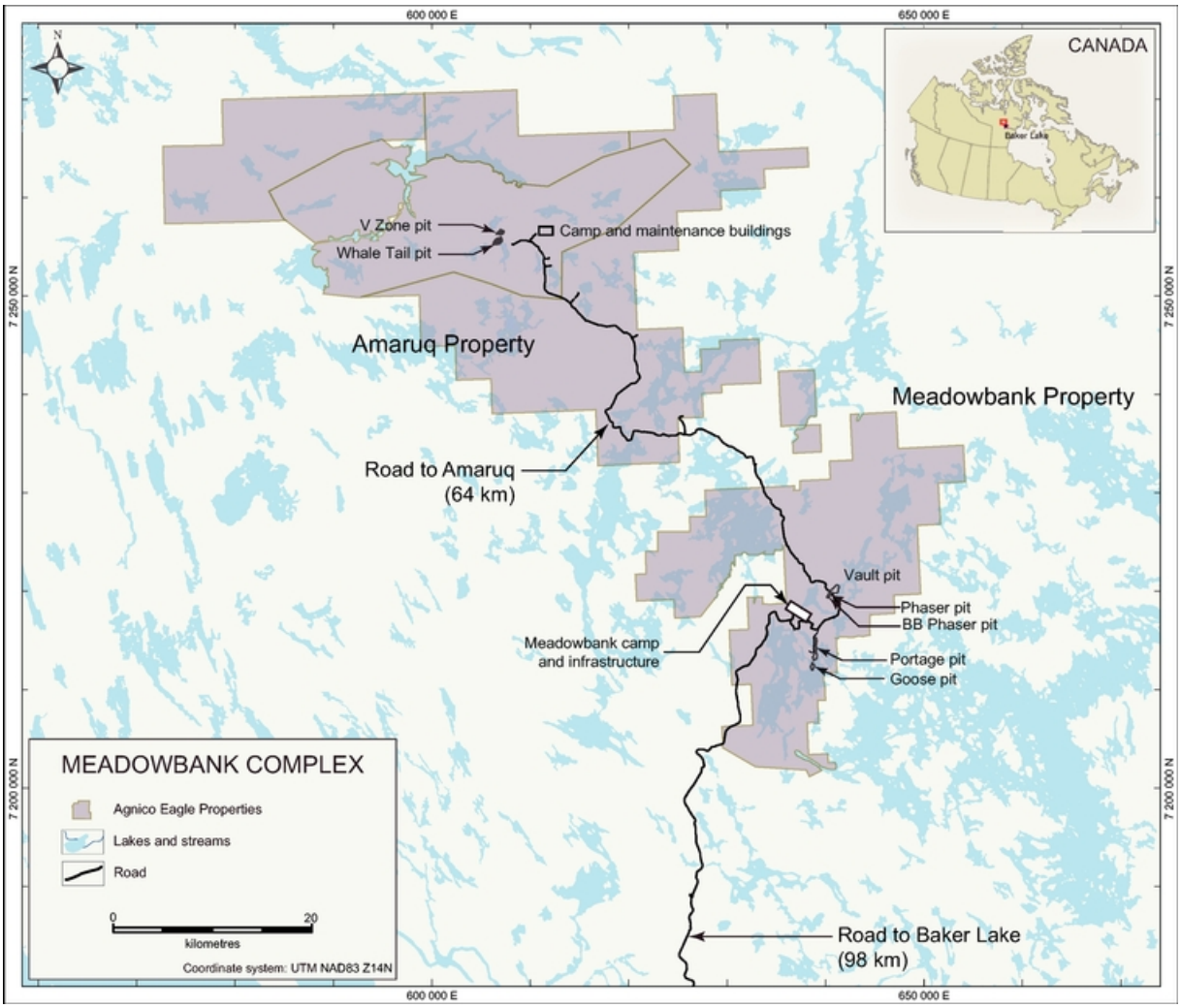
Measured and indicated mineral resources (mainly underground) decreased by 0.66 million tonnes to 18.1 million tonnes grading 2.60 g/t gold at December 31, 2019 due to a change in the parameters used for mineral resource estimation and underground indicated mineral resources converting to mineral reserves. Inferred mineral resources (mainly underground) increased by 5.6 million tonnes from 2018 to 13.8 million tonnes grading 3.90 g/t gold.

Meadowbank Complex (including the Meadowbank Mine and Amaruq Satellite Deposit)

The Meadowbank mine, which achieved commercial production in March 2010, is located in the Third Portage Lake area in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. In 2017, the Company approved the development of Amaruq satellite deposit at Meadowbank, which is located 50 kilometres northwest of the Meadowbank mine, and it achieved commercial production on September 30, 2019.

At December 31, 2019, the Meadowbank Complex, including the Amaruq satellite deposit at Meadowbank, was estimated to contain proven and probable mineral reserves of 3.32 million ounces of gold comprised of 26.1 million tonnes of ore grading an average of 3.96 grams of gold per tonne. The Company acquired its 100% interest in the Meadowbank mine in 2007 through its acquisition of Cumberland. The Amaruq property is also 100% owned by the Company as a result of agreements with Nunavut Tunngavik Inc. ("NTI") in 2013 and with the Kivalliq Inuit Association ("KIA") in 2017.

Location Map of the Meadowbank Complex, including the Amaruq satellite deposit (as at December 31, 2019)



The Meadowbank Complex is held under 24 Crown mining leases, four exploration agreements and one Crown mineral claim. The Crown mining leases, which cover the Portage, Goose and Goose South deposits at the Meadowbank site, are administered under federal legislation. The Crown mining leases, which have renewable 21-year terms, have no annual work commitments but are subject to annual rental fees that vary according to their renewal date. The production lease with the KIA is a surface lease and requires the payment of C$71,000 annually.

Production from subsurface lease areas is subject to a royalty of up to 14% of the adjusted net profits, as defined in the *Northwest Territories and Nunavut Mining Regulations*. To conduct exploration on the Inuit-owned lands at the Meadowbank Complex, the Company must receive approval for an annual work proposal from the KIA, the body that holds the surface rights in the Kivalliq District and administers land use in the region through various boards.

The four Meadowbank exploration agreements are granted by NTI, the corporation responsible for administering subsurface mineral rights on Inuit-owned lands in Nunavut. Production from the agreements is subject to a 12% net profits interest royalty from which annual deductions are limited to 85% of the gross revenue. The one Crown mineral claim is subject to land fees and work commitments.

To stake the original Amaruq property, the Company initiated negotiations with NTI and an agreement was signed in early 2013, at which time the Company obtained a 100% interest in the property. The resulting NTI exploration agreement is identified as Inuit-owned Land area BL43-001, that was subsequently expanded to cover 40,839 hectares, including the 285-hectare production lease. During the exploration phase, lands within exploration agreements can be held for up to 20 years (expiring in 2032) and the production lease for up to ten years (expiring in 2029). In 2015 and 2017, the Company added mineral rights to the project; the claims now cover 76,981 hectares. The additional claims are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by Aboriginal Affairs and Northern Development Canada, and are referred to as federal Crown land. As of December 2019, the property totals 117,820 hectares.

In December 2016, the Amaruq satellite deposit at Meadowbank received an amended Type B water licence authorizing the development and construction of a portal/ramp and associated infrastructure. A commercial lease with the KIA authorizes the construction and operation of the exploration camp and exploration activities in a defined area. An exploration permit with the KIA authorizes the exploration activities that are located outside the commercial lease area. In November 2017, the Company received a pre-development exemption from the Nunavut Impact Review Board ("NIRB") and, in February 2018, a Type B Licence to begin shipping material, expanding the road and preliminary site development at the Whale Tail pit. On March 2018, the NIRB Project Certificate was received for the Amaruq satellite deposit. In July 2018, the NWB Water Licence Type A was received and it allowed for construction and mining operation on Amaruq property.

The Meadowbank area has an arid arctic climate. Surface geological work can be carried out from mid-May to mid-October, while mining, milling and exploration drilling can take place throughout the year, though outdoor work can be limited in December and January by the cold and darkness.

The Meadowbank mine is accessible from Baker Lake, located 70 kilometres to the south, over a 110-kilometre all-weather road that was completed in March 2008. Baker Lake provides 2.5 months of summer shipping access via Hudson Bay and year-round airport facilities. The Meadowbank mine also has a 1,752-metre long gravel airstrip, permitting access by air. Fuel, equipment, bulk materials and supplies are shipped by barge and ship from Montreal, Quebec (or Hudson Bay port facilities) into Baker Lake during the summer port access period that starts at the end of July each year. Fuel and supplies are transported year-round to the site from Baker Lake by conventional tractor trailer units. Scheduled and chartered flights provide transportation for personnel and air cargo.

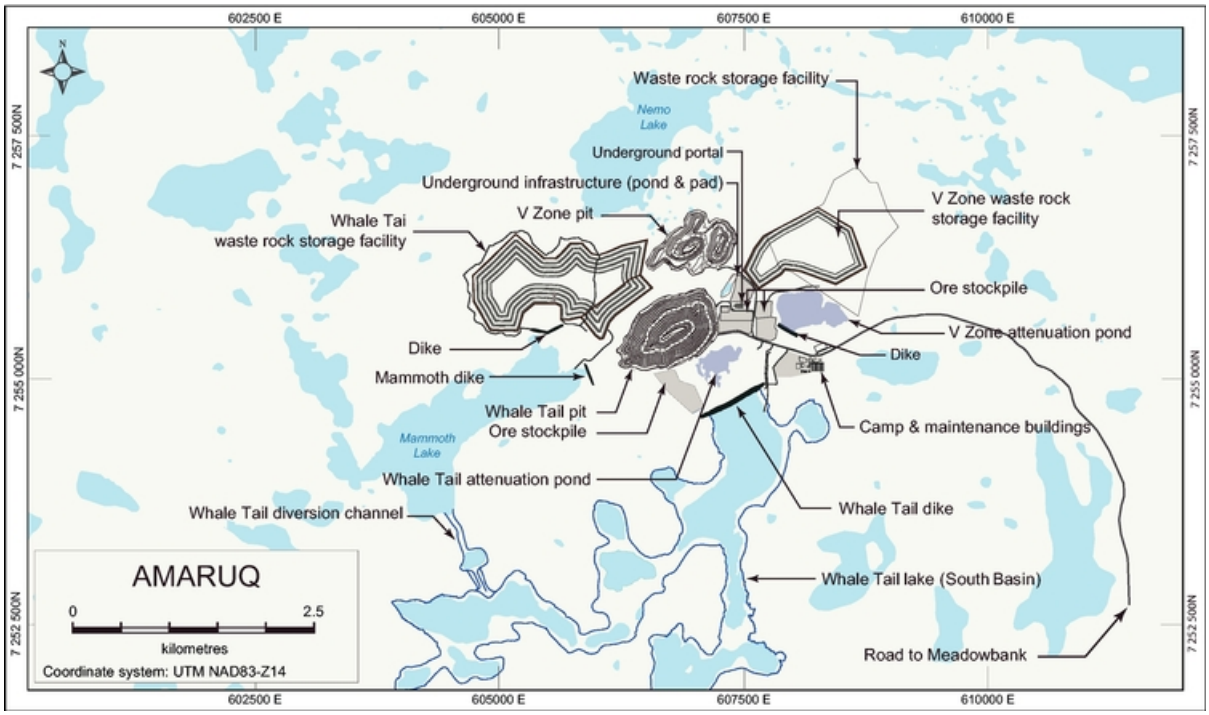
A 64-kilometre road from the Meadowbank site to the Amaruq satellite deposit was completed in August 2017 and it was widened for ore haulage in November 2018. Ore from the Amaruq satellite deposit is hauled to the Meadowbank mill using long haul off-road type trucks.

Mining and Milling Facilities

Surface Plan of the Meadowbank Mine (as at December 31, 2019)



Surface Plan of the Amaruq satellite deposit at Meadowbank (as at December 31, 2019)



All required aggregates used in the mining process at the Meadowbank site are produced from waste material taken from the Portage and Vault pits. The same principle is applied at the Amaruq satellite deposit at Meadowbank, with material sourced from quarries and the Whale Tail starter pit. In 2008, a dewatering dyke was constructed to access the north half of the Portage pit. The Bay-Goose dyke, a major dewatering dyke required to access the southern portion of the Portage and the Goose pits, was completed in 2011. Three tailings impoundment dykes: Saddle Dam 1, Saddle Dam 2 and Stormwater Dyke, were built in 2009 and 2010. The final elevation of Stormwater dyke was completed in 2014. Construction of the main tailings impoundment dyke, Central Dyke, began in 2012. Additional phases of construction on the Central Dyke are expected to continue throughout the mine life. Construction of the eight-kilometre long access road to the Vault pit was completed in 2013.

Dewatering dykes in the northern part of Whale Tail Lake and the eastern end of Mammoth Lake are required to mine the Whale Tail deposit at Amaruq. The construction of Whale Tail Dyke in 2018 and 2019 and Mammoth Dyke in 2019 allowed mining of the Whale Tail deposit by isolating the pit from the Whale Tail Lake and Mammoth Lake. NE Dyke was constructed in 2018 and 2019 to prevent water from the North-East watershed to reach Whale Tail Pit. WRSF Dyke was constructed in 2018 and 2019 to prevent contact water from the Whale Tail Waste Rock Storage Facility to reach Mammoth Lake.

Mining Methods

Mining began in the Portage pit in 2010 and in the Goose pit in March 2012, and commercial production at the Vault pit was achieved in April 2014. The area surrounding the Vault pit has two smaller areas that were more recently developed as pits: the Phaser and BB Phaser pits. Mining began in the Phaser pit in 2017 and the BB Phaser pit in 2018. Mining operations at the Goose pit ceased in 2015. Mining operations at the Portage (including Portage extension) and Vault pits ceased in October 2019. All ore at the Meadowbank Complex is now sourced from the Amaruq satellite deposit at Meadowbank.

Mining at the Amaruq satellite deposit at Meadowbank (from the Whale Tail pit) is by open pit methods using excavators and trucks. The ore is extracted conventionally using drilling and blasting, then hauled by a long haul off-road truck fleet to the mill at the Meadowbank facilities for processing. Commercial production was achieved on September 30, 2019 at the Whale Tail pit.

Surface Facilities

The Meadowbank mine site facilities include a mill building, a mechanical shop, a power plant building, an assay lab and a heavy vehicle maintenance shop. A structure comprised of two separate crushers flank the main processing complex. Power is supplied by a 26.4-megawatt diesel electric power generation plant with heat recovery and an onsite fuel storage and distribution system. The mill-service-power complex is connected to the accommodations complex by enclosed corridors.

The accommodations complex at the Meadowbank mine consists of a permanent camp and a temporary camp to accommodate additional workers. The camp is supported by a sewage treatment, solid waste disposal and a potable water plant.

Facilities constructed at Baker Lake include a barge landing site located three kilometres east of the community and a storage compound. A fuel storage and distribution complex with capacity for 60 million litres of diesel fuel and 2 million litres of jet fuel is located next to the barge landing facility.

In 2015, the exploration group was relocated to the Amaruq satellite deposit at Meadowbank to a separate camp with a 125-person capacity, which was later increased to hold up to 300 people. A surface service building was added for underground exploration equipment maintenance and new generators were added to power the service building and future camp wings, sewage treatment plant and water treatment plant structures. The camp is supported by sewage treatment, solid waste disposal and a potable water plant.

The process design at the Meadowbank mill consists of two-stage crushing, grinding, gravity concentration, cyanide leaching and gold recovery in a CIP circuit. The mill was designed to operate year-round, with an annual design capacity of 3.1 million tonnes (8,500 tonnes per day). The addition of a secondary crusher in 2011 increased the overall capacity in the mill to 3.6 million tonnes processed per year (9,840 tonnes per day). Since the installation of the secondary crusher, the plant has consistently exceeded 8,500 tonnes per day. Significant metallurgical testing has been conducted on samples from the Amaruq satellite deposit since 2014 to confirm its amenability to processing at the Meadowbank mill.

The ore from the Amaruq satellite deposit at Meadowbank is transported to the Meadowbank facilities with a long haul off-road truck fleet. The ore is dumped into the gyratory crusher or into stockpiles designated by ore-type. The feed from the primary crusher is conveyed to the cone crusher in a closed circuit with a vibrating screen. The crushed ore is delivered to the coarse ore stockpile and ore from the stockpile is conveyed to the mill. The grinding circuit is comprised of a primary SAG mill operated in open circuit and a secondary ball mill operated in closed circuit with cyclones. A portion of the cyclone underflow stream is sent to the concentrator, which separates the heavy minerals from the ore. The grinding circuit incorporates a gravity process to recover free gold and the free gold concentrate is leached in an intensive cyanide leach-direct electrowinning recovery process.

The cyclone overflow is sent to the grinding thickener. The clarified overflow is recycled to the grinding circuit and thickened underflow is pumped to a pre-aeration and leach circuit. The cyanide circuit consists of seven tanks, providing approximately 42 hours of retention time. The leached slurry flows to a train of six CIP tanks. Gold in the solution flowing from the leaching circuit is adsorbed into the activated carbon. Gold is recovered from the carbon in a Zadra elution circuit and is recovered from the solution using an electrowinning recovery process. The gold sludge is then poured into dore bars using an electric induction furnace.

The CIP tailings are treated for the destruction of cyanide using the standard sulphur-dioxide-air process. The detoxified tailings are then pumped to the permanent tailings facility. The tailings storage is designed for zero discharge, with all process water being reclaimed for re-use in the mill to minimize water requirements.

Production and Mineral Recoveries

During 2019, the Meadowbank Complex had payable production of 193,489 ounces of gold from 2.4 million tonnes of ore grading 2.35 grams of gold per tonne including pre-commercial production of 35,281 ounces of gold. The production costs per ounce of gold produced at the Meadowbank Complex in 2019 were $1,143. The total cash costs per ounce of gold produced at the Meadowbank Complex in 2019 were $1,152 on a by-product basis and were $1,161 on a co-product basis. The Meadowbank processing facility averaged 7,731 tonnes per day and operated approximately 88% of available time. Gold recovery averaged 93.1%. The production costs per tonne at Meadowbank were C$101 and the minesite costs per tonne were C$103 in 2019. The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 35,281 ounces of payable

gold production which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

The following table sets out the metal recoveries at the Meadowbank mine in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.35 g/t	93.1%	193,489 oz

Environmental, Permitting (including Inuit Impact and Benefit Agreement) and Social Matters

The development of the Meadowbank mine was subject to an extensive environmental review process under the Nunavut Land Claims Agreement ("NLCA") administered by the NIRB. On December 30, 2006, a predecessor to the Company received the Project Certificate from the NIRB, which included terms and conditions to ensure the environmental integrity of the development process. In July 2008, the Company received a water licence from the Nunavut Water Board ("NWB") for construction and operation of the mine subject to additional terms and conditions. Both authorizations were approved by the Minister of Aboriginal Affairs and Northern Development Canada. This water licence was renewed in 2015 for a period of ten years.

In February 2007, a predecessor to the Company and the Nunavut government signed a Development Partnership Agreement ("DPA") with respect to the Meadowbank mine. The DPA provides a framework for stakeholders, including the federal and municipal governments and the KIA, to maximize the long-term socio-economic benefits of the Meadowbank mine to Nunavut.

An Inuit Impact and Benefit Agreement for the Meadowbank mine (the "Meadowbank IIBA") was signed with the KIA in March 2006, and amended on October 18, 2011. The Meadowbank IIBA ensures that local employment, training and business opportunities arising from all phases of the project are accessible to the Kivalliq Inuit. The Meadowbank IIBA also outlines the special considerations and compensation that must be provided to the Inuit regarding traditional, social and cultural matters.

In July 2008, the Company signed a production lease for the construction and the operation of the mine, the mill and all related activities, which was amended on May 2, 2013 to expand the surface area granted under the lease. In April 2008, the Company and the KIA signed a water compensation agreement for the Meadowbank mine addressing Inuit rights under the NLCA respecting compensation for water use and water impacts associated with the mine.

Permitting for the operation of the Amaruq satellite deposit at Meadowbank was completed in the third quarter of 2018, and an Inuit Impact and Benefit Agreement and a water compensation agreement were signed with the KIA for the project. Dyke construction was initiated in 2018 to isolate the Whale Tail pit area from the lake; dewatering of the pit area began in the second quarter of 2019. The haulage road between Meadowbank and Amaruq was also widened to allow for ore transportation. The Company received a warning letter from Environment and Climate Change Canada in November 2019 as a result of an exceedance of the *Metal and Diamond Mine Effluent Regulations* discharge criteria. The warning letter has been addressed and remedied in accordance with the guidance received from Environment and Climate Change Canada.

At the Meadowbank Complex, a series of four dykes were built to isolate the mining activities at the Portage and Goose deposits from neighbouring lakes. An additional dyke was built in 2013 to isolate the mining activities at the Vault deposit. Waste rock from the Portage, Goose and Vault pits is primarily stored in the Portage and Vault rock storage facilities, and a portion of the waste is placed in the Portage pit. The control strategy for waste rock storage includes freeze control of the waste rock through permafrost encapsulation and capping with an insulating convective layer of neutralizing rock (ultramafic and non-acid generating volcanic rocks). The Vault rock storage facility does not require an insulating convective layer due to the non-acid generating nature of the rock in that area. Waste rock deposited in the Portage pit will be covered with water during the closure phase of the pit, which will prevent any acid generation. Because the site is underlain by greater than 400 metres of permafrost, the waste rock below the capping layer is expected to freeze, resulting in low (if any) rates of acid rock drainage generation in the long term.

Tailings from the Portage, Goose Bay and Vault pit ore were stored in the dewatered portion of the Second Portage Lake. The tailings are deposited on tailings beaches within a two-cell tailings storage facility isolated by the central dyke and a series of five saddle dams. A reclaim pond was located within the tailings storage facility. Deposition of tailings began in the south cell in the fourth quarter of 2014. Tailings deposition was completed in the north cell in 2015 and reclamation capping has commenced. The control strategy to minimize water infiltration into the tailings storage facility and the migration of constituents out of the facility includes freeze control of the tailings through permafrost encapsulation and through comprehensive, engineered dyke liners. A minimum two-metre thick dry cover of acid neutralizing ultramafic rock backfill will be placed over the tailings as an insulating convective layer to confine the permafrost active layer within relatively inert tailings materials. Permitting for in-pit disposal of the Meadowbank mill tailings in the depleted Meadowbank pits was received and in-pit tailings deposition began in July 2019.

The water management objective for the Meadowbank mine site is to minimize the potential impact on the quality of surface water and groundwater resources at the site. All contact water originating from the mine site or mill is intercepted, collected and conveyed to the tailings storage facility for reuse in process. There is no discharge of contact water from the mine site or the Portage pit area to offsite receiving water bodies. All contact water generated at the Vault pit area, including the Vault Waste Rock Storage Facility, is conveyed to the Vault Attenuation Pond and discharged to nearby Wally Lake. There is treatment for removal of solids (if needed) prior to release to Wally Lake.

In January 2012, the Company identified naturally occurring asbestos fibres in dust samples taken from the secondary crusher building at the Meadowbank mine and subsequently found small concentrations of fibres in the ore coming from certain areas of the open pit mines. The Company has instituted additional monitoring and an asbestos management program at the site.

An interim closure and reclamation plan was submitted in 2014 as a requirement of part of the NWB Type A water licence and financial assurance was provided and updated in July 2015 as part of the water licence renewal process. In August 2018, an updated interim closure and reclamation plan was submitted as a requirement of the NWB Type A water licence. In 2013, the Company applied to the NWB for an increase in freshwater consumption and received the amendment to the Type A water licence on July 23, 2014. On May 2018, the Type A water licence was amended a second time to reflect the necessary changes to process the additional ore originating from Whale Tail Pit.

Capital Expenditures

In 2019, the Company incurred approximately $232.1 million in capital expenditures at the Meadowbank Complex, including $174.9 million in capital expenditures incurred in relation to the construction of the Whale Tail pit at the Amaruq satellite deposit prior to declaring commercial production on September 30, 2019 and $38.4 million incurred in connection with the Amaruq underground project.

In 2020, a total of $122.8 million in capital expenditures has been budgeted to be spent at the Meadowbank Complex, which includes $29.0 million in capital expenditures expected to be incurred in connection with the Amaruq underground project.

Geology, Mineralization, Exploration and Drilling

Geology

The Meadowbank property comprises a number of Archean-age gold deposits hosted within polydeformed volcanic and sedimentary rocks of the Woodburn Lake Group, part of the Western Churchill supergroup in northern Canada.

Three mineable gold deposits, Goose, Portage and Vault (all now mined out), have been discovered along the 25-kilometre long Meadowbank gold trend, and the PDF deposit (a fourth deposit) has been outlined on the northeast gold trend. These known gold resources were within 225 metres of the surface, making the deposits amenable to open pit mining. In addition, two mineable deposits have been discovered at the Amaruq satellite deposit, the Whale Tail and V Zone, which come together at depth northeast of Whale Tail Lake. Both extend from surface, making them amenable to open pit mining. An exploration ramp is being driven between the two deposits to determine their amenability to future underground mining.

Mineralization

The Amaruq satellite deposit at Meadowbank is located 50 kilometres northwest of the Meadowbank mine. The Whale Tail deposit is a folded deposit with a defined strike of 2.3 kilometres from surface to a depth of 915 metres locally. The V Zone is a series of parallel stacked quartz vein structures dipping shallowly (30 degrees) near surface and more steeply (60 degrees) at depth, extending to 635 metres locally. Both deposits are open along strike and at depth. Three contrasting styles of mineralization coexist on the Amaruq property. In all three styles, gold is found associated with pyrrhotite and/or arsenopyrite as 25 to 50 micron inclusions or grains along fractures, or simply as free grains in a quartz rich gangue.

The first mineralization style corresponds to occurrences of pyrrhotite-quartz-amphibole-carbonate as layers, lenses and/or disseminations, mostly restricted to the silicate-sulphide iron formations of Whale Tail's north domain. The second mineralization style comprises silica flooding with significant pyrrhotite, arsenopyrite, and local pyrite stockwork and disseminations, within a gangue of amphibole-carbonate. The third mineralization style is between decimetres and several metres thick, quartz-sulphide-native gold veins cutting through the whole Mammoth-Whale Tail-V Zone rock sequence. These veins are best developed in the mafic and ultramafic volcanics, where they are hosted in biotite-altered and moderately-to-strongly schistose zones. The overall sulphide content of these veins is generally low (1-5% maximum) and most commonly comprises arsenopyrite, galena, sphalerite, and/or chalcopyrite. These veins seem more abundant and best developed in the hinge zone of the regional fold and seem to be restricted to shallow southeast-dipping, high-strain corridors therein.

Exploration and Drilling

Exploration efforts on the Meadowbank property have been extensive since 1985, including geophysical surveying, prospecting, till sampling and drilling, mainly by diamond drill but also reverse circulation. From 1985 until Agnico Eagle acquired the property in 2007, 126,796 metres were drilled in 916 drill holes on the Meadowbank property.

In 2019, drilling conducted at Amaruq totaled 228 holes (60,935 metres), including 65 holes (27,221 metres) at the Whale Tail deposit for conversion, extension and deep exploration drilling as well as 51 holes (19,331 metres) into the V Zone for conversion, extension and exploration. Exploration drilling along the Mammoth trends included 11 holes (2,109 metres). In addition, delineation drilling was conducted on the Whale Tail deposit with 76 holes drilled (7,244 metres). Also completed were 13 geotechnical drill holes (1,500 metres, including two holes from conversion) and six exploration holes (1,228 metres) in the northern part of the property. In addition, 30 diamond drill holes (4,023 metres) were completed in 2019 to explore various other areas of the Meadowbank property.

In 2020 at the Amaruq satellite deposit, the Company expects to spend $2.9 million for 8,400 metres of exploration drilling to test regional targets with a focus on deposits with open-pit potential. Drilling will also test the vertical extensions of near-surface mineral occurrences at Mammoth Lake. In addition, $2.0 million is budgeted for 5,500 metres of exploration drilling on other properties around the Amaruq satellite deposit to test near surface open-pit targets located close to existing road infrastructure between the Amaruq satellite deposit and Baker Lake.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven mineral reserves at the Portage and Vault deposits at the end of 2019 was 2,643 ounces (36,776 tonnes of ore grading 2.24 g/t gold), which represents a decrease of approximately 94,900 ounces of gold as compared to the end of 2018, after producing 41,537 ounces of gold. This decrease was primarily due to mining activities in 2019. Open pit indicated mineral resources decreased by 0.6 million tonnes to 1.14 million tonnes grading 2.46 g/t gold at December 31, 2019. Open pit inferred mineral resources decreased by 59,769 tonnes to 3,723 tonnes grading 2.06 g/t gold at December 31, 2019.

The combined amount of gold in proven and probable mineral reserves at the Amaruq satellite deposit at Meadowbank at the end of 2019 was 3.32 million ounces (26.1 million tonnes of ore grading 3.96 g/t gold), which represents an increase of approximately 436,600 ounces of gold as compared to the end of 2018, after producing 118,895 ounces of gold. This increase was primarily due to the conversion of underground mineral resources to probable mineral reserves. Open pit and underground measured and indicated mineral resources increased by 0.93 million tonnes to 9.8 million tonnes grading 3.40 g/t gold at December 31, 2019 due to pit shell adjustments and the conversion of inferred mineral resources to indicated mineral resources at the V Zone deposit. Open pit inferred mineral resources decreased by 0.33 million tonnes to 0.57 million tonnes grading 4.78 g/t gold at December 31, 2019 due to the conversion of inferred mineral resources to indicated mineral resources at the V Zone deposit.

Meliadine Mine

The Meliadine mine is located near the western shore of Hudson Bay in the Kivalliq region of Nunavut, approximately 25 kilometres north of the hamlet of Rankin Inlet and 290 kilometres southeast of the Meadowbank mine. The closest major city is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. In February 2017, the Board approved the construction of the Meliadine mine. Commercial production at Meliadine was achieved in May 2019.

The Company acquired its 100% interest in the Meliadine project through its acquisition of Comaplex in July 2010.

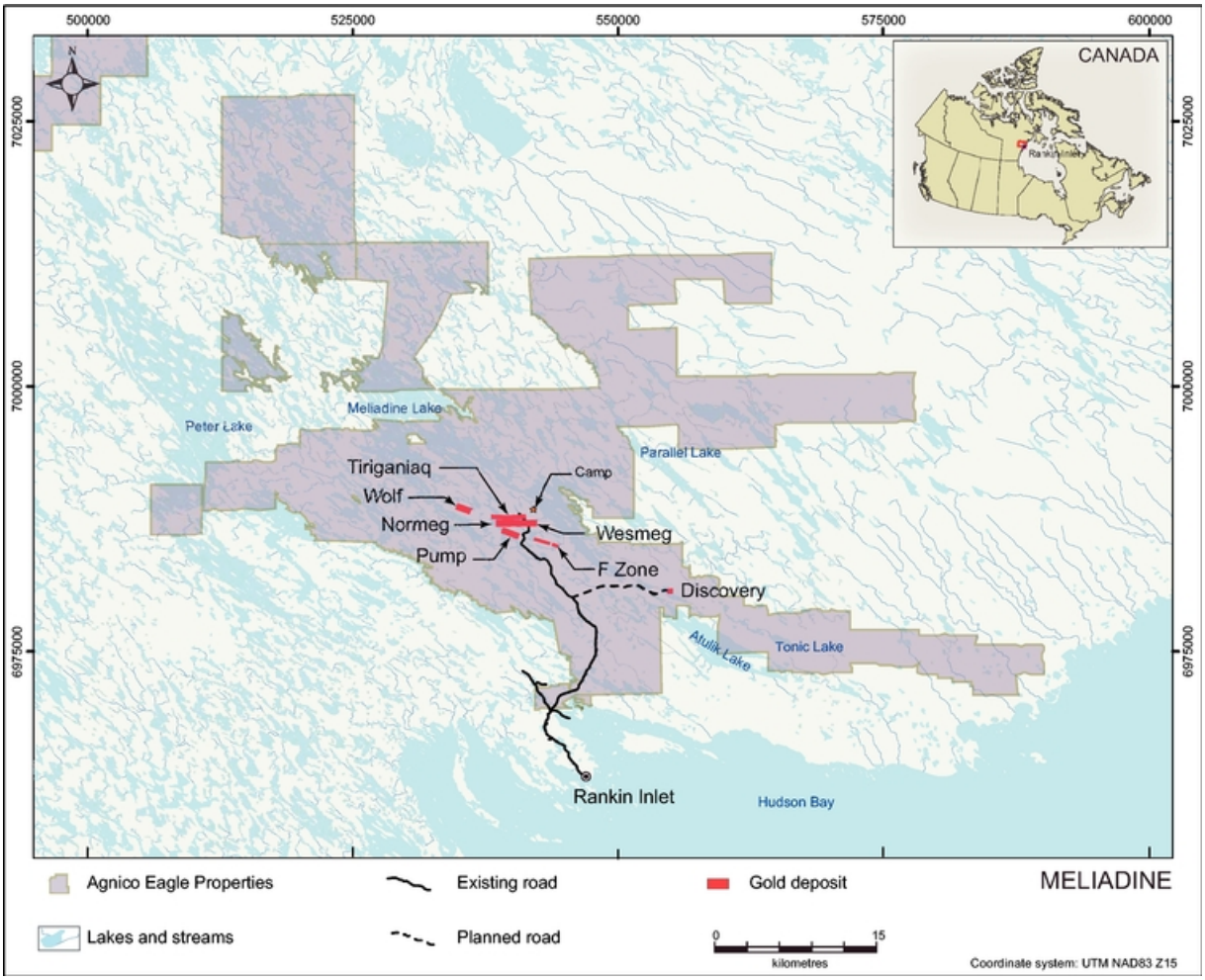
The mineral reserves and mineral resources of the Meliadine mine are estimated at December 31, 2019 to contain proven and probable mineral reserves of 4.1 million ounces of gold comprised of 20.7 million tonnes of ore grading 6.10 grams of gold per tonne.

The Meliadine property is a large land package that is nearly 80 kilometres long. It consists of mineral rights, a portion of which are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by the Department of Crown-Indigenous Relations and Northern Affairs Canada and referred to as Crown Land. Crown Land is made up of mining claims and mineral leases. There are also subsurface NTI concessions administered by a division of the Nunavut territorial government. In 2019, approximately C$155,639 was paid to the Department of Crown-Indigenous Relations and Northern Affairs Canada for the mining lease. NTI requires aggregate annual rental fees of approximately C$114,000 and aggregate exploration expenditures of approximately C$1,008,000.

The Kivalliq region has an arid arctic climate. Surface geological work can be carried out from mid-May to mid-October, while mining, milling and exploration drilling can take place throughout the year, though outdoor work can be limited in December and January by the cold and darkness.

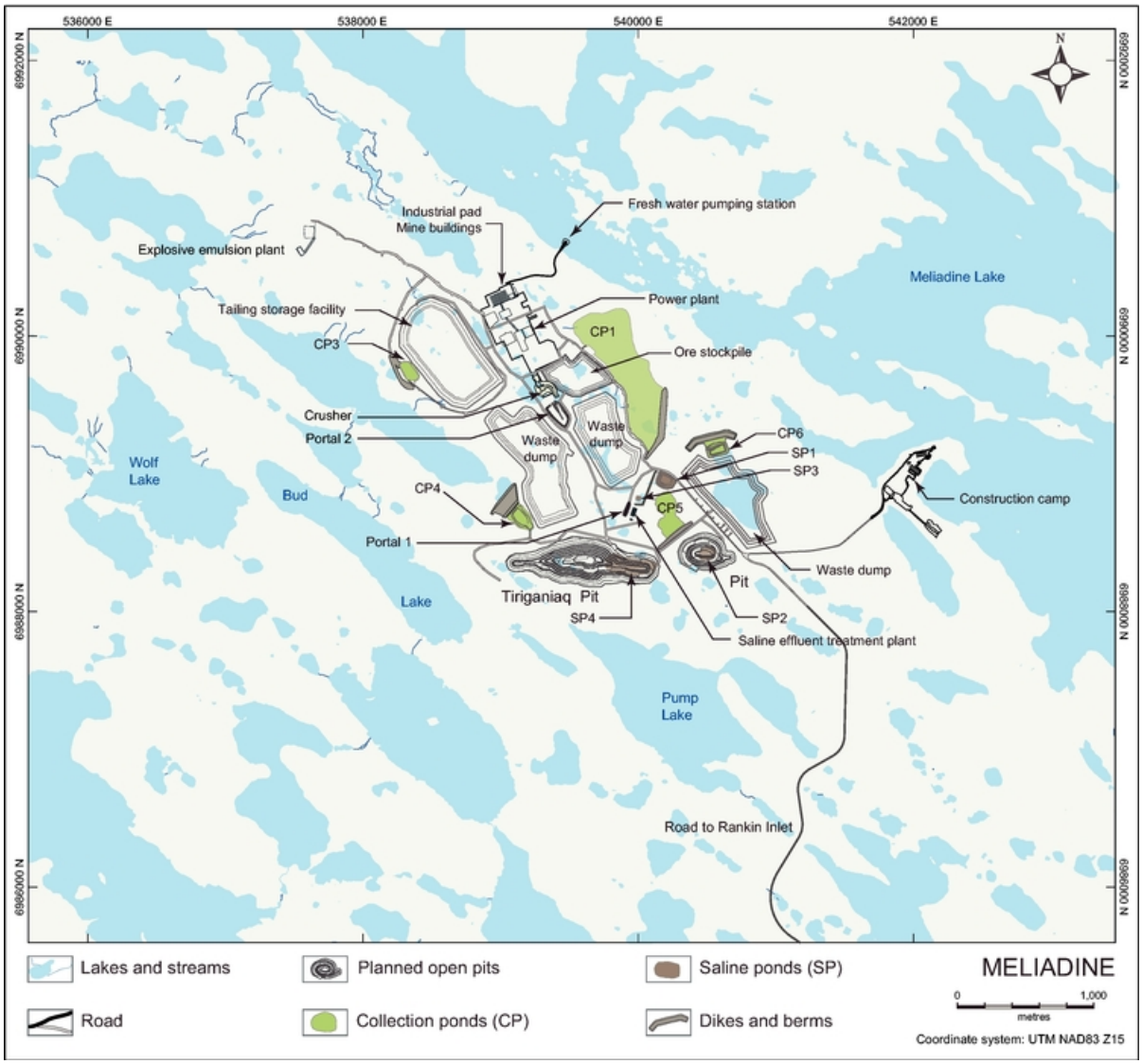
Equipment, fuel and dry goods are transported on the annual sealift by barge to Rankin Inlet via Hudson Bay. Ocean-going barges from Churchill, Manitoba or eastern Canadian ports can access the community from late June to early October. Churchill, which is approximately 470 kilometres south of Rankin Inlet, has a deep-water port facility and a year-round rail link to locations to the south. In October 2013, the Company completed construction of a 24-kilometre-long all-weather gravel road from Rankin Inlet to the project site.

Location Map of the Meliadine mine (as at December 31, 2019)



Facilities

Surface Plan of the Meliadine mine (as at December 31, 2019)



The surface infrastructure at Meliadine is shown on the surface plan map above and consists of modular structures for the dormitory, kitchen and electrical rooms/mechanical modules. The administration office, maintenance shop and warehouse are combined in a pre-engineered building. The process plant, assay laboratory, as well as the power plant, are standard buildings. The site map also shows the mine portals, ventilation raises, open pits, waste dumps, ore pads, water management structures, attenuation pond and dry stack tailings.

In 2019, the Company completed phase 1 construction of the Meliadine mine. This included completion of Collection Pond No. 3 to enable the operation of the TSF and Collection Pond No. 4, in turn, to enable the operation of the Waste Rock Storage Facility No. 1, the Saline Effluent Treatment Plant to enable discharge to sea of saline water during the summer months, Saline Pond No. 2 to provide additional saline water storage capacity at the mine site, and the relocation of two dorm wings from the Exploration Camp to the Main Camp. In 2020, the Company expects to complete the construction of Saline Pond No. 4 and Collection Pond No. 6 as well as other updates to the camp.

Mining Methods

Mining at Meliadine will be carried out through 12 open pits and two underground mining operations. Underground access is by decline, with long-hole mining methods. Each stope is backfilled, with cemented pastefill used in primary stopes and dry rockfill for the secondary stopes. A conventional truck/shovel operation is anticipated for the open pits.

Mining in 2019 occurred principally underground at Tiriganiaq. Approximately 1.5 million tonnes of waste and ore material was blasted underground, approximately 1.5 million tonnes of material (ore and waste) was hauled to surface and approximately 1.1 million tonnes of ore grading 6.62 g/t gold was hauled to surface.

Surface Facilities

Facilities at the Meliadine mine include the main camp and the exploration camp. The main camp is located approximately 1.8 kilometers north of the Tiriganiaq deposit and began operation in 2017. It consists of 12 wings of modular trailers that can accommodate approximately 550 personnel. It includes a complete kitchen facility and recreational facilities. Power for the main camp is provided by diesel generators that can be transformed to use natural gas and are equipped with a heat recovery system that provides heating for all major infrastructure connected to the power plant. Boiler units were also installed and can serve as a backup heating source. Potable water for the main camp is pumped from the Meliadine Lake and treated by a UV system. The exploration camp is located on the shore of Meliadine Lake, approximately 2.3 kilometres east of the Tiriganiaq deposit. The exploration camp consists of three wings of modular trailers that can accommodate up to 139 personnel and includes a complete kitchen facility. Power for the exploration camp is provided by the power generation plant located at the main camp, with diesel generator backups. Potable water for the exploration camp is pumped from Meliadine Lake and is treated by a UV system.

Most flammable waste on site is burned in an incinerator. All hazardous solid and liquid wastes are collected and then transported to a waste management company in southern Canada. Incinerator ashes, plastic and wood are deposited in a landfill while metal objects are recycled or landfilled.

Due to underground activities encountering saline water underneath the permafrost limit, a saline water treatment plant was constructed in 2018 to treat underground saline water. In 2019, the Company completed construction of the necessary infrastructure to discharge saline water into the sea via truck.

An underground portal allowing access to an exploration ramp was built at the Tiriganiaq deposit in 2007 and 2008 to extract a bulk sample for study purposes. This ramp now provides access for services, underground activities and personnel transportation. The construction of a second portal was completed in 2018. The main purpose of this second portal is for production activities, including bringing ore to the crusher feeding the mill.

During development, more than 39 metallurgical test programs were conducted at Meliadine. Based on the results of these tests, a conventional gold circuit was built, comprising crushing, grinding, gravity separation and cyanide leaching, with a CIL circuit, followed by cyanide destruction and filtration of the tailings for dry stacking. The mill was completed and ready to operate early in 2019 and has a name-plate capacity of 3,750 tonnes per day.

In addition to the mill, surface facilities include a tailings storage building, paste plant, a multi-service building that contains administration offices, a maintenance shop and a warehouse, as well as a building that houses the assay laboratory, core shack and emergency response facilities.

Production and Mineral Recoveries

During 2019, the Meliadine mine had payable production of 238,394 ounces of gold (including pre-commercial production of 47,281 ounces of gold) from 1.0 million tonnes of ore grading 7.60 grams of gold per tonne. The production costs per ounce of gold produced at Meliadine in 2019 were $748. The total cash costs per ounce of gold produced at Meliadine in 2019 were $748 on a by-product basis and were $750 on a co-product basis and the processing facility averaged 3,346 tonnes of ore per day and operated 84.9% of available time. During 2019, gold recovery averaged 94.58%. The production costs per tonne at Meliadine were C$244 and the minesite costs per tonne were C$246 in 2019. The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 47,281 ounces of payable gold production which were produced prior to the achievement of commercial production on May 14, 2019.

The following table sets out the metal recoveries at the Meliadine mine in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	7.60 g/t	94.58%	238,394 oz

Environmental, Permitting (including Inuit Impact and Benefit Agreement) and Social Matters

Land and environmental management in the region of the Meliadine project is governed by the provisions of the NLCA. The Meliadine project is located on Inuit-owned land, where Inuit own both the sub-surface mineral rights (managed by NTI) and the surface land rights (managed by the KIA on behalf of Inuit beneficiaries under the provisions of the NLCA). Consequently, to explore and develop the project, the Company must obtain land use leases from the KIA. The Company has been granted a commercial lease by the KIA for exploration and underground development activity, a prospecting and land use lease for exploration and development activities, an exploration land use lease for exploration and drilling on the Inuit-owned lands of Meliadine East and a parcel drilling permit for drilling activity on Inuit-owned lands. A number of right-of-way leases covering road access to the Meliadine project property and esker quarrying on the Inuit-owned lands were also granted by the KIA.

Pursuant to the NLCA and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* requirements, the Company obtained several water use licences from the NWB, covering ongoing water use for the Meliadine project exploration camp, the underground bulk sampling program and for ongoing exploration drilling activities.

The Company received a project certificate, which set out the terms and conditions for the construction of the Meliadine mine, from the NIRB on February 26, 2015. An application for a Type A water licence from the NWB was submitted in 2015 and the licence was received in April 2016. A commercial production land use lease from the KIA was signed on June 30, 2017.

An Inuit Impact and Benefit Agreement for the Meliadine project (the "Meliadine IIBA") was signed with the KIA in July 2015 and amended in March 2017. The Meliadine IIBA addresses inclusion of Inuit values, culture and language at the mine site, protection of the land, water and wildlife, provides financial compensation to Inuit over the mine life and contains provision for training and employment of Inuit employees and contracting with Inuit firms. In order for the Company to maintain a social licence to develop and operate the Meliadine mine, the commitments included in the Meliadine IIBA are implemented and closely monitored by the Company. Moreover, the implementation of the Meliadine IIBA is managed by working groups with representatives from the Company and the KIA, and reviewed by an Implementation Committee represented by each party's senior representatives. These groups meet regularly to monitor implementation processes and issues.

A saline water treatment plant was constructed and commissioned in 2018 to treat underground dewatering water. A revised water certificate as well as federal authorizations to discharge clean but saline water into Hudson Bay were received in early 2019. Discharge via truck commenced in July 2019. In 2020, efforts are continuing, to evaluate the short and long-term strategies to enhance the existing water management plan at Meliadine. The current Project Certificate and Water License allow the mine to collect natural saline groundwater, as well as contact surface runoff water, in separate surface storage ponds. Both water sources are treated and monitored per the Project Certificate and Water License requirements prior to discharging to Lake Meliadine for surface contact water and to the marine environment (Hudson Bay) for the natural saline groundwater.

A warning letter was received from Environment and Climate Change Canada in December 2019 regarding exceedances of the *Metal and Diamond Mine Effluent Regulations* criteria for the discharge at sea. The warning letter has been addressed and remedied in accordance with the guidance received from Environment and Climate Change Canada.

Capital Expenditures

Total capital expenditures at the Meliadine mine in 2019 totaled approximately $122.5 million, which included underground development, sustaining capital costs, capitalized exploration as well as costs associated with the remaining construction activities prior to declaring commercial production on May 14, 2019.

Capital expenditures of $109.2 million have been budgeted for the Meliadine mine in 2020, focused on underground development, open pit stripping, mobile equipment, conversion drilling, water management, and mine site exploration.

Development

In 2019, 10,612 metres of horizontal development and 220 metres of vertical development were completed at the Meliadine mine. For 2020, the Company expects to complete approximately 12,638 metres of horizontal development and 289 metres of vertical development.

Geology, Mineralization, Exploration and Drilling

Geology and Mineralization

Archean volcanic and sedimentary rocks of the Rankin Inlet Greenstone Belt underlie the property, which is mainly covered by glacial overburden with deep-seated permafrost, and the belt is part of the Western Churchill supergroup in northern Canada. The rock layers have been folded, thrusted, sheared and metamorphosed, and have been truncated by the Pyke Fault, a regional structure that extends the entire 80-kilometre length of the property.

The Pyke Fault appears to control gold mineralization on the Meliadine property. At the southern edge of the fault is a series of oxide iron formations that host the seven Meliadine property deposits currently known. The deposits consist of multiple lodes of mesothermal quartz-vein stockworks, laminated veins and sulphidized iron formation mineralization with strike lengths of up to three kilometres. The Upper Oxide iron formation hosts the Tiriganiaq and Wolf North zones. The two Lower Lean iron formations contain the F Zone, Pump, Wolf Main and Wesmeg deposits. The Normeg zone was discovered in 2011 on the eastern end of the Wesmeg zone, near Tiriganiaq. The Wolf (North and Main), F Zone, Pump and Wesmeg/Normeg deposits are all within five kilometres of Tiriganiaq. The Discovery deposit is 17 kilometres east southeast of Tiriganiaq and is hosted by the Upper Oxide iron formation. Each of these deposits has mineralization within 120 metres of surface, making them potentially mineable by open pit methods. They also have deeper ore that could potentially be mined with underground methods, and are currently being considered in various studies.

Two bulk samples have been extracted from the exploration ramp. The results confirmed the resource estimation model that has been developed for the two principal zones (Zones 1000 and 1100) at Tiriganiaq and indicated approximately 6% more gold than had been predicted by the block model for these areas. The 2011 bulk sample program also confirmed the previous assessment of the Company's block model in terms of grade continuity, consistency and distribution, and the evaluation of related mining properties through geological mapping, underground chip, channel and muck sampling, and geotechnical observations.

Exploration and Drilling

Gold mineralization was first noted on the Meliadine property in 1972, but extensive exploration did not begin until 1987 when Asamera Minerals and Comaplex began exploration work on the property. The first mineral resources estimate at Meliadine was made by Strathcona Mineral Services in 2005 for then-owner Comaplex, and it comprised indicated mineral resources of 2.5 million tonnes grading 10.8 g/t gold (containing 853,000 ounces of gold) and inferred mineral resources of 1.1 million tonnes grading 13.2 g/t gold (containing 486,000 ounces of gold), with all resources in the Tiriganiaq deposit. Following this, there were annual estimates that gradually included new deposits such as Discovery, F Zone, Pump and Wolf. The final mineral resources estimate made before the Company acquired the property was made by Snowden Mining Industry Consultants for Comaplex in January 2010 and it comprised measured and indicated mineral resources of 12.9 million tonnes grading 7.9 g/t gold (containing 3.3 million ounces of gold) and inferred mineral resources of 8.4 million tonnes grading 6.4 g/t gold (containing 1.7 million ounces of gold).

In 2019, the Company spent C$4.0 million on a conversion drilling program (16,318 metres) at the Tiriganiaq and Wesmeg deposits. The Company also spent C$7.7 million on delineation drilling (18,801 metres) at the Tiriganiaq, Normeg, Wesmeg, Pump and F-zone open pits as well as 25,491 metres underground at the Tiriganiaq deposit. In addition, the Company spent C$2.5 million on exploration drilling (10,167 metres) mostly at Tiriganiaq, with limited holes targeting extensions of Normeg and Wesmeg.

In 2020, the Company plans to spend $1.7 million on expensed exploration (4,900 metres) to follow up on several new mineralized areas beneath the known mineral reserves and mineral resources, as well as $6.9 million on capitalized exploration on various deposits at the mine.

Mineral Reserves and Mineral Resources

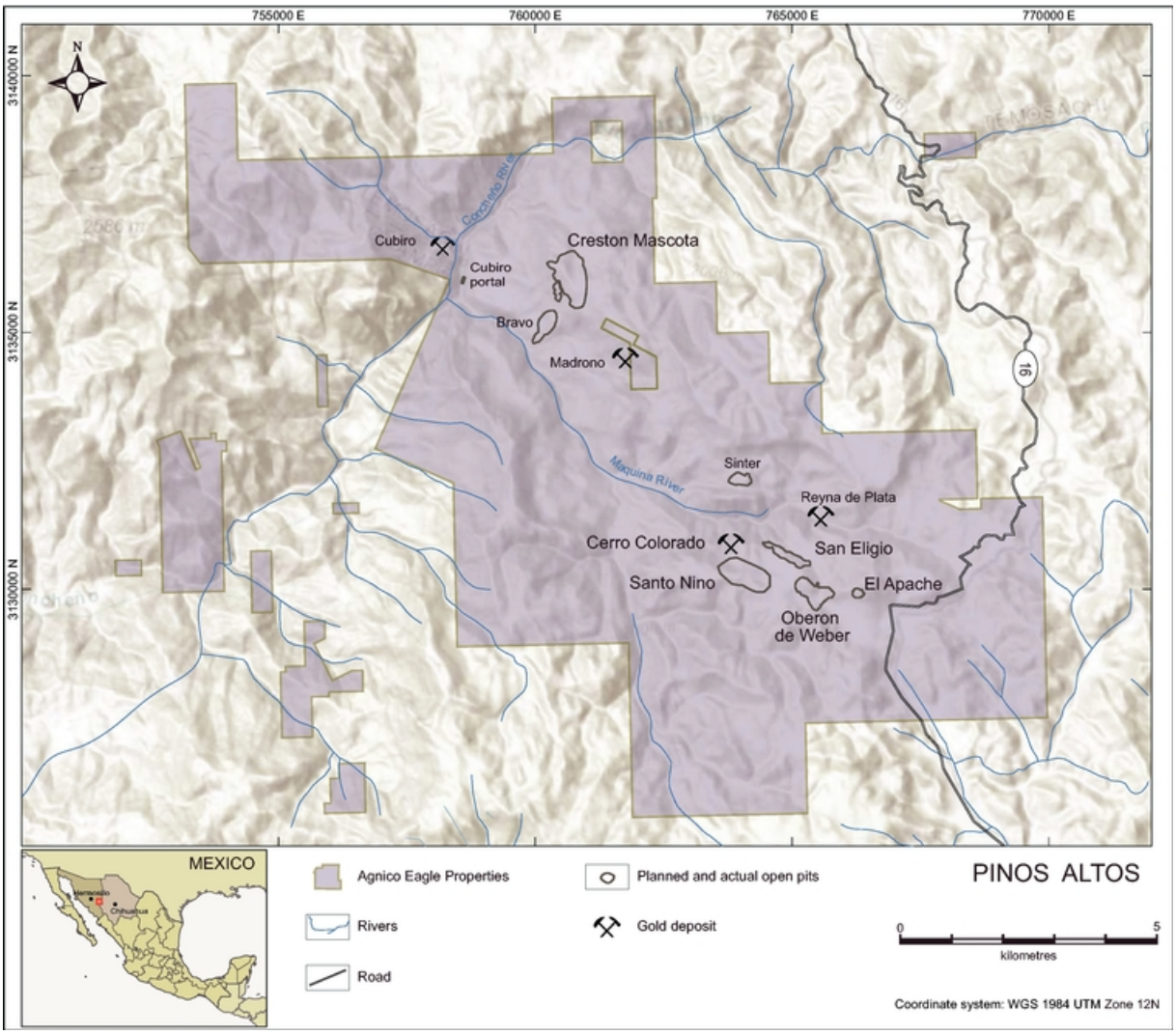
The combined amount of gold in proven and probable mineral reserves at the Meliadine mine at the end of 2019 was 4.1 million ounces (20.8 million tonnes of ore grading 6.10 g/t gold). This represents an increase of 0.3 million ounces of gold in mineral reserves from the end of 2018, after producing 239,434 ounces of gold (253,324 ounces *in situ* gold mined). The increase is largely due to conversion of indicated and inferred mineral resources to proven and probable mineral reserves supported by new diamond drilling results and economic studies. Measured and indicated mineral resources at the Meliadine mine decreased by 1.2 million tonnes to 24.7 million tonnes grading 3.52 g/t gold, primarily due to the conversion of indicated mineral resources to proven and probable mineral reserves. In 2019, there was an increase in inferred mineral resources of approximately 1.1 million tonnes to 14.6 million tonnes grading 5.60 g/t gold. This increase in the inferred mineral resources was primarily due to the reduction of cut-off grades due to higher gold price assumptions. The mineral reserves and mineral resources at Meliadine are from open pit and underground deposits.

Southern Business

Pinos Altos Mine (including the Creston Mascota deposit)

The Pinos Altos mine achieved commercial production in November 2009. It is located in the Sierra Madre gold belt, 285 kilometres west of the City of Chihuahua in the State of Chihuahua in northern Mexico. At December 31, 2019, the Pinos Altos mine was estimated to contain proven and probable mineral reserves of 0.96 million ounces of gold and 24.5 million ounces of silver comprised of 14.5 million tonnes of ore grading 2.06 grams of gold per tonne and 52.63 grams of silver per tonne. The Creston Mascota deposit at Pinos Altos achieved commercial production in the first quarter of 2011. At December 31, 2019, the Creston Mascota deposit was estimated to contain proven and probable mineral reserves of 60,800 ounces of gold and 1.5 million ounces of silver comprised of 0.8 million tonnes of ore grading 2.49 grams of gold per tonne and 63.05 grams of silver per tonne. The Pinos Altos property is made up of two blocks: the Agnico Eagle Mexico Concessions (25 concessions) and the Pinos Altos Concessions (19 concessions).

Location Map of the Pinos Altos Mine (as at December 31, 2019)



Approximately 43% of the current Pinos Altos mineral reserves are subject to a net smelter return royalty of 3.5% payable to Pinos Altos Explotación y Exploración S.A. de C.V. ("PAEyE") and the remaining 57% of the current mineral reserves and mineral resources at Pinos Altos are subject to a 2.5% net smelter return royalty payable to the Servicio Geológico Mexicano, a Mexican Federal Government agency. After 2029, this portion of the property will also be subject to a 3.5% net smelter return royalty payable to PAEyE.

The assets acquired by the Company from PAEyE and the Asociación de Pequeños Propietarios Forestales de Pinos Altos S de R.L. in 2008 included the right to use up to 400 hectares of land for mining installations for a period of 20 years after formal mining operations have been initiated. The Company also obtained sole ownership of the Agnico Eagle Mexico concessions previously owned by Compania Minera La Parreña S.A. de C.V. During 2008, the Company and PAEyE entered into an agreement under which the Company acquired further surface rights for open pit mining operations and additional facilities. Infrastructure payments, surface rights payments and advance royalty payments totaling $35.5 million were made to PAEyE and the Asociación de Pequeños Propietarios Forestales de Pinos Altos S de R.L. in 2008 as a result of this agreement.

Beginning in 2006, the Company acquired 7,670 hectares of surface rights contained within the Agnico Eagle Mexico and Pinos Altos concessions. The agreements, other than the agreement with respect to the Bravo Zone, expire in either 2028 or 2036. A temporary occupation agreement with respect to the Bravo Zone was signed in 2017 and

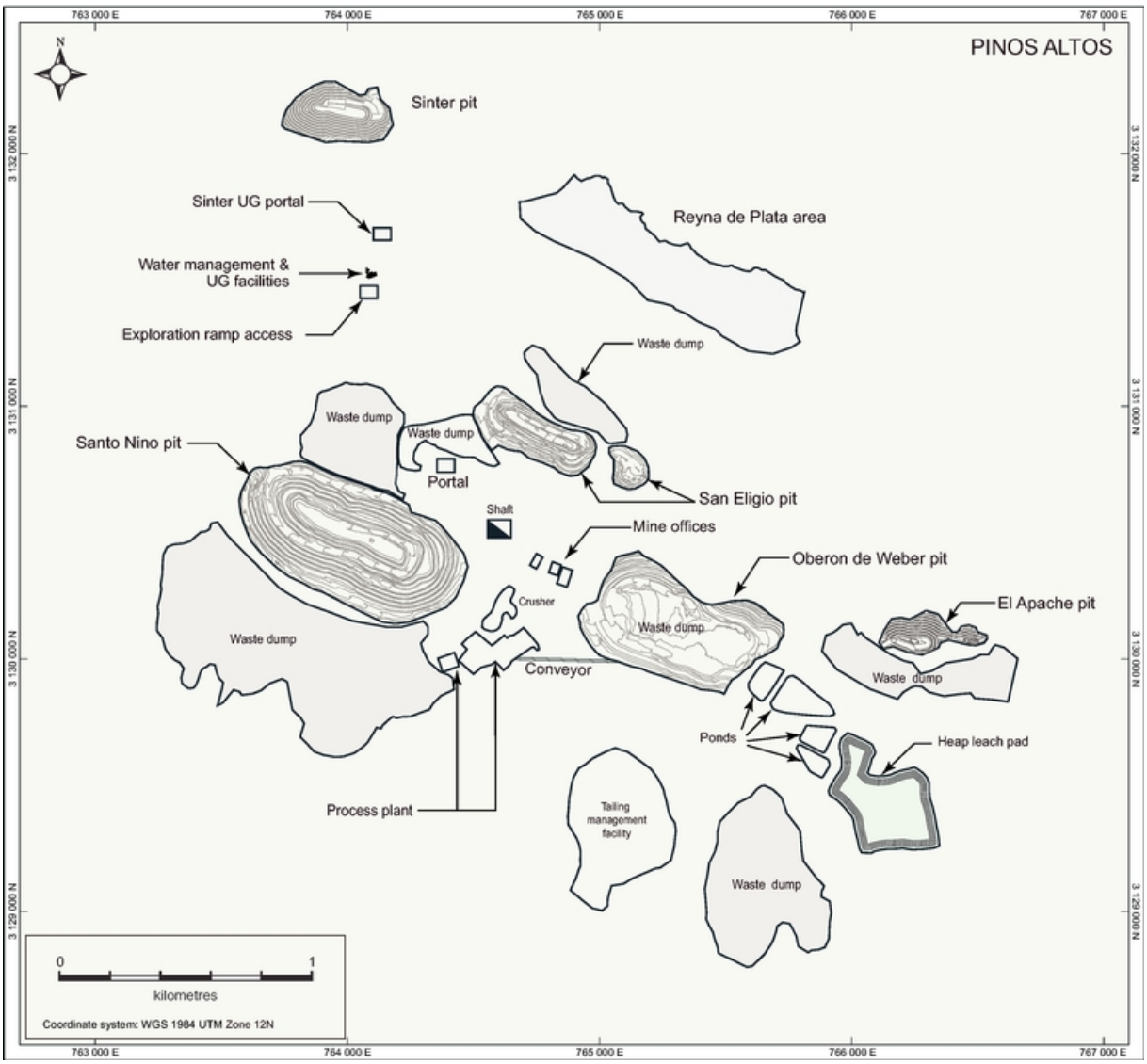
expires in 2025, with an option to be extended until 2033. The agreements, including the agreement with respect to the Bravo Zone, also provide for further renewal at the Company's option. The Pinos Altos mine is directly accessible by a paved interstate highway that links the cities of Chihuahua and Hermosillo.

In 2019, the Company began underground activities in Sinter (located northwest of Santo Nino vein) as well as work on an exploration ramp and drift at Cubiro (located to the west of Bravo Pit at Creston Mascota). In 2020, the Company expects to start underground production at Sinter and deplete the Bravo Pit at Creston Mascota.

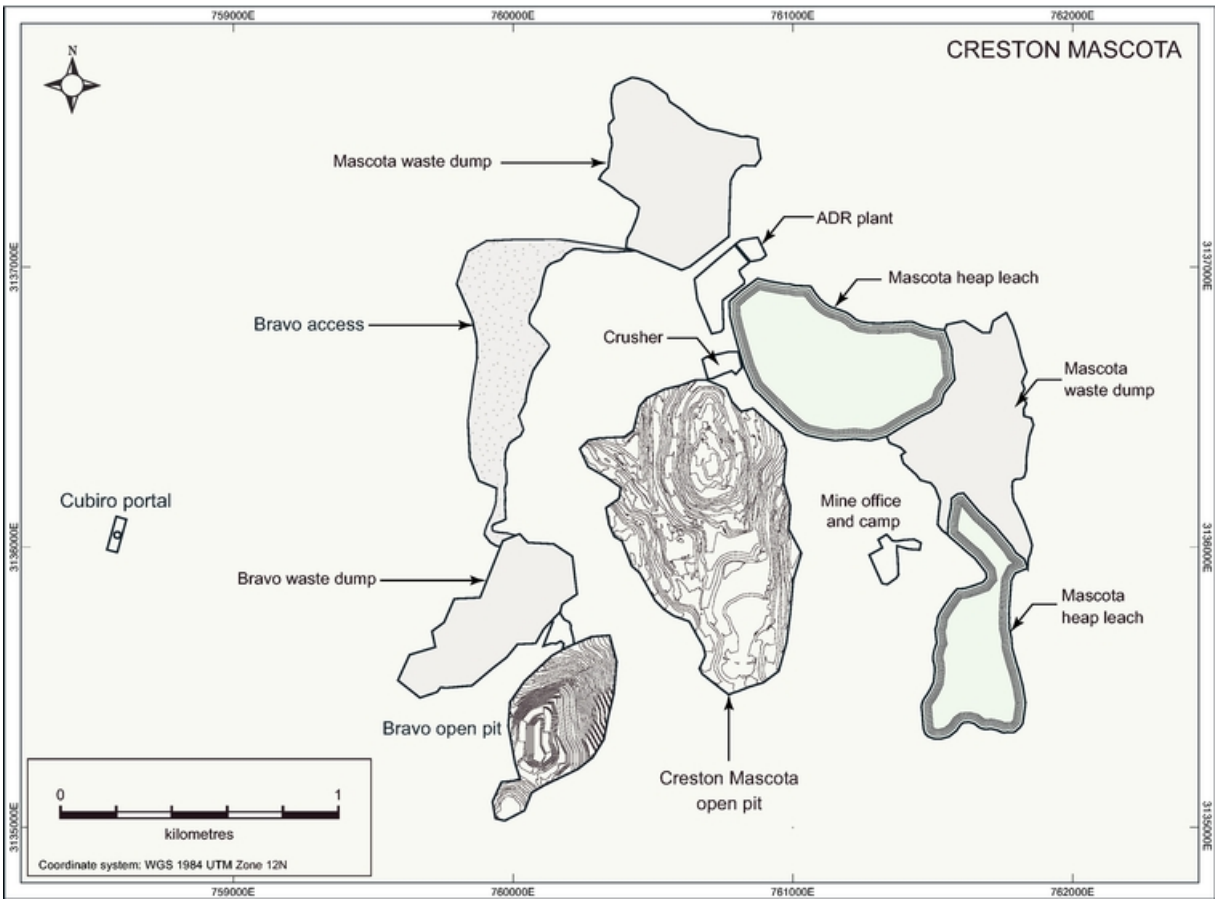
The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the Pinos Altos area as satellite operations.

Mining and Milling Facilities

Surface Plan of the Pinos Altos Mine (as at December 31, 2019)



Surface Plan of the Creston Mascota Deposit at Pinos Altos (as at December 31, 2019)



During 2019, on a combined basis, the milling and heap leach operations at Pinos Altos processed an average of 8,421 tonnes of ore per day. The underground mine at Pinos Altos produced an average of 5,000 tonnes of ore per day which is also its design rate. The open pit mines at Pinos Altos and the Creston Mascota deposit produced 11.8 million tonnes of ore, overburden and waste in 2019.

Mining Methods

The surface operations at the Pinos Altos mine use traditional open pit mining techniques with bench heights of seven metres and double benches on the footwall and single benching on the hanging wall. Mining is accomplished with front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes vary between 45 degrees and 50 degrees. Performance at the open pit mining operation at Pinos Altos during 2019 continues to indicate that the equipment, mining methods and personnel selected for the project are satisfactory for future production phases. In 2019, 2.8 million tonnes of ore, overburden and waste were mined.

The underground mine, which commenced operations in the second quarter of 2010, uses the long hole sublevel stoping method to extract ore. The stope height is 30 metres and the nominal stope width is 15 metres. Ore is transported to the surface by shaft hoisting as well as by trucks via a ramp system. During 2019, approximately 1.9 million tonnes of ore were produced from the underground portion of the mine, averaging 5,000 tonnes per day. The planned capacity of the underground mine is increasing from the original planned capacity of 3,500 tonnes of ore per day to 4,500 tonnes of ore per day with the commissioning of a shaft in 2016 and the development of additional underground mineral reserves. The shaft is expected to continue to maintain mill feed rates at 4,500 tonnes of ore per day in future years as the open pit mines at Pinos Altos become depleted. Approximately 50.3 kilometres of total lateral development have been completed as of December 31, 2019.

In November 2017, underground mining commenced at the Santo Nino crown pillar. The Santo Nino crown pillar uses the long hole sublevel stoping method made from the surface to extract ore. The stope height is 30 metres and the nominal stope width is 15 metres. Ore is transported from level 16 to the surface by trucks via a ramp system. In 2019, Santo Nino crown pillar produced approximately 46,436 tonnes of ore grading 1.8 g/t gold and 56.44 g/t silver. With the mining of five stopes during 2019, the Santo Nino crown pillar recovery was fully depleted.

Surface Facilities

The principal mineral processing facilities at the Pinos Altos mine were designed to process 4,000 tonnes of ore per day in a conventional process plant circuit which includes single stage crushing, grinding in a SAG and ball mill in closed loop, gravity separation followed by agitated leaching, counter-current decantation and metals recovery in the Merrill-Crowe process. Tailings are detoxified and filtered and then used for paste backfill in the underground mine or deposited as dry tailings in an engineered tailings impoundment area.

On a combined basis, the Pinos Altos mill and heap leach operations processed an average of 6,000 tonnes of ore per day during 2019 (milling 5,500 tonnes of ore per day and heap leaching 500 tonnes of ore per day). Low grade ore at Pinos Altos is processed in a heap leach system designed to accommodate approximately eight million tonnes of mineralized material over the life of the mine. The production from heap leach operations is expected to be relatively minor, contributing approximately 1% of total metal production planned for the remaining life of the mine (not including production from the Creston Mascota heap leach operation). In addition, during July 2017, the Company commissioned a silver flotation plant, which has increased overall silver recovery to an average of 22% in the flotation plant.

Other surface facilities at the Pinos Altos mine include: a headframe and hoist room, a heap leach pad, pond, liner and pumping system; administrative support offices; camp facilities; a laboratory; a process plant shop; a maintenance shop; a power generating station; surface power transmission lines and substations; an engineered tailings management system; and a warehouse.

A separate heap leach operation and ancillary support facilities were built at the Creston Mascota deposit, which are designed to process approximately 4,000 tonnes of ore per day in a three stage crushing, agglomeration and heap leach circuit with carbon adsorption. This project was commissioned in the latter part of 2010, with commercial production achieved in the first quarter of 2011. During 2019, 1.1 million tonnes of ore was mined from the Creston Mascota deposit, averaging 2,900 tonnes per day. Based on performance of the mine and process facilities at the Creston Mascota deposit to date, the equipment, mining methods and personnel are satisfactory for completion of the planned production phases.

Over the remaining life of the mine, recoveries of gold and silver in the milling circuit at Pinos Altos (other than from the Creston Mascota deposit) are expected to average approximately 94% and 43%, respectively. The Company anticipates precious metals recovery from low grade ore processed in the Pinos Altos heap leach facility will average 68% for gold and 16% for silver. Heap leach recoveries for ore from the Creston Mascota deposit are expected to average 71% for gold and 30% for silver.

Production and Mineral Recoveries

During 2019, the Pinos Altos mine, including the Creston Mascota deposit, had total payable production of 203,504 ounces of gold and approximately 2.74 million ounces of silver from the Pinos Altos mill and the heap leach pads at the Pinos Altos mine and the Creston Mascota deposit.

Of the total in 2019, the Pinos Altos mill had payable production of 153,208 ounces of gold and 2.14 million ounces of silver from 1.9 million tonnes of ore grading 2.65 grams of gold per tonne and 60.02 grams of silver per tonne (including production from the flotation plant of 347,096 ounces of silver from 1.8 million tonnes of ore grading 29.2 grams of silver per tonne). The production costs per ounce of gold produced at Pinos Altos in 2019 were $839. The total cash costs per ounce of gold produced at Pinos Altos in 2019 were $639 on a by-product basis and were $867 on a co-product basis and the processing facility averaged 5,214 tonnes of ore per day and operated 95% of available time. In the mill, gold recovery averaged 94% and silver recovery averaged 47%. The production costs per tonne at Pinos Altos were $65 and the minesite costs per tonne were $66 in 2019.

The following table sets out the metal recoveries at the Pinos Altos mill in 2019.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.65 g/t	94%	153,208 oz
Silver	60.0 g/t	47%	2.14 million oz

Of the 2019 total, the Pinos Altos heap leach operations had payable production of 1,916 ounces of gold and 21,241 ounces of silver from 103,502 tonnes of ore grading 0.56 grams of gold per tonne and 7.60 grams of silver per tonne.

The cumulative recovery for gold and silver on the heap leach pad at Pinos Altos are approximately 76% and 17%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 74% for gold and 16% for silver will be achieved when leaching is completed.

Of the 2019 total, the heap leach operations at the Creston Mascota deposit had payable production of 48,380 ounces of gold and 580,112 ounces of silver from 1.0 million tonnes of ore grading 1.87 grams of gold per tonne and 41.85 grams of silver per tonne. The production costs per ounce of gold produced at the Creston Mascota deposit in 2019 were $740. The total cash costs per ounce of gold produced at the Creston Mascota deposit in 2019 were $554 on a by-product basis and were $754 on a co-product basis. The production costs per tonne at the Creston Mascota deposit were $34 and the minesite costs per tonne were $33 in 2019.

The cumulative metals recovery for gold and silver on the heap leach pad at the Creston Mascota deposit are approximately 56% and 22%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 67% for gold and 30% for silver will be achieved when leaching is completed.

Environmental, Permitting and Social Matters

The Pinos Altos mine has received the necessary permit authorizations for construction and operation of a mine, including a Change of Land Use permit and an Environmental Impact Study approval from the applicable Mexican environmental agency. Pinos Altos uses dry stack tailings technology to minimize the geotechnical and environmental risk that can be associated with the rainfall intensities and topographic relief in the Sierra Madre region of Mexico. Since 2015, tailings have been deposited in a tailings facility that was constructed in the mined out Oberon de Weber pit.

The environmental impact permits for Pinos Altos and Creston Mascota were updated in 2017. At Pinos Altos, 576 hectares of land have been authorized, including Sinter and Reyna de Plata and, at Creston Mascota, 720 hectares of land have been authorized, including the Bravo expansion and the Cubiro and Madrono projects.

Following an audit process by an independent third party, the operations at both the Pinos Altos mine and the Creston Mascota deposit received certification as a "Great Place to Work" for the seventh year and certification as a Socially Responsible Company for the twelfth year. In addition, the Pinos Altos mine received recertification under the International Cyanide Management Code.

The Company has engaged the local communities in the area with hiring, local contracts, education support, infrastructure projects and medical support programs to ensure that the mine provides long-term benefits to the residents living and working in the region. Approximately 74% of the operating workforce at Pinos Altos and Creston Mascota are locally hired and 100% of the permanent workforce at the Company's operations in Mexico are Mexican nationals.

Capital Expenditures

Capital expenditures at the Pinos Altos mine in 2019 were approximately $42.0 million, which included underground development, sustaining capital costs, capitalized exploration and costs related to the development of the Sinter deposit.

In 2020, the Company expects capital expenditures at Pinos Altos to be approximately $37.8 million, including capitalized exploration. Capital expenditures in 2020 will primarily be used for underground mine development, equipment purchases, development at the Sinter and Cubiro satellite deposits, general sustaining activities, continued ramp development and open pit pre-stripping.

Development

As of December 31, 2019, for the mine life to date, more than 141 million tonnes of ore, overburden and waste had been removed from the open pit mine at Pinos Altos and approximately 50 kilometres of lateral development had been completed in the underground mine. At the Creston Mascota deposit, approximately 81 million tonnes of ore, overburden, and waste had been removed from the open pit mine as of December 31, 2019.

Geology, Mineralization, Exploration and Drilling

Geology

The Pinos Altos mine is in the northern part of the Sierra Madre geologic province, on the northeast margin of the Ocampo Caldera, which hosts many epithermal gold and silver occurrences, including the nearby Ocampo and Moris mines.

The property is underlain by Tertiary-age (less than 45 million years old) volcanic and intrusive rocks that have been disturbed by faulting. The volcanic rocks belong to the lower volcanic complex and the discordant overlying upper volcanic supergroup. The lower volcanic complex is represented on the property by the Navosaigame conglomerates (including thinly-bedded sandstone and siltstone) and the El Madrono volcanics (felsic tuffs and lavas intercalated with rhyolitic tuffs, sandy volcanoclastics and sediments). The upper volcanic group is made up of the Victoria ignimbrites (explosive felsic volcanics), the Frijolar andesites (massive to flow-banded, porphyritic flows) and the Buenavista ignimbrites (dacitic to rhyolitic pyroclastics).

Intermediate and felsic dykes as well as rhyolitic domes intrude all of these units. The Santo Nino andesite is a dyke that intrudes along the Santo Nino fault zone.

Structure on the property is dominated by a ten-kilometre by three-kilometre horst, a fault-uplifted block structure oriented west-northwest, that is bounded on the south by the south-dipping Santo Nino fault and on the north by the north-dipping Reyna de Plata fault. Quartz-gold vein deposits are emplaced along these faults and along transfer faults that splay outwards from the Santo Nino fault.

Mineralization

Gold and silver mineralization at the Pinos Altos mine consists of low sulphidation epithermal-type hydrothermal veins, breccias and bodies. The Santo Nino structure outcrops over a distance of roughly six kilometres. It strikes at 60 degrees azimuth on its eastern portion and turns to strike roughly 90 degrees azimuth on its western fringe. The structure dips at 70 degrees towards the south. The four mineralized sectors hosted by the Santo Nino structure consist of discontinuous quartz rich lenses named from east to west: El Apache, Oberon de Weber, Santo Nino and Cerro Colorado.

The El Apache lens is the most weakly mineralized. The area hosts a weakly developed white quartz dominated breccia. Gold values are low and erratic over its roughly 750 metre strike length. Past drilling suggests that this zone is of limited extent at depth.

The Oberon de Weber lens has been followed on surface and by diamond drilling over an extent of roughly 500 metres. Shallow holes drilled by the Company show good continuity both in terms of grade and thickness over roughly 550 metres. From the drilling done by a previous owner, continuity at depth appears to be erratic with a weakly defined western rake.

The Santo Nino lens is the most vertically extensive of these lenses. It has been traced to a depth of approximately 750 metres below the surface. The vein is followed continuously on surface over a distance of 550 metres and discontinuously up to 650 metres. Beyond its western and eastern extents, the Santo Nino andesite is massive and only weakly altered. Gold grades found are systematically associated with green quartz brecciated andesite.

The Cerro Colorado lens is structurally more complex than the three described above. Near the surface, it is marked by a complex superposition of brittle faults with mineralized zones which are difficult to correlate from hole to hole. Its

relation to the Santo Nino fault zone is not clearly defined. Two deeper holes drilled by the Company suggest better grade continuity is possible at depth.

The San Eligio Zone is located approximately 250 metres north of Santo Nino. The host rock is brecciated Victoria Ignimbrite, occasionally with a stockwork style of mineralization. There is no andesite in this sector. Unlike the other lenses, the San Eligio lens dips towards the north. The lateral extent of the zone seems to be continuous for 950 metres. Its average width is five metres and never exceeds 15 metres. Surface mapping and prospecting has suggested that there is good potential for additional mineralization on strike and at depths below 150 metres. Visible gold has been seen in the drill core.

The Creston Mascota deposit is seven kilometres northwest of the Santo Nino deposit, and is similar, but dips shallowly to the west. The Creston Mascota deposit is approximately 1,000 metres long and four to 40 metres wide, and extends from surface to more than 200 metres depth.

Several other promising zones are associated with the horst feature in the northwest part of the property. The Cubiro deposit is a near-surface deposit located two kilometres west of the Creston Mascota deposit. Cubiro strikes northwest, has a steep dip and has been followed along strike for approximately 850 metres. Drilling has intersected significant gold and silver mineralization up to 30 metres in width. The Cubiro deposit is split by a fault that resulted in 200 metres of displacement to the west, as defined by drilling to date. The zone is still open to the southeast and possibly at depth.

The Sinter Zone is 1,500 metres north-northeast of the Santo Nino Zone and is part of the Reyna de Plata gold structure. The steeply dipping mineralization ranges from four to 35 metres in width and almost 900 metres long, with over 350 metres of vertical depth.

Other identified mineral resources in the Pinos Altos region include the Reyna de la Plata prospect to the east the Creston Mascota deposit. Exploration efforts will be allocated to these zones as development continues at Pinos Altos and the Creston Mascota deposit.

Exploration and Drilling

In 2019, minesite exploration activities were primarily focused on exploring the mineral resources at the Cubiro, Reyna East (formerly named Reyna de Plata Este) and Madrono satellite projects as well at La Rampa and Sinter West (Moctezuma Trend) exploration targets. A total of 26,261 metres of minesite exploration drilling, including 4,539 metres of step-out drilling at Cubiro, 11,577 metres of step-out and exploration drilling at Reyna East, 3,551 metres of step-out drilling at Madrono and 6,594 metres of exploration drilling on new exploration targets.

In 2020, the Company expects to spend $7.8 million for 42,000 metres of drilling at the Pinos Altos mine and the Creston Mascota satellite deposit, in work that will include 5,000 metres of drilling to extend the new Reyna East Zone along strike and at depth and 10,000 metres to infill and expand the mineral resource at the Cubiro and Cubiro North zones.

Mineral Reserves and Mineral Resources

The combined amount of proven and probable mineral reserves at Pinos Altos (excluding the Creston Mascota satellite deposit) at the end of 2019 was 0.96 million ounces of gold and 24.5 million ounces of silver (14.46 million tonnes of ore grading 2.06 g/t gold and 52.63 g/t silver), which represents a decrease of gold in mineral reserves from the end of 2018, after producing 155,124 ounces of gold (164,011 ounces *in situ* gold mined) and 2.2 million ounces of silver. The decrease is largely due to extraction and revised mining parameters. Measured and indicated mineral resources increased by 0.48 million tonnes to 19.6 million tonnes grading 1.68 g/t gold and 40.66 g/t silver, primarily due to revised metallurgical recoveries and economic parameters. In 2019, there was an increase in inferred mineral resources of approximately 2.2 million tonnes to 7.0 million tonnes grading 1.93 g/t gold and 39.89 g/t silver. This increase in the inferred mineral resources was primarily due to exploration drilling success mainly in Reyna de Plata Este, Cubiro and Cerro Colorado. The mineral reserves and mineral resources at the Pinos Altos mine (excluding Creston Mascota) are mostly from underground mine depths.

The combined amount of proven and probable mineral reserves at the Creston Mascota and Bravo deposits at the end of 2019 was 60,823 ounces of gold and 1.5 million ounces of silver (0.76 million tonnes of ore grading 2.49 g/t gold and 63.05 g/t silver), which represents a decrease of gold in mineral reserves from the end of 2018, after producing 64,144 ounces of gold (43,380 ounces *in situ* gold mined) and 0.58 million ounces of silver. The remaining mineral reserves are only in the Bravo deposit. The decrease is largely due to extraction. Measured and indicated

mineral resources decreased by 0.4 million tonnes to 1.0 million tonnes grading 0.75 g/t gold and 7.88 g/t silver, primarily due to the revision of the pit design. In 2019, there was a decrease in inferred mineral resources of approximately 0.1 million tonnes to 0.3 million tonnes grading 1.10 g/t gold and 5.05 g/t silver. This decrease in the inferred mineral resources was primarily due to the revision of the pit design. The mineral reserves and mineral resources at the Creston Mascota and Bravo deposits are all at open pit mine depths.

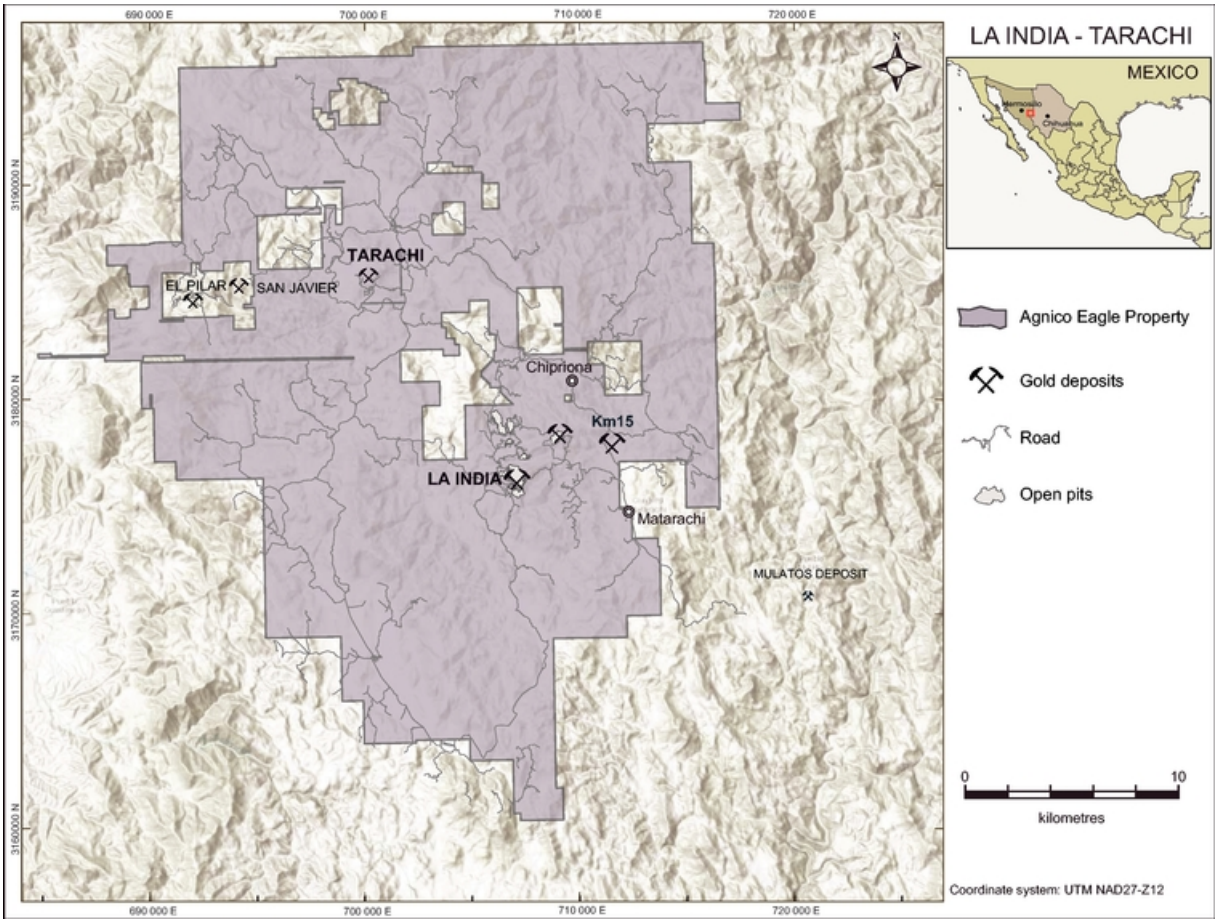
La India Mine

The La India mine is located in the municipality of Sahuaripa, southeastern Sonora State, between the small rural towns of Tarachi and Matarachi. The closest major city with an international airport is Hermosillo, the capital of Sonora, located 210 kilometres west-northwest of the La India mine. Road travel from Hermosillo to the site takes approximately seven hours. Alternatively, the mine can be accessed by small aircraft. The power supply at the La India mine is provided by diesel generators.

The Company acquired the La India property in November 2011 as part of its acquisition of Grayd, which had explored the property since 2004 and had prepared a preliminary economic assessment of the project in December 2010 based on a June 2010 NI 43-101 mineral resource estimate.

The La India property consists of 53 wholly-owned and one optioned mining concession in the Mulatos Gold Belt in Sonora, Mexico. The La India property includes the Tarachi deposit and several other prospective targets in the Mulatos Gold Belt. At the Tarachi deposit, the surface rights in the project area are owned by the Tarachi Ejido (agrarian community) and private parties. All measured, indicated and inferred mineral resources lie within privately owned or Ejido possessed land.

Location Map of the La India Mine (as at December 31, 2019)



The Mulatos Gold Belt is part of the Sierra Madre gold and silver belt that also hosts the operating Mulatos gold mine immediately southeast of the La India property and the Pinos Altos mine and the Creston Mascota deposit 70 kilometres to the southeast.

In September 2012, the Company approved the construction of a mine at La India. The mine achieved commercial production in February 2014. The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the La India area.

At December 31, 2019, the La India mine was estimated to contain proven and probable mineral reserves of 0.49 million ounces of gold and 1.7 million ounces of silver comprised of 20.4 million tonnes of ore grading 0.75 grams of gold per tonne and 2.62 grams of silver per tonne. At the Tarachi deposit, indicated mineral resources are 22.7 million tonnes grading 0.40 grams of gold per tonne and inferred mineral resources are 6.5 million tonnes grading 0.33 grams of gold per tonne.

Mining and Milling Facilities

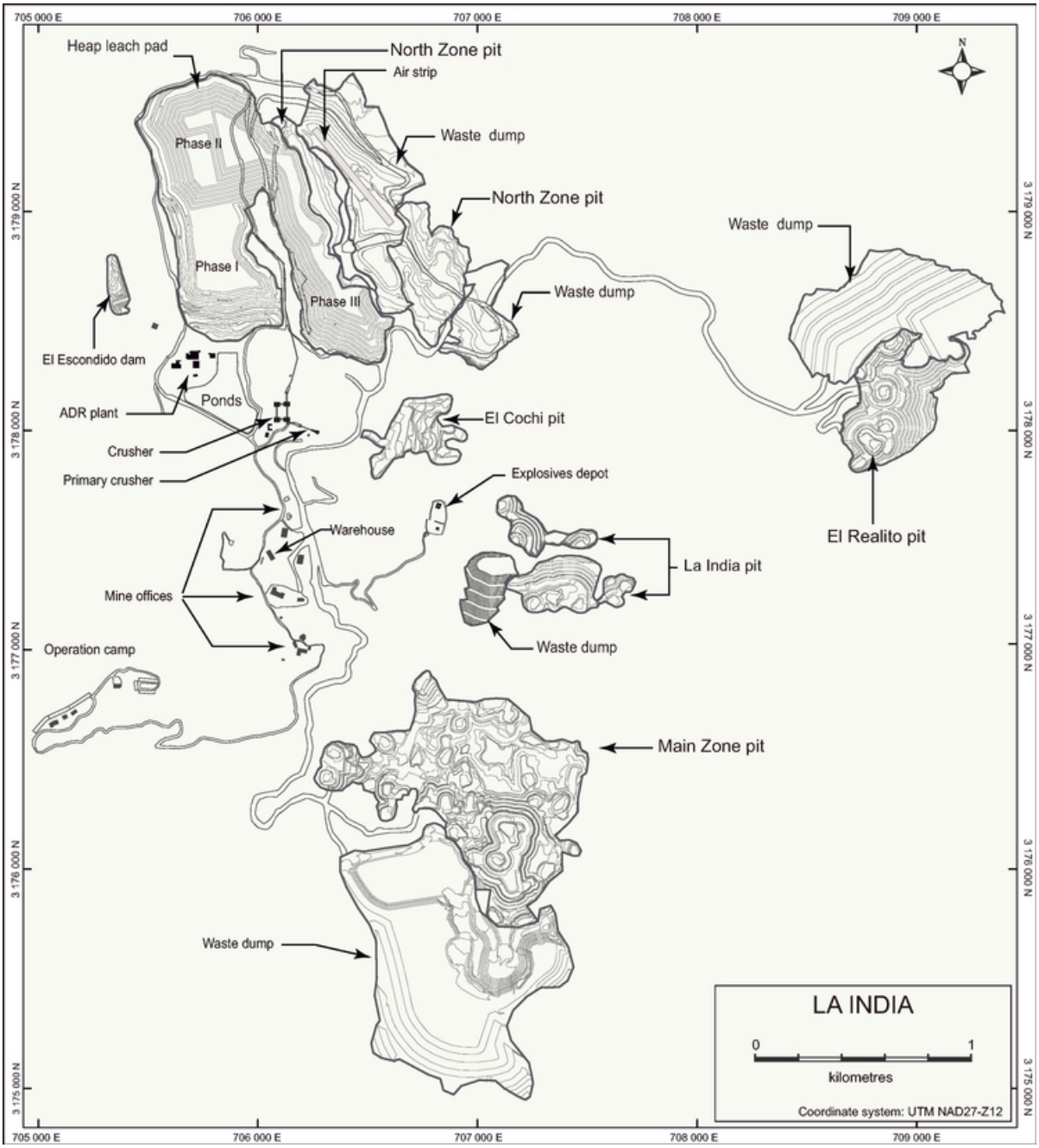
Mining Methods

Operations at the La India mine use traditional open pit mining techniques with bench heights of six metres and utilize front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes are 46 degrees. After mining, the ore is processed using crushing, leaching with cyanide and extraction using carbon columns and electrolytic cells.

Surface Facilities

The following surface plan details the mine layout showing pits and waste rock dump locations, roads, the leach pad and other infrastructure.

Surface Plan of the La India Mine (as at December 31, 2019)



Surface facilities at the La India mine include a three-stage ore crushing facility, a 35-million tonne capacity lined heap leach pad with process ponds and pumping system, a carbon adsorption plant, a laboratory, a process plant shop, a mining equipment maintenance shop, a power generating station, surface power transmission lines and substations, a warehouse, administrative support offices and camp facilities. The power for the facilities is supplied

by diesel generators and water is supplied by a system of wells and catchment facilities. Septic discharges are managed in their respective leach fields. The Company is also working to obtain required environmental permits in the first quarter of 2020 in order to begin construction of a more than 100 kilomtre power line to the site. When built, the Company expects to achieve reductions in diesel consumption, freight related expenses and also to reduce greenhouse gas emissions. Importantly, the power line project will indirectly benefit close to 8,000 people already connected to the current grid by improving the service.

Production and Mineral Recoveries

During 2019, the La India mine had payable production of 82,190 ounces of gold from approximately 5.4 million tonnes of ore stacked on the heap leach pad grading 0.68 grams of gold per tonne. The production costs per ounce of gold produced at La India in 2019 were $799. The total cash costs per ounce of gold produced at La India in 2019 were $823 on a by-product basis and $849 on a co-product basis. The production costs per tonne at La India were $12 and the minesite costs per tonne were $13 in 2019. Stacking rates averaged 14,800 tonnes of ore per day.

The cumulative recovery for gold on the heap leach pad at La India is approximately 67%. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate gold recovery of 19% will be achieved when leaching is completed. This projected ultimate recovery is lower than the recovery originally estimated in the feasibility study because of the addition of significant volumes of transitional material and sulphides. This ore grade material was not included in the study but, following the completion of metallurgical test work which proved its economic benefit despite a lower recovery rate, has since been added to the mineral reserves.

The following table sets out the metal recoveries at La India in 2019.

	Head Grade	Cumulative Metal Recovery	Payable Production
Gold	0.68 g/t	67%	82,190 oz

Environmental, Permitting and Social Matters

The La India mine is located in an area that does not have a special federal environmental protection designation. As of December 31, 2019, all permits necessary for the operation of the La India mine had been received.

The Company has engaged the local communities in the area with local hiring, contracts with local businesses, education support and medical support programs to ensure that the La India mine provides long term benefits to the residents living and working in the region. Approximately 47% of the operating workforce at La India is locally hired and 100% of the permanent workforce are Mexican nationals.

Capital Expenditures

Capital expenditures at the La India mine during 2019 were approximately $15.4 million which included sustaining capital expenditures, deferred expenses and capitalized exploration. The Company expects capital expenditures to be approximately $37.8 million in 2020, including capitalized exploration. The capital expenditures in 2020 are to be used for heap leach construction and for construction of the power line.

Development

As of December 31, 2019, for the mine life to date, approximately 72.8 million tonnes of ore, overburden and waste had been removed from the open pit mine at La India.

Agreements & Licences

The mining concessions for the La India mine and Tarachi deposit are controlled by an indirect, wholly-owned subsidiary of the Company by means of direct ownership. Payment has been made in full for the claims that host all of the measured, indicated and inferred mineral resources. Certain concessions are subject to underlying net smelter return royalties of 0.5%.

For the area surrounding La India mine, including the Chivitas, San Javier and Salto Colorado areas, payments totaling $1.4 million have been made by the Company by two separate agreements to earn a 100% interest in the relevant concessions. Certain concessions are subject to an underlying net smelter return royalty of between 2% and 3.5%, which may be partially purchased by the Company, and could reduce the maximum aggregate net smelter return royalties to 2.5%. In addition, in 2016 the Company acquired the La Chipriona, Los Pinos and Santa Clara claims.

The defined mineral reserve and mineral resource and all lands required for infrastructure for the La India mine are wholly-contained within three privately-held properties and one agrarian community which the Company has acquired access to in order to permit exploration, construction and mine development activities.

Geology, Mineralization, Exploration and Drilling

Geology and Mineralization

The La India mine lies within the Sierra Madre Occidental province, an extensive Eocene to Miocene volcanic field extending from the United States-Mexico border to central Mexico. The La India mine lies within the western limits of the Sierra Madre Occidental province in an area dominated by outcrops of andesite and dacitic tuffs, overlain by rhyolites and rhyolitic tuffs that were affected by large-scale north-northwest-striking normal faults and intruded by granodiorite and diorite stocks. Incised fluvial canyons cut the uppermost strata and expose the Lower Series volcanic strata.

The mine area is predominantly underlain by a volcanic sequence comprised of andesitic, dacitic and felsic extrusive volcanic strata with interbedded epiclastic strata of similar composition. The mineral occurrences present in the mine area, and the deposit type being sought, are volcanic-hosted high-sulphidation epithermal-hydrothermal gold, silver and porphyry-related gold deposits. Such deposits may be present as veins and/or disseminated deposits and/or breccias. The La India mine deposit area is one of several high-sulphidation epithermal mineralization centres recognized in the region.

Epithermal high-sulphidation mineralization at the La India mine developed as a cluster of gold zones (Main, La India, El Cochi and North zones) aligned north-south, and El Realito aligned north-east, within a spatially related zone of hydrothermal alteration in excess of 20 square kilometres in area. Gold mineralization is confined to the Late Eocene rocks within zones of intermediate and advanced argillitic alteration originally containing sulphides, and subsequently oxidized by supergene processes. The North and Main zones are within two kilometres of each other. The Main Zone and El Realito are within five kilometres of each other.

Surface outcrop mapping and drill-hole data so far indicate that the gold system at the Tarachi deposit is likely best classified as a gold porphyry deposit.

Exploration and Drilling

In 2019, the Company completed 18,330 metres of drilling in 155 diamond and 53 reverse circulation drill holes at the La India mine. This included 14,318 metres of minesite exploration diamond drilling at a cost of $3.1 million at the El Realito, El Cochi and Los Tubos deposits. In addition, 4,012 metres of infill reverse circulation drilling were performed at the Main Zone at a cost of $0.6 million.

At El Realito, the first phase of drilling by the Company began in the third quarter of 2016. At the end of 2017, there was an initial indicated mineral resource at El Realito. Exploration activities in 2019 resulted in an increase in probable mineral reserves at the El Realito zone to 106,000 ounces of gold and 485,000 ounces of silver in oxide ore at open-pit depths (4.7 million tonnes grading 0.7 g/t gold and 3.2 g/t silver).

In 2020, the Company expects to spend approximately $0.7 million on capitalized exploration (5,000 metres) and $6.6 million on expensed exploration (22,000 metres), including 6,000 metres at the satellite Chipriona deposit during the first half of 2020 aimed at confirming and extending mineralization at depth in the main Chipriona corridor and splay veins.

Mineral Reserves and Mineral Resources

The combined amount of proven and probable mineral reserves at La India at the end of 2019 was 0.49 million ounces of gold (20.4 million tonnes of ore grading 0.75 g/t gold), which represents a decrease of gold in mineral reserves from the end of 2018, after producing 82,190 ounces of gold (118,110 ounces *in situ* gold mined). The

decrease is largely due to mining. Measured and indicated mineral resources decreased by 2.4 million tonnes to 14.7 million tonnes grading 0.57 g/t gold and 3.44 g/t silver, primarily due to conversion to mineral reserves and revised mine design. In 2019, there was a decrease in inferred mineral resources of approximately 1.0 million tonnes to 1.8 million tonnes grading 0.53 g/t gold and 3.37 g/t silver. This decrease in inferred mineral resources was primarily due to a change in the resource cut-off grade. The mineral reserves and mineral resources at the La India mine are all at open pit mine depths.

As at December 31, 2019, the nearby Tarachi deposit has open pit indicated mineral resources of 22.7 million tonnes grading 0.4 g/t gold and open pit inferred mineral resources of 6.5 million tonnes grading 0.33 g/t gold. As of the same date, the nearby Chipriona deposit has open pit indicated mineral resources of 1.3 million tonnes grading 1.1 g/t gold, 50.99 g/t silver, 0.03% copper and 1.36% zinc and inferred mineral resources of 10.7 million tonnes grading 0.69 g/t gold, 85.44 g/t silver, 0.14% copper and 0.81% zinc.

Regional Exploration Activities

During 2019, the Company actively explored in Quebec, Nunavut and Ontario in Canada, the United States, Finland, Sweden and Mexico. The Canadian regional exploration activities were focused on the Amaruq property in Nunavut and the Upper Beaver and Upper Canada projects near Kirkland Lake, Ontario. In the United States, exploration activities during 2019 were concentrated on project evaluation. In Mexico, regional exploration was focused on the Santa Gertrudis, La India and Pinos Altos properties. In Finland, regional exploration was focused to the north of the Kittila mine along the Kiistala fault, including the Kuotko deposit. In Sweden, the Company explored the Barsele project. The Partnership focused exploration on the East Gouldie, Odyssey and East Malartic projects near to the Canadian Malartic mine. At the Company's operating mines, the Company (or the Partnership, in the case of the Canadian Malartic mine) continued exploration programs around the mines. Most of the exploration budget was spent on drilling programs near mine infrastructure along previously recognized gold trends.

At the end of 2019, the Company's total land holdings consisted of 109 projects comprised of 8,317 mineral titles covering an aggregate of 1,002,997 hectares. The Company's land holdings in Canada consisted of 78 projects comprised of 5,588 mineral titles covering an aggregate of 594,064 hectares (of this total in Canada, six projects comprised of 300 mineral titles covering an aggregate of 12,399 hectares are held as a 50% interest with Yamana, including the Canadian Malartic mine). Land holdings in the United States consisted of five properties comprised of 2,371 mineral titles covering an aggregate of 34,389 hectares. Land holdings in Finland consisted of three groups of properties comprised of 76 mineral titles covering an aggregate of 26,726 hectares. Land holdings in Sweden consisted of two projects comprised of 35 mineral titles covering an aggregate of 60,002 hectares (held as a 55% interest with Barsele Minerals Corp.). Land holdings in Mexico consisted of 21 projects comprised of 247 mining concession titles covering an aggregate of 287,816 hectares.

The total amount of expenditures incurred on regional exploration activities at the Company's exploration properties plus head office overhead, project evaluation and corporate development activities in 2019 was $95.6 million. This included drilling 573 holes for an aggregate of approximately 169 kilometres on 100% owned properties. It also included the Company's 50% portion of the cost of drilling 44 holes for an aggregate of approximately 22 kilometres on CMC exploration properties.

The budget in 2020 for expenditures on regional exploration activities at the Company's exploration properties plus head office overhead, project evaluation and corporate development activities is approximately $129.9 million, including approximately 231 kilometres of drilling on 100% owned properties, and 50% of the costs at the Canadian Malartic mine. For further details of the components of the 2020 exploration budget, see the Company's news release dated February 13, 2020. Please see "General Development of the Business – Three-Year History – 2020" for a discussion of the suspension of exploration activities in Canada from March 24, 2020 to April 13, 2020.

Scientific and Technical Information

The scientific and technical information set out in this AIF has been approved by the following "qualified persons" as defined by NI 43-101: mineral reserves and mineral resources for all properties other than the Canadian Malartic mine – Dyane Duquette, P.Geo., Corporate Director, Reserves Development; mineral reserves and mineral resources at the Canadian Malartic mine and other Partnership projects such as Odyssey, East Malartic and East Gouldie projects – Sylvie Lampron, Eng., Senior Project Mine Engineer at CMC (for engineering) and Pascal Lehouiller, P.Geo., Senior Resource Geologist at CMC (for geology); exploration – Guy Gosselin Eng., P.Geo., Senior Vice President, Exploration; environmental – Louise Grondin P.Eng., Senior Vice President, People and

Culture; mining operations, Southern Business – Marc Legault, Eng., Senior Vice President, Operations – U.S.A., Mexico & Latin America; metallurgy – Paul Cousin, Eng., Vice President, Operational Sustainability; mining operations, Kittila mine – Francis Brunet, P.Eng., Corporate Director Business Strategy; mining operations, Nunavut mines – Dominique Girard, Eng., Vice President, Nunavut Operations; and mining operations, Quebec mines – Daniel Pare, P.Eng., Vice President Operation, Eastern Canada.

Mineral Reserves and Mineral Resources

The Company's mineral reserves and mineral resources estimate was derived from internally generated data or geology reports. Historically, mineral reserves and mineral resources for all properties were estimated using historic three-year average metals prices and foreign exchange rates in accordance with SEC guidelines. These guidelines require the use of prices that reflect current economic conditions at the time of mineral reserve determination, which the Staff of the SEC has interpreted to mean historic three-year average prices. Given the current commodity price environment, the Company decided to use price assumptions that are below the three-year average prices for its mineral reserve and mineral resource estimates since 2017.

The assumptions used for the 2019 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company are set out in the following table.

	Metal prices				Exchange rates		
	Gold (US$/oz)	Silver (US$/oz)	Copper (US$/lb)	Zinc (US$/lb)	C$ per US$1.00	Mexican peso per US$1.00	US$ per €1.00
Long-life operations and projects –					C$ 1.25	MXP17.00	US$ 1.15
Short-life operations – Creston Mascota (Bravo) and Sinter satellite operations at Pinos Altos	$ 1,200	$ 15.50	$ 2.50	$ 1.00	C$ 1.30	MXP18.00	Not applicable
Upper Beaver*, Canadian Malartic mine**	$ 1,200	Not applicable	$ 2.75	Not applicable	C$ 1.25	Not applicable	Not applicable

* *The Upper Beaver project has a C$125/tonne net smelter return (NSR) cut-off value*

** *The Canadian Malartic mine used a cut-off grade between 0.40 g/t and 0.43 g/t gold (depending on the deposit)*

The assumptions used for the 2018 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company are set out in the following table.

	Metal prices				Exchange rates		
	Gold (US$/oz)	Silver (US$/oz)	Copper (US$/lb)	Zinc (US$/lb)	C$ per US$1.00	Mexican peso per US$1.00	US$ per €1.00
Long-life operations and projects –					C$ 1.20	MXP16.00	US$1.15
Short-life operations – Meadowbank mine, Santo Nino pit and Creston Mascota satellite operation at Pinos Altos	$ 1,150	$ 16.00	$ 2.50	$ 1.00	C$ 1.25	MXP17.00	Not applicable
Upper Canada, Upper Beaver*, Canadian Malartic mine**	$ 1,200	Not applicable	2.75	Not applicable	C$ 1.25	Not applicable	Not applicable

* *The Upper Beaver project has a C$125/tonne net smelter return (NSR) cut-off value*

** *The Canadian Malartic mine used a cut-off grade between 0.37 g/t and 0.38 g/t gold (depending on the deposit)*

The assumptions used for the 2017 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company are set out in the following table.

	Metal prices				Exchange rates			
	Gold (US$/oz)	Silver (US$/oz)	Copper (US$/lb)	Zinc (US$/lb)	C$ per US$1.00	Mexican peso per US$1.00	US$ per €1.00	
Long-life operations and projects –					C$ 1.20	MXP16.00	US$	1.15
Short-life operations – Lapa, Meadowbank mine, Santo Nino pit and Creston Mascota satellite operation at Pinos Altos	$ 1,150	$ 16.00	$ 2.50	$ 1.00	C$ 1.25	MXP17.00		Not applicable
Upper Canada, Upper Beaver*, Canadian Malartic mine**	$ 1,200	Not applicable	2.75	Not applicable	C$ 1.25	Not applicable		Not applicable

* *The Upper Beaver project has a C$125/tonne net smelter return (NSR) cut-off value*

** *The Canadian Malartic mine used a cut-off grade between 0.35 g/t and 0.37 g/t gold (depending on the deposit)*

Set out below are the mineral reserve and mineral resource estimates as of December 31, 2019, as estimated in accordance with NI 43-101 (tonnages and contained gold quantities are rounded to the nearest thousand):

MINERAL RESERVES
As of December 31, 2019

OPERATION			PROVEN			PROBABLE			PROVEN & PROBABLE		
GOLD	**Mining Method**	**Ownership**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**
LaRonde	Underground	100%	4,802	5.05	780	10,117	6.48	2,108	14,920	6.02	2,888
LaRonde Zone 5	Underground	100%	3,307	2.13	226	5,980	2.39	460	9,287	2.30	686
Canadian Malartic	Open Pit	50%	23,847	0.83	635	43,057	1.27	1,754	66,904	1.11	2,389
Goldex	Underground	100%	272	1.85	16	20,709	1.61	1,072	20,980	1.61	1,088
Akasaba West	Open Pit	100%	-	-	-	5,413	0.85	147	5,413	0.85	147
Amaruq	Open Pit	100%	172	1.83	10	22,600	3.76	2,731	22,773	3.74	2,741
Amaruq	Underground	100%	-	-	-	3,303	5.43	577	3,303	5.43	577
Amaruq Total			**172**	**1.83**	**10**	**25,903**	**3.97**	**3,308**	**26,075**	**3.96**	**3,318**
Meadowbank	Open Pit	100%	37	2.24	3	-	-	-	37	2.24	3
Meadowbank Complex Total			**209**	**1.90**	**13**	**25,903**	**3.97**	**3,308**	**26,112**	**3.96**	**3,320**
Meliadine	Open Pit	100%	144	3.19	15	5,671	4.72	861	5,816	4.69	876
Meliadine	Underground	100%	722	7.92	184	14,212	6.58	3,007	14,933	6.65	3,191
Meliadine Total			**866**	**7.14**	**199**	**19,883**	**6.05**	**3,868**	**20,749**	**6.10**	**4,067**
Upper Beaver	Underground	100%	-	-	-	7,992	5.43	1,395	7,992	5.43	1,395
Kittila	Underground	100%	1,444	4.55	211	27,481	4.40	3,885	28,925	4.40	4,096
Pinos Altos	Open Pit	100%	60	1.55	3	3,550	0.97	111	3,611	0.98	114
Pinos Altos	Underground	100%	3,274	2.56	270	7,573	2.35	573	10,847	2.42	843
Pinos Altos Total			**3,334**	**2.55**	**273**	**11,124**	**1.91**	**684**	**14,457**	**2.06**	**957**
Creston Mascota	Open Pit	100%	1	5.55	0	757	2.49	61	758	2.49	61
La India	Open Pit	100%	279	0.49	4	20,152	0.75	486	20,432	0.75	490
Totals			***38,361***	***1.91***	***2,357***	***198,569***	***3.01***	***19,227***	***236,930***	***2.83***	***21,585***
SILVER	**Mining Method**	**Ownership**	**000 Tonnes**	**g/t**	**000 Oz Ag**	**000 Tonnes**	**g/t**	**000 Oz Ag**	**000 Tonnes**	**g/t**	**000 Oz Ag**
LaRonde	Underground	100%	4,802	17.09	2,639	10,117	18.92	6,156	14,920	18.33	8,794
Pinos Altos	Open Pit	100%	60	39.07	76	3,550	26.09	2,978	3,611	26.31	3,054
Pinos Altos	Underground	100%	3,274	59.33	6,244	7,573	62.29	15,166	10,847	61.40	21,411
Pinos Altos Total	**subtotal**		**3,334**	**58.96**	**6,320**	**11,124**	**50.74**	**18,145**	**14,457**	**52.63**	**24,464**
Creston Mascota	Open Pit	100%	1	331.49	12	757	62.65	1,525	758	63.05	1,537
La India	Open Pit	100%	279	1.64	15	20,152	2.63	1,704	20,432	2.62	1,719
Totals			***8,417***	***33.20***	***8,985***	***42,151***	***20.31***	***27,530***	***50,567***	***22.46***	***36,515***
COPPER	**Mining Method**	**Ownership**	**000 Tonnes**	**%**	**tonnes Cu**	**000 Tonnes**	**%**	**tonnes Cu**	**000 Tonnes**	**%**	**tonnes Cu**
LaRonde	Underground	100%	4,802	0.22	10,461	10,117	0.28	28,690	14,920	0.26	39,151
Akasaba West	Open Pit	100%	-	-	-	5,413	0.48	25,891	5,413	0.48	25,891
Upper Beaver	Underground	100%	-	-	-	7,992	0.25	19,980	7,992	0.25	19,980
Totals			***4,802***	***0.22***	***10,461***	***23,522***	***0.32***	***74,561***	***28,325***	***0.30***	***85,022***
ZINC	**Mining Method**	**Ownership**	**000 Tonnes**	**%**	**tonnes Zn**	**000 Tonnes**	**%**	**tonnes Zn**	**000 Tonnes**	**%**	**tonnes Zn**
LaRonde	Underground	100%	4,802	0.59	28,112	10,117	0.90	91,524	14,920	0.80	119,636
Totals			***4,802***	***0.59***	***28,112***	***10,117***	***0.90***	***91,524***	***14,920***	***0.80***	***119,636***

MINERAL RESOURCES
As of December 31, 2019

OPERATION			MEASURED			INDICATED			MEASURED & INDICATED			INFERRED		
GOLD	**Mining Method**	**Ownership**	000 Tonnes	g/t	000 Oz Au	000 Tonnes	g/t	000 Oz Au	000 Tonnes	g/t	000 Oz Au	000 Tonnes	g/t	000 Oz Au
LaRonde	Underground	100%	-	-	-	4,436	3.42	488	4,436	3.42	488	5,940	4.47	854
LaRonde Zone 5	Underground	100%	-	-	-	8,466	2.29	624	8,466	2.29	624	4,701	4.04	611
Ellison	Underground	100%	-	-	-	722	3.04	71	722	3.04	71	5,466	2.62	461
Canadian Malartic	Open Pit	50%	177	0.53	3	468	0.59	9	644	0.57	12	745	0.94	23
Canadian Malartic	Underground	50%	1,843	1.51	89	6,252	1.64	330	8,096	1.61	420	1,609	1.35	70
Canadian Malartic Total			**2,020**	**1.42**	**92**	**6,720**	**1.57**	**339**	**8,740**	**1.54**	**431**	**2,354**	**1.22**	**92**
Odyssey	Underground	50%	-	-	-	1,011	2.10	68	1,011	2.10	68	11,684	2.22	833
East Malartic	Underground	50%	-	-	-	4,962	2.18	347	4,962	2.18	347	39,382	2.05	2,596
East Gouldie	Underground	50%	-	-	-	-	-	-	-	-	-	12,760	3.34	1,369
Goldex	Underground	100%	12,360	1.86	739	26,838	1.47	1,272	39,197	1.60	2,011	25,180	1.50	1,212
Akasaba West	Open Pit	100%	-	-	-	4,870	0.63	98	4,870	0.63	98	-	-	-
Zulapa	Open Pit	100%	-	-	-	-	-	-	-	-	-	391	3.14	39
Meadowbank	Open Pit	100%	-	-	-	1,145	2.46	90	1,145	2.46	90	4	2.06	0
Amaruq	Open Pit	100%	-	-	-	6,679	3.20	687	6,679	3.20	687	568	4.78	87
Amaruq	Underground	100%	-	-	-	3,102	3.84	383	3,102	3.84	383	8,073	5.52	1,432
Amaruq Total			-	-	-	**9,782**	**3.40**	**1,070**	**9,782**	**3.40**	**1,070**	**8,642**	**5.47**	**1,520**
Meadowbank Complex Total			-	-	-	**10,927**	**3.30**	**1,160**	**10,927**	**3.30**	**1,160**	**8,645**	**5.47**	**1,520**
Meliadine	Open Pit	100%	-	-	-	11,065	3.11	1,106	11,065	3.11	1,106	1,321	4.42	188
Meliadine	Underground	100%	72	4.00	9	13,583	3.85	1,683	13,655	3.85	1,692	13,290	5.72	2,443
Meliadine Total			**72**	**4.00**	**9**	**24,648**	**3.52**	**2,789**	**24,721**	**3.52**	**2,799**	**14,611**	**5.60**	**2,631**
Hammond Reef	Open Pit	100%	165,662	0.70	3,724	42,754	0.57	777	208,416	0.67	4,501	501	0.74	12
Upper Beaver	Underground	100%	-	-	-	3,636	3.45	403	3,636	3.45	403	8,688	5.07	1,416
AK Project	Underground	100%	-	-	-	1,268	6.51	265	1,268	6.51	265	2,373	5.32	406
Anoki-McBean	Underground	100%	-	-	-	1,868	5.33	320	1,868	5.33	320	2,526	4.70	382
Upper Canada	Open Pit	100%	-	-	-	1,842	1.72	102	1,842	1.72	102	1,034	1.38	46
Upper Canada	Underground	100%	-	-	-	7,808	2.36	592	7,808	2.36	592	16,037	3.34	1,723
Upper Canada Total			-	-	-	**9,650**	**2.23**	**693**	**9,650**	**2.23**	**693**	**17,071**	**3.22**	**1,768**
Kittila	Open Pit	100%	-	-	-	229	3.41	25	229	3.41	25	373	3.89	47
Kittila	Underground	100%	2,895	2.54	237	15,022	2.60	1,258	17,916	2.59	1,495	13,447	3.90	1,688
Kittila Total			**2,895**	**2.54**	**237**	**15,251**	**2.62**	**1,283**	**18,145**	**2.60**	**1,520**	**13,820**	**3.90**	**1,735**
Kuotko	Open Pit	100%	-	-	-	-	-	-	-	-	-	284	3.18	29
Kylmäkangas	Underground	100%	-	-	-	-	-	-	-	-	-	1,896	4.11	250
Barsele	Open Pit	55%	-	-	-	3,178	1.08	111	3,178	1.08	111	2,260	1.25	91
Barsele	Underground	55%	-	-	-	1,158	1.77	66	1,158	1.77	66	13,552	2.10	914
Barsele Total			-	-	-	**4,335**	**1.27**	**176**	**4,335**	**1.27**	**176**	**15,811**	**1.98**	**1,005**
Pinos Altos	Open Pit	100%	-	-	-	2,728	0.92	80	2,728	0.92	80	981	0.92	29
Pinos Altos	Underground	100%	-	-	-	16,853	1.80	977	16,853	1.80	977	6,051	2.09	407
Pinos Altos Total			-	-	-	**19,581**	**1.68**	**1,057**	**19,581**	**1.68**	**1,057**	**7,032**	**1.93**	**435**
Creston Mascota	Open Pit	100%	-	-	-	988	0.75	24	988	0.75	24	281	1.10	10
La India	Open Pit	100%	10,840	0.60	209	1,402	0.64	29	12,241	0.60	238	809	0.57	15
Tarachi	Open Pit	100%	-	-	-	22,665	0.40	294	22,665	0.40	294	6,476	0.33	68
Chipriona	Open Pit	100%	-	-	-	1,255	1.11	45	1,255	1.11	45	10,744	0.69	238
El Barqueño Gold	Open Pit	100%	-	-	-	8,176	1.21	318	8,176	1.21	318	8,326	1.21	325
Santa Gertrudis	Open Pit	100%	-	-	-	5,065	0.64	104	5,065	0.64	104	19,054	1.17	717
Santa Gertrudis	Underground	100%	-	-	-	-	-	-	-	-	-	3,064	4.58	451
Santa Gertrudis Total			-	-	-	**5,065**	**0.64**	**104**	**5,065**	**0.64**	**104**	**22,118**	**1.64**	**1,168**
Totals			***193,848***	***0.80***	***5,010***	***231,491***	***1.75***	***13,045***	***425,340***	***1.32***	***18,055***	***249,869***	***2.67***	***21,480***

SILVER	**Mining Method**	**Ownership**	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag
LaRonde	Underground	100%	-	-	-	4,436	27.33	3,897	4,436	27.33	3,897	5,940	14.95	2,855
Kylmäkangas	Underground	100%	-	-	-	-	-	-	-	-	-	1,896	31.11	1,896
Pinos Altos	Open Pit	100%	-	-	-	2,728	24.60	2,157	2,728	24.60	2,157	981	25.38	801
Pinos Altos	Underground	100%	-	-	-	16,853	43.25	23,437	16,853	43.25	23,437	6,051	42.24	8,218
Pinos Altos Total			-	-	-	**19,581**	**40.66**	**25,594**	**19,581**	**40.66**	**25,594**	**7,032**	**39.89**	**9,018**
Creston Mascota	Open Pit	100%	-	-	-	988	7.88	250	988	7.88	250	281	5.05	46
La India	Open Pit	100%	10,840	3.24	1,130	1,402	3.17	143	12,241	3.23	1,273	809	3.56	93
Chipriona	Open Pit	100%	-	-	-	1,255	50.99	2,057	1,255	50.99	2,057	10,744	85.44	29,511
El Barqueño Silver	Open Pit	100%	-	-	-	-	-	-	-	-	-	3,998	129.49	16,646
El Barqueño Gold	Open Pit	100%	-	-	-	8,176	4.63	1,216	8,176	4.63	1,216	8,326	17.25	4,617
Totals			***10,840***	***3.24***	***1,130***	***35,836***	***28.78***	***33,157***	***46,676***	***22.85***	***34,287***	***39,025***	***51.55***	***64,682***

COPPER	**Mining Method**	**Ownership**	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu
LaRonde	Underground	100%	-	-	-	4,436	0.19	8,629	4,436	0.19	8,629	5,940	0.23	13,751
Akasaba West	Open Pit	100%	-	-	-	4,870	0.37	18,246	4,870	0.37	18,246	-	-	-
Upper Beaver	Underground	100%	-	-	-	3,636	0.14	5,135	3,636	0.14	5,135	8,688	0.20	17,284
Chipriona	Open Pit	100%	-	-	-	1,255	0.03	359	1,255	0.03	359	10,744	0.14	15,411
El Barqueño Gold	Open Pit	100%	-	-	-	8,176	0.18	15,028	8,176	0.18	15,028	8,326	0.22	18,210
Totals			-	-	-	***22,372***	***0.21***	***47,397***	***22,372***	***0.21***	***47,397***	***33,697***	***0.19***	***64,657***

ZINC	**Mining Method**	**Ownership**	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn
LaRonde	Underground	100%	-	-	-	4,436	1.15	51,161	4,436	1.15	51,161	5,940	0.64	38,066
Chipriona	Open Pit	100%	-	-	-	1,255	1.36	17,031	1,255	1.36	17,031	10,744	0.81	86,897
Totals			-	-	-	***5,691***	***1.20***	***68,192***	***5,691***	***1.20***	***68,192***	***16,684***	***0.75***	***124,963***

In the tables below setting out mineral reserve information about the Company's mineral projects, and elsewhere in this AIF, the total contained gold ounces stated do not include equivalent gold ounces for by-product metals contained in the mineral reserve. Mineral reserves are not reported as a subset of mineral resources. Tonnage amounts and contained metal amounts in these tables have been rounded to the nearest thousand, so aggregate amounts may differ from column totals. The amounts reported are the Company's percentage interest in the properties as at December 31, 2019. For all mineral reserves, the reported metal grades reflect dilution after mining recovery. For all measured and indicated mineral resources in the properties 100% owned by the Company, the reported metal grades reflect dilution after mining recovery. All other mineral resource numbers do not reflect dilution after mining recovery. The mineral reserve and mineral resource figures presented in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The scientific and technical information in this AIF has been approved by qualified persons as defined by NI 43-101. This includes the sampling methods, quality control measures, security measures taken to ensure the validity and integrity of samples taken, assaying and analytical procedures and quality control measures and data verification procedures. The methods used by the Company follow the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Best Practice Guidelines for Exploration and for Estimation of Mineral Resources and Mineral Reserves and industry practices. Sample preparation and analyses are conducted by external laboratories that are independent of the Company. In some cases, the sample preparation and the analyses are conducted by the Company's internal laboratories but following the same quality control protocols as the external laboratories. Internally tested samples represent less than 10% of the total samples used for the grade interpolation.

The Company carries out mineral processing and metallurgical testing at each of its mines and exploration projects with mineral reserves and indicated mineral resources. The testing is done in accordance with internal Company protocols and good mineral processing practices. There are no known processing factors or deleterious elements that are expected to have a significant effect on the economic extraction, or potential economic extraction, of gold at the Company's mines or advanced exploration projects.

Mineral Reserves and Mineral Resources

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LaRonde Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	4,802,000	4,817,000	5,746,000
Average grade – gold grams per tonne	5.05	4.87	4.94
Probable mineral reserves – tonnes	10,117,000	11,561,000	9,533,000
Average grade – gold grams per tonne	6.48	6.26	5.66
Total proven and probable mineral reserves – tonnes	**14,920,000**	**16,378,000**	**15,279,000**
Average grade – gold grams per tonne	**6.02**	**5.85**	**5.39**
Total contained gold ounces	**2,888,000**	**3,081,000**	**2,647,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above are based on a net smelter return cut-off value of the ore of C$119 to C$132 per tonne. There are no mineral reserves from open pit deposits. The metallurgical recovery rates at the LaRonde mine averaged 95% for gold, 86.37% for silver, 84.33% for zinc and 84.62% for copper in 2019. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 1.0% increase or 1.3% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the LaRonde mine contained indicated mineral resources of 4,436,000 tonnes grading 3.42 g/t gold, 27.33 g/t silver, 0.19% copper and 1.15% zinc and inferred mineral resources of 5,940,000 tonnes grading 4.47 g/t gold, 14.95 g/t silver, 0.23% copper and 0.64% zinc. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the LaRonde mine by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	4,817	11,561	16,378
Processed in 2019	(2,057)	–	(2,057)
Revision	2,042	(1,444)	599
December 31, 2019	**4,802**	**10,117**	**14,920**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the LaRonde mine may be found in the Technical Report on the 2005 LaRonde Mineral Resource & Mineral Reserve Estimate filed with Canadian securities regulatory authorities on SEDAR on March 23, 2005 and authored by Guy Gosselin, Eng., P.Geo.

LaRonde Zone 5 Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	3,307,000	4,053,000	3,758,000
Average grade – gold grams per tonne	2.13	2.03	2.02
Probable mineral reserves – tonnes	5,980,000	5,377,000	2,477,000
Average grade – gold grams per tonne	2.39	2.41	1.97
Total proven and probable mineral reserves – tonnes	**9,287,000**	**9,430,000**	**6,236,000**
Average grade – gold grams per tonne	**2.30**	**2.25**	**2.00**
Total contained gold ounces	**686,000**	**681,000**	**401,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above are based on a net smelter return cut-off value of the ore of C$65 to C$70 per tonne. There are no mineral reserves at open pit deposits. The metallurgical recovery rate at the LaRonde Zone 5 mine averaged 95% for gold in 2019. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 6.5% increase or 7.8% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the LaRonde Zone 5 mine contained indicated mineral resources of 8,466,000 tonnes grading 2.29 g/t gold and inferred mineral resources of 4,701,000 tonnes grading 4.04 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the LaRonde Zone 5 mine by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	4,053	5,377	9,430
Processed in 2019	(870)	–	(870)
Revision	124	603	727
December 31, 2019	**3,307**	**5,980**	**9,287**

Goldex Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	272,000	207,000	181,000
Average grade – gold grams per tonne	1.85	2.06	1.61
Probable mineral reserves – tonnes	20,709,000	18,717,000	18,006,000
Average grade – gold grams per tonne	1.61	1.58	1.57
Total proven and probable mineral reserves – tonnes	**20,980,000**	**18,925,000**	**18,186,000**
Average grade – gold grams per tonne	**1.61**	**1.58**	**1.57**
Total contained gold ounces	**1,088,000**	**962,000**	**917,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above were estimated using an assumed metallurgical gold recovery ranging from 77.5% to 92.3%. As of December 31, 2019, the operating costs per tonne were estimated to be in the range of C$37.7 to C$64.46. The cut-off grade used for mineral reserves ranged from 0.90 to 2.60 grams of gold per tonne depending on the zone. There are no mineral reserves in open pit deposits. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 0.2% increase or 2.5% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Goldex mine contained measured mineral resources of 12,360,000 tonnes grading 1.86 g/t gold, indicated mineral resources of 26,840,000 tonnes grading 1.47 g/t gold and inferred mineral resources of 25,180,000 tonnes grading 1.50 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Goldex mine by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	207	18,717	18,925
Processed in 2019	(2,495)	–	(2,495)
Revision	2,560	1,990	4,550
December 31, 2019	**272**	**20,709**	**20,980**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Goldex mine may be found in the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012, authored by Richard Genest, P.Geo., Eng., Jean-François Lagueux, Eng., François Robichaud, Eng. and Sylvain Boily, Eng.

Canadian Malartic Mineral Reserves and Mineral Resources (Agnico Eagle's 50% Interest)

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	23,847,000	23,029,000	24,990,000
Average grade – gold grams per tonne	0.83	0.89	0.95
Probable mineral reserves – tonnes	43,057,000	55,799,000	65,509,000
Average grade – gold grams per tonne	1.27	1.18	1.15
Total proven and probable mineral reserves – tonnes	**66,904,000**	**78,828,000**	**90,499,000**
Average grade – gold grams per tonne	**1.11**	**1.10**	**1.10**
Total contained gold ounces	**2,389,000**	**2,780,000**	**3,189,000**

Notes:

(1) The Canadian Malartic property is owned by the Partnership, in which the Company holds, directly and indirectly, a 50% interest, with the remaining 50% interest held directly and indirectly by Yamana. The 2019 proven and probable mineral reserves set out in the table above were estimated using an assumed metallurgical gold recovery of between 88% and 97% and a cut-off grade from 0.40 to 0.43 grams of gold per tonne, depending on the deposit. There are no mineral reserves in underground deposits at December 31, 2019. The operating cost per tonne estimate for the Canadian Malartic mine as of December 31, 2019 was C$11.55 per tonne for Canadian Malartic and the Barnat deposit. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 4.3% increase or 5.7% decrease, respectively, in mineral reserves.

(2) The Odyssey Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground indicated mineral resources of 1,011,000 tonnes grading 2.10 grams of gold per tonne and underground inferred mineral resources of 11,684,000 tonnes grading 2.22 grams of gold per tonne. The East Malartic Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground indicated mineral resources of 4,962,000 tonnes grading 2.18 grams of gold per tonne and underground inferred mineral resources of 39,382,000 tonnes grading 2.05 grams of gold per tonne. The East Gouldie Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground inferred mineral resources of 12,760,000 tonnes grading 3.34 g/t gold. Gold cut-off grades used for mineral resource estimates for Odyssey, East Malartic and East Gouldie were fixed at 80% of the applicable mineral reserve cut-off grade. Odyssey mineral resources cut-off grades vary from 1.15 grams of gold per tonne to 1.35 grams of gold per tonne depending on depth from surface. East Malartic mineral resources cut-off grades vary from 1.30 grams of gold per tonne to 1.60 grams of gold per tonne depending on depth from surface and a cut-off grade of 1.0 grams of gold per tonne was used for mineral resources below the open pit of Canadian Malartic. East Gouldie mineral resources cut-off grades vary from 1.35 grams of gold per tonne to 1.55 grams of gold per tonne depending on depth from surface.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Canadian Malartic mine by category at December 31, 2019 with those at December 31, 2018, stating Agnico Eagle's 50% interest. Revision indicates additional mineral reserves converted from mineral resources during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	23,029	55,799	78,828
Processed in 2019	(10,524)	–	(10,524)
Revision	11,342	(12,742)	(1,400)
December 31, 2019	**23,847**	**43,057**	**66,904**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Canadian Malartic mine may be found in the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property dated June 16, 2014, filed with Canadian securities regulatory authorities on SEDAR on August 13, 2014, authored by Donald Gervais, P. Geo., Christian Roy, Eng., Alain Thibault, Eng., Carl Pednault, Eng. and Daniel Doucet, Eng.

Kittila Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	1,444,000	491,000	971,000
Average grade – gold grams per tonne	4.55	4.12	4.26
Probable mineral reserves – tonnes	27,481,000	30,040,000	25,894,000
Average grade – gold grams per tonne	4.40	4.50	4.75
Total proven and probable mineral reserves – tonnes	**28,925,000**	**30,531,000**	**26,865,000**
Average grade – gold grams per tonne	**4.40**	**4.50**	**4.74**
Total contained gold ounces	**4,096,000**	**4,414,000**	**4,090,000**

Notes:

(1) The 2019 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery of 86.2%. Gold cut-off grades used were between 2.69 grams of gold per tonne and 2.97 grams of gold per tonne, diluted, depending on depth, for underground mineral reserves. There are no mineral reserves from open pit operations at December 31, 2019. Underground operating cost was estimated between €76.33 and €84.01 per tonne at December 31, 2019. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 16.3% increase or 9.0% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Kittila mine contained measured mineral resources of 2,895,000 tonnes grading 2.54 grams of gold per tonne, indicated mineral resources of 15,251,000 tonnes grading 2.62 grams of gold per tonne and inferred mineral resources of 13,820,000 tonnes grading 3.90 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Kittila mine by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	491	30,040	30,531
Processed in 2019	(4,096)	–	(4,096)
Revision	5,049	(2,559)	2,490
December 31, 2019	**1,444**	**27,481**	**28,925**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Kittila mine may be found in the Technical Report on the December 31, 2009, Mineral Resource and Mineral Reserve Estimate and the Suuri Extension Project, Kittila Mine, Finland, filed with the Canadian securities regulatory authorities on SEDAR on March 4, 2010, authored by Daniel Doucet, Eng., Dominique Girard, Eng., Louise Grondin, P.Eng., and Pierre Matte, Eng.

Meadowbank Complex (including the Meadowbank mine and the Amaruq satellite deposit at Meadowbank) Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	209,000	1,230,000	1,820,000
Average grade – gold grams per tonne	1.90	1.68	1.36
Probable mineral reserves – tonnes	25,903,000	25,315,000	22,951,000
Average grade – gold grams per tonne	3.97	3.58	3.57
Total proven and probable mineral reserves – tonnes	**26,112,000**	**26,546,000**	**24,771,000**
Average grade – gold grams per tonne	**3.96**	**3.49**	**3.40**
Total contained gold ounces	**3,320,000**	**2,979,000**	**2,710,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above were estimated using a cut-off grade that used metallurgical gold recoveries ranging from 93% to 95%, depending on the deposit and grade. The cut-off grade used for open pit mineral reserves varied from 2.04 g/t gold to 2.08 g/t gold, depending on the deposit. The operating costs used for the open pit mineral reserve estimate as of December 31, 2019 is C$99.07 per tonne, including an additional haulage cost of C$14.64 per tonne for the Amaruq satellite deposit mineral reserves. The cut-off grade used for underground mineral reserves at Amaruq varied from 3.67 g/t gold to 3.80 g/t gold, depending on the deposit. The operating costs used for the Amaruq underground mineral reserve estimate as of December 31, 2019 is C$164.69 per tonne. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 3% increase or 10.7% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Meadowbank Complex contained indicated mineral resources of 10,927,000 tonnes grading 3.30 g/t gold and inferred mineral resources of 8,645,000 tonnes grading 5.47 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Meadowbank Complex by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves, an update to mineral reserves based on changed mine plans, and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	1,230	25,315	26,546
Processed in 2019	(2,750)	–	(2,750)
Revision	1,729	587	2,316
December 31, 2019	**209**	**25,903**	**26,112**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Meadowbank Complex may be found in the Technical Report on the Mineral Resources and Mineral Reserves at the Meadowbank Gold Complex including the Amaruq Satellite Mine Development, Nunavut, Canada as at December 31, 2017 filed with Canadian securities regulatory authorities on SEDAR on March 22, 2018, authored by David Paquin Bilodeau, P.Geo., Robert Badiu, P.Geo., Pierre McMullen, P. Eng. and Karl Leetmaa, P. Eng.

Meliadine Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	866,000	150,000	48,000
Average grade – gold grams per tonne	7.14	5.67	7.17
Probable mineral reserves – tonnes	19,883,000	16,585,000	16,010,000
Average grade – gold grams per tonne	6.05	6.99	7.12
Total proven and probable mineral reserves – tonnes	**20,749,000**	**16,736,000**	**16,058,000**
Average grade – gold grams per tonne	**6.10**	**6.97**	**7.12**
Total contained gold ounces	**4,067,000**	**3,753,000**	**3,677,000**

Notes:

(1) The 2019 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery ranging from 88.03% to 96.5% depending on the deposit and grade. The cut-off grades used for open pit mineral reserves varied from 1.85 to 2.02 g/t gold diluted depending on deposit and grade. The cut-off grades used for underground ore at Tiriganiaq was 3.73 g/t gold diluted and 1.66 g/t gold diluted for Tiriganiaq underground marginal ore, 3.79 g/t gold diluted for Wesmeg underground ore and 1.68 g/t gold diluted for Wesmeg underground marginal ore. The estimated operating costs used for the mineral reserve estimate as of December 31, 2019 was C$84.83 per tonne for Tiriganiaq open pit ore, C$72.61 per tonne for Tiriganiaq marginal open pit ore, C$167.34 per tonne for Tiriganiaq and Wesmeg underground ore and C$72.40 per tonne for Tiriganiaq and Wesmeg marginal underground ore. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 2.7% increase or 6.8% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Meliadine mine contained measured mineral resources of 72,000 tonnes grading 4.00 g/t gold, indicated mineral resources of 24,648,000 tonnes grading 3.52 g/t gold and inferred mineral resources of 14,611,000 tonnes grading 5.60 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Meadowbank Complex by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves, an update to mineral reserves based on changed mine plans, and mineral reserves added from exploration activities during 2019.

	Proven	**Probable**	**Total**
December 31, 2018	150	16,585	16,736
Processed in 2019	(1,037)	–	(1,037)
Revision	1,754	3,296	5,050
December 31, 2019	**867**	**19,883**	**20,749**

(4) The breakdown of open pit and underground mineral reserves at the Meliadine project (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2019 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit stockpile	144	3.19	15
Proven mineral reserves	Underground	722	7.92	184
Probable mineral reserves	Open pit	5,671	4.72	861
Probable mineral reserves	Underground	14,212	6.58	3,007
Total probable mineral reserves		**19,883**	**6.05**	**3,868**
Total proven and probable mineral reserves		**20,749**	**6.10**	**4,067**

(5) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Meliadine project may be found in the Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada dated February 11, 2015, filed with Canadian securities regulatory authorities on March 12, 2015, authored by Julie Larouche, P.Geo., Denis Caron, Eng., Larry Connell, P.Eng., Dany Laflamme, Eng., François Robichaud, Eng., François Petrucci, P.Eng. and Alexandre Proulx, Eng.

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Pinos Altos Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold and Silver			
Proven mineral reserves – tonnes	3,334,000	4,782,000	4,304,000
Average gold grade – grams per tonne	2.55	2.70	2.55
Average silver grade – grams per tonne	58.96	63.36	68.29
Probable mineral reserves – tonnes	11,124,000	12,323,000	12,132,000
Average gold grade – grams per tonne	1.91	1.94	2.36
Average silver grade – grams per tonne	50.74	52.45	62.98
Total proven and probable mineral reserves – tonnes	**14,457,000**	**17,104,000**	**16,435,000**
Average gold grade – grams per tonne	**2.06**	**2.15**	**2.41**
Average silver grade – grams per tonne	**52.63**	**55.50**	**64.37**
Total contained gold ounces	**957,000**	**1,184,000**	**1,273,000**
Total contained silver ounces	**24,464,000**	**30,519,000**	**34,015,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above at the Pinos Altos mine (excluding the Creston Mascota deposit) are estimated based on a net smelter return cut-off value of the open pit ore between $11.28 per tonne and $29.85 per tonne, depending on the processing method, and a net smelter return cut-off value of the underground ore between $54.20 per tonne and $62.04 per tonne, depending on deposit. The metallurgical gold recovery used in the reserve estimates varied between 40% and 94.06%, depending on the deposit and the processing method. The metallurgical silver recovery used in the reserve estimates varied between 12% and 53.57%, depending on the deposit and the processing method. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 1.1% increase or 6.9% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Pinos Altos mine contained indicated mineral resources of 19,581,000 tonnes grading 1.68 g/t gold and 40.66 g/t silver and inferred mineral resources of 7,032,000 tonnes grading 1.93 g/t gold and 39.89 g/t silver. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The breakdown of open pit and underground mineral reserves at the Pinos Altos mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2019 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Silver Grade (g/t)**	**Contained Gold (oz)**	**Contained Silver (oz)**
Proven mineral reserves	Open pit stockpile	60	1.55	39.07	3	76
Proven mineral reserves	Underground	3,274	2.56	59.33	270	6,244
Total proven mineral reserves		**3,334**	**2.55**	**58.96**	**273**	**6,320**
Probable mineral reserves	Open pit	3,550	0.97	26.09	111	2,978
Probable mineral reserves	Underground	7,573	2.35	62.29	573	15,166
Total probable mineral reserves		**11,124**	**1.91**	**50.74**	**684**	**18,145**
Total proven and probable mineral reserves		**14,457**	**2.06**	**52.63**	**957**	**24,464**

(4) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Pinos Altos mine (excluding the Creston Mascota deposit) by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	Probable	Total
December 31, 2018	4,782	12,323	17,104
Processed in 2019	(957)	–	(957)
Revision	(491)	(1,199)	(1,690)
December 31, 2019	**3,334**	**11,124**	**14,457**

(5) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Pinos Altos mine may be found in the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on the Mineral Resources and Reserves as of December 31, 2008 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2009, authored by Dyane Duquette, P.Geo., Louise Grondin, P.Eng., Pierre Matte, Eng. and Camil Prince, Eng.

Creston Mascota Deposit at Pinos Altos Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold and Silver			
Proven mineral reserves – tonnes	1,000	–	21,000
Average gold grade – grams per tonne	5.55	–	0.90
Average silver grade – grams per tonne	331.49	–	9.56
Probable mineral reserves – tonnes	757,000	1,434,000	2,368,000
Average gold grade – grams per tonne	2.49	1.77	1.47
Average silver grade – grams per tonne	62.65	40.89	30.36
Total proven and probable mineral reserves – tonnes	**758,000**	**1,434,000**	**2,389,000**
Average gold grade – grams per tonne	**2.49**	**1.77**	**1.47**
Average silver grade – grams per tonne	**63.05**	**40.89**	**30.18**
Total contained gold ounces	**61,000**	**82,000**	**113,000**
Total contained silver ounces	**1,537,000**	**1,886,000**	**2,318,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above at the Mina Bravo deposit at Creston Mascota are estimated based on a net smelter return cut-off value of the open pit ore of $12.53 per tonne. There are no mineral reserves in underground deposits. At the Mina Bravo Deposit the metallurgical recovery used in the reserve estimates was 71% for gold and 24% for silver. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 10.3% increase or 3.3% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the Creston Mascota deposit at Pinos Altos contained indicated mineral resources of 988,000 tonnes grading 0.75 g/t gold and 7.88 g/t silver and inferred mineral resources of 281,000 tonnes grading 1.10 g/t gold and 5.05 g/t silver. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Creston Mascota deposit by category at December 31, 2019 with those at December 31, 2018. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2019.

	Proven	Probable	Total
December 31, 2018	–	1,434	1,434
Processed in 2019	(1,067)	–	(1,067)
Revision	1,068	(677)	391
December 31, 2019	**1**	**757**	**758**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Creston Mascota deposit at Pinos Altos may be found in the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on the Mineral Resources and Reserves as of December 31, 2008 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2009, authored by Dyane Duquette, P.Geo., Louise Grondin, P. Eng., Pierre Matte, Eng. and Camil Prince, Eng.

La India Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2019	**2018**	**2017**
Gold			
Proven mineral reserves – tonnes	279,000	228,000	266,000
Average gold grade – grams per tonne	0.49	0.49	0.49
Average silver grade – grams per tonne	1.64	3.73	3.40
Probable mineral reserves – tonnes	20,152,000	24,256,000	30,394,000
Average gold grade – grams per tonne	0.75	0.74	0.69
Average silver grade – grams per tonne	2.63	2.54	2.14
Total proven and probable mineral reserves – tonnes	**20,432,000**	**24,484,000**	**30,660,000**
Average gold grade – grams per tonne	**0.75**	**0.74**	**0.69**
Average silver grade – grams per tonne	**2.62**	**2.55**	**2.15**
Total contained gold ounces	**490,000**	**581,000**	**679,000**
Total contained silver ounces	**1,719,000**	**2,008,000**	**2,123,000**

Notes:

(1) The 2019 proven and probable mineral reserve estimates set out in the table above for the La India mine were estimated using a metallurgical gold recovery for the oxide varying from 72% to 89% depending on the zone and lithological domains and a metallurgical gold recovery for the sulphide varying from 20.3% to 65.3% depending on the lithological domains. The cut-off grade used for mineral reserves varied depending on the deposit and the type of ore from 0.20 g/t gold to 1.08 g/t gold. Marginal cut-off grades varied depending on domain from 0.20 g/t gold to 1.01 g/t gold. There are no mineral reserves in underground deposits as at December 31, 2019. The estimated operating cost used for the mineral reserve estimate as of December 31, 2019 ranged from $6.63 to $8.68 per tonne for oxide ore and ranged from $7.88 to $9.93 for sulphide ore. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 7.3% increase or 15.1% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2019, the La India mine (excluding the Tarachi deposit) contained measured mineral resources of 10,840,000 tonnes grading 0.60 g/t gold and 3.24 g/t silver, indicated mineral resources of 1,402,000 tonnes grading 0.64 g/t gold and 3.17 g/t silver and inferred mineral resources of 809,000 tonnes grading 0.57 g/t gold and 3.56 g/t silver. The Tarachi Deposit, located near the La India mine, contained indicated mineral resources of 22,665,000 tonnes grading 0.40 g/t gold and inferred mineral resources of 6,476,000 tonnes grading 0.33 g/t gold. The Chipriona Deposit, located near the La India mine, contained indicated mineral resources of 1,255,000 tonnes grading 1.11 g/t gold, 50.99 g/t silver, 0.03% copper and 1.36% zinc and inferred mineral resources of 10,744,000 tonnes grading 0.69 g/t gold, 85.44 g/t silver, 0.14% copper and 0.81% zinc. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table shows the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the La India mine by category at December 31, 2019 with those at December 31, 2018. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities and metallurgical testing during 2019.

	Proven	Probable	Total
December 31, 2018	228	24,256	24,484
Processed in 2019	(5,402)	–	(5,402)
Revision	5,453	(4,103)	1,350
December 31, 2019	**279**	**20,152**	**20,432**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information presented in this AIF relating to the La India mine project may be found in the Technical Report on the June 30, 2012 Update of the Mineral Resources and Mineral Reserves, La India Gold Project, Municipality of Sahuaripa, Sonora, Mexico, dated August 31, 2012, filed with the Canadian securities regulatory authorities on SEDAR on October 12, 2012, authored by Daniel Doucet, Eng., Tim Haldane, P.Eng. and Michel Julien, P.Eng.

Principal Products and Distribution

The Company earns substantially all of its revenue from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue is generated from the production and sale of by-product metals, namely silver, zinc and copper. The gold produced by the Company is sold in refined form, primarily in the London spot market. The Company is not dependent on any particular purchaser of its principal product.

Employees

As of December 31, 2019, the Company had 11,101 employees comprised of 6,193 permanent employees, 4,506 contractors, 294 temporary employees and 108 students. Of the permanent employees, 936 were employed at the LaRonde Complex, 411 at the Goldex mine, 792 at the Canadian Malartic mine (including seven in the Canadian Malartic office), 450 at the Kittila mine (with an additional seven at the Finnish exploration group), 789 at the Meadowbank Complex (including two at the Baker Lake office and 26 in Quebec), 596 at the Meliadine mine (including one at the Rankin Inlet office and 33 in Quebec), 1,069 at the Pinos Altos mine (with an additional 42 at Exploration Mexico, two at Projects Operation Mexico and nine at Regional Mexico), 266 at the Creston Mascota deposit at Pinos Altos, 392 at the La India mine, 60 in the exploration group in Mexico, 53 in the exploration group in Canada and the United States (including the Kirkland Lake and Hammond Reef properties), 160 at the regional technical office in Abitibi, 10 at the regional office in Sweden and 149 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2019, 2018 and 2017 was 6,193, 5,990 and 5,514, respectively.

Competitive Conditions

The precious metal exploration and mining business is a highly competitive business. The Company competes with other mining and exploration companies in connection with the acquisition of mining claims and leases, the sourcing of raw materials and supplies used in connection with mining operations and the recruitment and retention of qualified employees.

The ability of the Company to continue its mining business in the future will depend not only on its ability to develop its current properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or exploration. See "Risk Factors" for a description of additional competitive risks the Company faces.

Sustainable Development

In 2019, the Company continued the process of incorporating health, safety and environmental sustainability into all aspects and stages of its business, from the corporate objectives and executive responsibility of 'maintaining high standards in sustainability' to exploration and acquisition activities, day to day operations and site closure. The formal integration of this process began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. This policy was updated in 2019 to enhance commitments to the protection of human rights and provide a greater emphasis on risk management. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

The Sustainable Development Policy operates through the development and implementation of a formal and integrated Health, Safety and Environmental Management System, termed the Risk Management and Monitoring System (the "RMMS"), across all divisions of the Company. The Partnership has committed to implementing a similar system at the Canadian Malartic mine in the future. The aim of the RMMS is to promote a culture of accountability and leadership in managing health, safety, environmental and social acceptability matters. RMMS implementation is supported by software widely used in the Canadian mining industry that is consistent with the ISO 14001 Environmental Management System and the Occupational Health and Safety Assessment Series 18001 Health and Safety Management System.

The RMMS incorporates the Company's commitments as a signatory to the Cyanide Code, a voluntary program that addresses the safe production, transport, storage, handling and disposal of cyanide. The Company became a signatory to the Cyanide Code in September 2011.

The RMMS also integrates the requirements of the Mining Association of Canada's industry-leading Towards Sustainable Mining Initiative (the "TSM Initiative"), as well as the Global Reporting Initiative's sustainability reporting guidelines for the mining industry. In December 2010, the Company became a member of the Mining Association of Canada and endorsed the TSM Initiative. The TSM Initiative helps mining companies evaluate the quality, comprehensiveness and robustness of their management systems under eight performance elements: crisis management; energy and greenhouse gas emissions management; tailings management; biodiversity conservation management; health and safety; indigenous and community relations; preventing child and forced labour; and water stewardship.

The Company has adopted and implemented the World Gold Council's Conflict-Free Gold Standard. This implementation was initiated on January 1, 2013. In 2019, the Company committed to the application of the World Gold Council's Responsible Mining Principles. These commitments will also be integrated into the RMMS.

In 2017, the Company adopted the Voluntary Principles on Security and Human Rights, a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights. An external audit of the Voluntary Principles was performed at La India mine in 2018 and the Pinos Altos mine in 2019.

In 2018, the Company adopted an Indigenous Engagement Policy and a Diversity and Inclusion Policy and in 2019, a Diversity Advisory Council was established. An internal review was completed at each site to identify best practices as well as any obstacles or barriers to the successful implementation of these policies.

The Company's Sustainable Development Policy is available on the Company's website at *www.agnicoeagle.com.* The Canadian Malartic mine's sustainable development report is available at its website, *www.canadianmalartic.com*.

Employee Health and Safety

The Company's overall health and safety performance, as measured by accident frequency, improved during 2019. A combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 0.98 was achieved, a decrease from the 2018 rate of 1.27 and below the target rate of 1.1. Extensive health and safety training continued to be provided to employees during 2019.

The Canadian Malartic mine's combined accident frequency rate in 2019 was 1.20, a slight decrease from the 2018 rate of 1.21 but above the target rate of 0.95.

One of the measures implemented by the Company to improve safety performance is the workplace safety card system. This system was implemented across all of the Company's operations to strengthen the risk-based training program. Developed by the Quebec Mining Association (the "AMQ"), the safety card system teaches workers and supervisors to use risk-based thinking in their duties. Workers and their supervisors must meet every day to discuss on-the-job health and safety matters. The safety card system also allows the Company's workers and supervisors to document daily inspections and record observations on conditions in the workplace, as well as the nature of risks, issues and other relevant information. In addition, it allows supervisors to exchange and analyze all relevant information between shifts and various technical services to improve efficiency and safety.

In 2019, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 23 of the Company's supervisors from the LaRonde and Goldex mines for keeping their workers safe. The supervisors received AMQ security awards for 50,000 or more hours supervised without a lost-time accident. Together, this

group of 23 supervisors achieved more than 2.10 million hours supervised without a lost-time accident for a member of their crew. The AMQ also recognized 14 supervisors from the Canadian Malartic mine for achieving 2.25 million hours without a lost-time accident.

In 2019, the National Mining Association of Mexico awarded the La India mine the Jorge Rangel Zamorano – Silver Helmet award as the safest mine in Mexico in the open pit category (500 employees) for the second year in a row.

Each of the Company's mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire and environmental emergencies. Each mine also maintains the appropriate response equipment. In 2014, the corporate crisis management plan was updated to align with industry best practices and the TSM Initiative requirements. Emergency response simulations are performed at all divisions on an annual basis. The TSM Initiative also contains a Health and Safety protocol which has been implemented at each of the Company's mining operations.

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workforce as possible, including management teams, directly from the local region in which the operation is located. In 2019, the overall Company average for local hiring was 59%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed and in 2018, the Amaruq IIBA was signed. In 2019, the Company continued its dialogue with First Nations in the Abitibi region and with First Nations around the Kirkland Lake project.

The Company has adopted a reconciliation action plan consistent with the call for action No. 92 of the *Truth and Reconciliation Commission of Canada: Calls to Action*, the first step of which was to give training on First Nations Matters to the Company's senior management, and which was completed in 2018. In 2019, the Company continued to make progress with this call to action by engaging in discussions with the First Nations communities in the regions of our mines and projects in Nunavut, Quebec and Ontario.

The Canadian Malartic mine continued its contribution to the economic development fund which was established prior to mine development to diversify the local economy throughout the mine life so that the town of Malartic is well equipped to face the eventual mine closure. The Canadian Malartic mine has also participated in forums initiated by the town council on the future of the town of Malartic. As part of ongoing stakeholder engagement, a draft agreement with four First Nations groups has been prepared and presented for consultation by the communities. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

A Good Neighbour Guide was initiated at the LaRonde Mine in 2019 and will be implemented in 2020. Goldex is in the progress of initiating a similar guide.

The Company continues to support a number of community health and educational initiatives in the region surrounding the Pinos Altos mine, including the establishment of a Good Deeds Initiative where community members, mining leaders and government officials gathered and achieved more than 2,000 good deeds supporting the environment, local education, health as well as acts of kindness towards community members.

The Company's Code of Business Conduct and Ethics Policy is available on the Company's website at *www.agnicoeagle.com*.

Environmental Protection

The Company's exploration activities and mining and processing operations are subject to the federal, state, provincial, territorial, regional and local environmental laws and regulations in the jurisdictions in which the Company's activities and facilities are located. These include requirements for planning and implementing the closure and reclamation of mining properties and related financial assurance. Each mine is subject to environmental assessment and permitting processes during development and, in operation, has an environmental management system consistent with ISO 140001 as well as an internal audit program. The Company works closely with regulatory authorities in each jurisdiction where it operates to ensure ongoing compliance.

The Company has reported greenhouse gas emissions and climate change risk factors annually to the Carbon Disclosure Project since 2007.

With respect to activities in 2019, the Partnership received four non-compliance notices, two for overpressure and two for NOx emissions. The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

The Company's total liability for reclamation and closure cost obligations at December 31, 2019 was $439.8 million (including the Company's share of the Canadian Malartic reclamation costs) and the Company's environmental remediation expenses for the year ended December 31, 2019 were $2.8 million. For more information please see note 12 to the Annual Financial Statements.

The Company's Environmental Policy is available on the Company's website at *www.agnicoeagle.com*.

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations.

The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom.

The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and could have a material adverse effect on the Company's financial performance and results of operations. In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company cannot be predicted with certainty. COVID-19 and these measures could have an adverse impact on many aspects of the Company's business including, employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, ability to sell or deliver gold dore bars or concentrate and the availability of insurance and the cost thereof, some of which, individually or when aggregated with other impacts, may be material to the Company. Measures taken by governments, the Company or others, or a positive test for COVID-19 associated with one of the Company's mine sites could result in the Company reducing or suspending operations at one or more of its mines. COVID-19 and associated responses could also have an adverse effect on the Company's ability to procure inputs required for the Company's operations and projects. The occurrence of one or more of these events or circumstances could have a material adverse effect on the Company's business and results of operations. For example, on March 23, 2020 the Government of Quebec ordered that all non-essential businesses in Quebec be closed from March 25, 2020 to April 13, 2020. As a result of this Order, the Company suspended all mining operations the LaRonde Complex, the Goldex mine and the Canadian Malartic mine. The Company also reduced activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations, currently serviced out of Mirabel and Val d'Or, Quebec. As a result of the Order, on March 24, 2020 the Company determined to withdraw its guidance for 2020 regarding expected production volumes and costs. The Company cannot provide any assurances that the ordered shut down of non-essential businesses will not be extended beyond April 13, 2020, or that it can achieve a timely and safe ramp up of normal operations once all restrictions are lifted. Further, the Company cannot provide any assurances that governments in the other regions it operates will not implement measures that result in the suspension or reduction of mining operations at one or more of its mines.

The Company's Meadowbank Complex (including the Amaruq satellite deposit) and Meliadine mine are both located in remote areas and operate as fly-in/fly-out camps, meaning site employees and contractors are housed in on-site accommodations during the periods in which they are working. Because of the concentration of personnel working and living in a small area, risks associated with communicable diseases are higher at these sites. As a precautionary measure, on March 19, 2020, the Company made the decision to send home all of its Nunavut-based work force at the Meadowbank Complex and the Meliadine mine and on March 24, 2020, announced it will reduce activities at the Meliadine and Meadowbank mining operations in Nunavut. If travel restrictions related to COVID-19 affect the movement of personnel to these sites, the Company may have to further reduce or suspend activities at such sites. The Company may in the future, based on its assessment of relevant risks at the time, elect to reduce, further reduce or suspend operations at these or other sites as a precautionary measure or as a result of or in response to government or community actions. Further, COVID-19, and measures taken to attempt to reduce the spread of COVID-19, may effect the Company's ability to ship the materials that the Company requires for the operation of the Meadowbank Complex and the Meliadine mine during Nunavut's limited annual shipping season. If the Company is unable to acquire and transport necessary supplies during the limited shipping season it may result in a slowdown or stoppage of operations at the Meadowbank Complex and the Meliadine mine and may delay construction or expansion projects planned for the sites. See "– The Company may experience difficulties operating its

Meadowbank Complex and Meliadine mine as a result of their remote location". Any of these events or circumstances could have a material adverse effect on the Company's business and results of operations.

In addition, the actual or threatened spread of COVID-19 globally, and responses of governments and others to such actual or threatened spread, could also have a material adverse effect on the global economy, could continue to negatively affect financial markets, including the price of gold and the trading price of the Company's shares, could adversely affect the Company's ability to raise capital, and could cause continued interest rate volatility and movements that could make obtaining financing or refinancing debt obligations more challenging or more expensive. If the price of gold declines, the Company's revenues from its operations will also decline. See "– The Company's financial performance and results may fluctuate widely due to volatile and unpredictable commodity prices". Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

The Company's financial performance and results may fluctuate widely due to volatile and unpredictable commodity prices.

The Company's earnings are directly related to commodity prices, as revenues are derived from the sale of gold, silver, zinc and copper. Gold prices, which have the greatest impact on the Company's financial performance, fluctuate widely and are affected by numerous factors, including, central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, expectations of economic activity, investment demand, the exchange rate of the U.S. dollar to other major currencies, interest rates, global and regional demand, political and economic conditions, production costs in major gold-producing regions, speculative positions taken by investors or traders in gold and changes in supply, including worldwide production levels, all of which are beyond the Company's control. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities or world events, including concerns relating to the spread of the novel strain of the coronavirus known as COVID-19. For example, from March 6, 2020 to March 16, 2020, the London P.M. Fix (as defined below) fell almost $200 per ounce from $1,683.65 per ounce to $1,487.70 per ounce. Fluctuations in gold prices may materially adversely affect the Company's financial performance or results of operations. If the market price of gold falls below the Company's realized or anticipated all-in sustaining costs per ounce of production at one or more of its mines, projects or other properties and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its mining, exploration or development activities at such mines, projects or other property or at other mines or projects. In addition, such fluctuations may require changes to the mine plans. The Company's current mine plans and mineral reserve and mineral resource estimates are based on a gold price of $1,200 per ounce (see "Operations and Production – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company"). If the price of gold falls below such levels, the mines may be rendered uneconomic and production may be suspended. In addition, lower gold prices may require the mine plans to be changed, which may result in reduced production, higher costs than anticipated, or both, and estimates of mineral reserves and mineral resources may be reduced. Also, increased volatility in the price of gold may result in the Company delaying or abandoning some of its growth projects. Further, the prices received from the sale of the Company's by-product metals produced at its LaRonde mine (silver, zinc and copper) and its Pinos Altos, La India and Canadian Malartic mines (silver) affect the Company's ability to meet its targets for total cash costs per ounce or all-in sustaining costs per ounce of gold produced when such measures are calculated on a by-product basis. By-product metal prices fluctuate widely and are also affected by numerous factors beyond the Company's control. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's Board-approved price risk management policy, the Company may review this practice on a project by project basis. See "Risk Profile – Commodity Prices and Foreign Currencies" and "Risk Profile – Financial Instruments" in the Annual MD&A for more details on the Company's use of derivative instruments. The Company occasionally uses derivative instruments to mitigate the effects of fluctuating by-product metal prices; however, these measures may not be successful.

The volatility of gold prices is illustrated in the following table which sets out, for the periods indicated, the high, low and average afternoon fixing prices for gold on the London Bullion Market (the "London P.M. Fix").

	2020 (to March 17)	2019	2018	2017	2016	2015
High price ($ per ounce)	1,684	1,546	1,355	1,346	1,366	1,296
Low price ($ per ounce)	1,488	1,270	1,178	1,151	1,077	1,049
Average price ($ per ounce)	1,585	1,392	1,269	1,257	1,251	1,160

On March 17, 2020, the London P.M. Fix was $1,536 per ounce of gold.

The assumptions that underlie the estimates of future operating results and the strategies used to mitigate the effects of risks of metal prices are set out in "Operations and Production – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company" in this AIF and under the heading "Risk Profile" in the Annual MD&A.

The Company is largely dependent upon its mining and milling operations at its LaRonde mine and Canadian Malartic mines in Quebec and its Meliadine mine and Meadowbank Complex in Nunavut and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's operations at the LaRonde and Canadian Malartic mines in Quebec accounted for approximately 22.6% and 18.8%, respectively, of the Company's gold production in 2019 and are expected to account for a significant portion of the Company's gold production in the future. Also, in 2019 the LaRonde Complex and the Canadian Malartic mine accounted for approximately 30.2% and 20.7%, respectively, of the Company's operating margin. Further, the Meliadine mine and the Meadowbank Complex are expected to account for a significant portion of the Company's gold production in the future. Any adverse condition affecting mining or milling conditions at these mines could be expected to have a material adverse effect on the Company's financial performance and results of operations (see "– If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production" and "The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom").

Further, the Company anticipates significant production from the Meliadine mine and the Meadowbank Complex in the future, however the ramp up of both of these operations are subject to risks associated with new mining operations and operating mining operations in a remote location (see "– The Company may experience difficulties operating its Meadowbank Complex and Meliadine mine as a result of their remote location" and "– The Company's newly operational mines and expansion projects are subject to risks associated with mine development, which may result in delays in the optimization of mining operations, delays in existing operations and unanticipated costs.").

Unless the Company acquires or develops other significant gold-producing assets, the Company will continue to be dependent on its operations at the LaRonde Complex, Canadian Malartic mine, the Meliadine mine and the Meadowbank Complex for a substantial portion of its gold production and cash flow provided by operating activities. There can be no assurance that the Company's current exploration and development programs will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current production and mineral reserves.

The Company may experience difficulties operating its Meadowbank Complex and Meliadine mine as a result of their remote location.

The Meadowbank Complex is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake and the Amaruq satellite deposit at Meadowbank is located 50 kilometres northwest of the Meadowbank minesite. The closest major city to the Meadowbank Complex is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. The Company built a 110-kilometre all-weather road from Baker Lake to the Meadowbank minesite, which provides summer shipping access via Hudson Bay to the Meadowbank Complex and a 64-kilometre all-weather road between the Meadowbank minesite and the Amaruq satellite deposit. However, the Company's operations are constrained by the remoteness of the complex and the satellite operation, particularly

as the port of Baker Lake is only accessible approximately ten weeks per year. Most of the materials that the Company requires for the operation of the Meadowbank Complex must be transported through the port of Baker Lake during this shipping season, which may be further truncated due to weather conditions. If the Company is unable to acquire and transport necessary supplies during this time, or if ore transportation from Amaruq to Meadowbank is negatively affected or is not as anticipated, it may result in a slowdown or stoppage of operations and/or cost increases at the Meadowbank Complex or the Amaruq satellite deposit. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped through Baker Lake during this shipping window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment may require the slowdown or stoppage of operations. For example, a March 2011 fire at the kitchen facilities of the Meadowbank mine required operations to be reduced at the mine, which resulted in gold production at the mine being below expected levels in 2011.

The Company's Meliadine mine, 290 kilometres southeast of the Meadowbank mine, is also located in the Kivalliq District of Nunavut, approximately 25 kilometres northwest of the hamlet of Rankin Inlet on the west coast of Hudson Bay. Most of the materials that the Company requires to operate the Meliadine mine must be transported through the port of Rankin Inlet during its approximately 14-week shipping season. If the Company is unable to acquire and transport necessary supplies during this time it may result in a slowdown or stoppage of operations and/or cost increases at the Meliadine mine. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped through Rankin Inlet during this window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment may require the slowdown or stoppage of operations.

The remoteness of the Meadowbank Complex, the Amaruq satellite deposit at Meadowbank and the Meliadine mine also necessitates the use of fly-in/fly-out camps for the accommodation of site employees and contractors, which may have an impact on the Company's ability to attract and retain qualified mining, exploration and construction personnel. Further, the Company's operations at the Meadowbank Complex and the Melaidine mine are subject to risks relating to the transportation of personnel to and from the sites. See "The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom." If the Company is unable to attract and retain sufficient personnel or contractors on a timely basis, the Company's operations at the Meadowbank Complex (including the Amaruq satellite deposit at Meadowbank) and operations at the Meliadine mine may be adversely affected.

If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production.

The Company's gold production may be negatively impacted as a result of mining accidents such as, cave-ins, rock falls, rock bursts, pit wall failures, fires or flooding or as a result of other operational problems such as, a failure of a production hoist, autoclave, filter press or SAG mill, the failure of, or inadequate capacity of, the Company's tailings management or water storage facilities, or the impacts of wildlife, including caribou, on mining activities. In addition, production may be reduced if, among other things, during the course of mining or processing, unfavourable weather conditions, ground conditions, high geomechanical stress areas or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment, dilution increases, electrical power is interrupted or heap leach processing results in containment discharge. The occurrence of one or more of these events could adversely affect the Company's financial performance and results of operations.

The LaRonde mine continues to experience seismic events, which have resulted in some areas of the mine being under periodic closure to mitigate seismicity risk and to carry out rehabilitation activities. As the Company mines deeper at the LaRonde mine, the risks of more frequent and larger seismic events increase. In addition, seismic activity has the potential to negatively affect the infrastructure upon which the LaRonde Complex relies (including the mill and tailings facilities) as well as community relations. The Company cannot be certain that a significant seismic event will not occur which could adversely affect the Company's financial performance and results of operations.

While the Company has met or exceeded its gold production forecasts since 2012, it failed to do so from 2008 to 2011, primarily due to: delays in the commissioning of the Goldex production hoist and the Kittila autoclave in 2008; autoclave issues at Kittila, filtering issues at Pinos Altos and dilution issues at Lapa in 2009; lower throughput at the Meadowbank mill due to a bottleneck in the crushing circuit and continued autoclave issues at the Kittila mine in the first half of the year in 2010; and suspension of mining operations at the Goldex mine due to geotechnical concerns

with the rock above the mining horizon, a fire in the Meadowbank mine kitchen complex that negatively affected production and lower than expected grades at the Meadowbank and LaRonde mines in 2011.

Despite meeting or exceeding production forecasts since 2012, gold production was negatively affected by: the temporary suspension of heap leach operations at the Creston Mascota deposit at Pinos Altos as a result of issues with the phase one leach pad liner in 2012; an extended maintenance shutdown at Kittila during the second quarter of 2013, during which the mine only operated for 14 days in the quarter, and a 16-day unplanned shutdown related to the LaRonde hoist drive in 2013; ten days of downtime resulting from a production hoist drive failure at LaRonde in 2014; lower than expected grades at Kittila and a decision during the year to extend the Vault pit at Meadowbank resulting in lower than expected production in 2015; an unscheduled shutdown of the secondary crushing circuit for maintenance at Meadowbank and unplanned maintenance on the leach tank, ball mill and crusher components in the process plant at Canadian Malartic in 2016; an unplanned temporary hoist and mill shutdown at Goldex in 2017; an unscheduled five-day mill shutdown at LaRonde and lower than expected grades at Kittila in 2018; and the slower than expected ramp up in production at the Amaruq satellite deposit at the Meadowbank Complex, challenging ground conditions at the Cerro Colorado underground operations at Pinos Altos and higher clay content in the ore at La India that impacted the tonnes of ore stacked on the heap leach pad in 2019.

Occurrences of this nature and other accidents, adverse conditions or operational problems in future years may result in the Company's failure to achieve current or future production estimates.

Fluctuations in foreign currency exchange rates in relation to the U.S. dollar may adversely affect the Company's results of operations.

The Company's operating results and cash flow are significantly affected by changes in the U.S. dollar/Canadian dollar exchange rate. All of the Company's revenues are earned in U.S. dollars but the majority of its operating costs at the LaRonde Complex, Goldex mine, Canadian Malartic mine, Meadowbank Complex and Meliadine mine are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2015 to December 31, 2019, the U.S. dollar/Canadian dollar exchange rate (as reported by the Bank of Canada) fluctuated from a high of C$0.85 per $1.00 to a low of C$0.69 per $1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. To attempt to mitigate its foreign exchange risk and minimize the impact of exchange rate movements on operating results and cash flow, the Company has periodically used foreign currency options and forward foreign exchange contracts to purchase Canadian dollars; however, there can be no assurance that these strategies will be effective. See "Risk Profile – Commodity Prices and Foreign Currencies" in the Annual MD&A for a description of the assumptions underlying the sensitivity calculations. In addition, the majority of the Company's operating costs at the Kittila mine are incurred in Euros and a significant portion of operating costs at the Pinos Altos and La India mines are incurred in Mexican pesos. Each of these currencies has also fluctuated significantly against the U.S. dollar over the past several years. There can be no assurance that the Company's foreign exchange derivatives strategies will be successful or that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

The Company's newly operational mines and expansion projects are subject to risks associated with mine development, which may result in delays in the optimization of mining operations, delays in existing operations and unanticipated costs.

The Company's production forecasts are based on full production being achieved at all of its mines. The Company's ability to maintain current, or achieve forecast, gold production levels is dependent in part on the successful development and operation of new mines and/or expansion of existing mining operations. Risks and uncertainties inherent in all new projects include the accuracy of mineral reserve estimates, metallurgical recoveries, geotechnical and other technical assumptions, capital and operating costs and future commodity prices. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal requirements, governmental intervention, infrastructure limitations, environmental issues, local community relations or other events, could result in one or more of the Company's planned projects becoming impractical or uneconomic. Further, actual costs and economic returns may differ materially from the Company's estimates or the Company may fail or be delayed in obtaining the governmental permits and approvals necessary in connection with a project, in which case, the project may not proceed either on its original timing or at all.

Frequently, new mining operations experience unexpected problems during the start-up phase, and delays can often occur prior to production reaching its expected steady state levels. The Company may also experience actual capital and operating costs and operating results that differ materially from those anticipated. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. For example, in 2019 the Company experienced issues related to pit dewatering and lower than expected equipment availability at the Meadowbank Complex and the apron feeder at the Meliadine mine.

The Company believes that the LaRonde mine extension, which commenced operation in late 2011, is the deepest mining operation in the Western Hemisphere with a currently expected maximum depth of more than three kilometres below the surface. The Company's operations at the LaRonde mine rely on infrastructure installed in connection with the extension for hauling ore and materials to the surface, including a winze and a series of ramps linking mining deposits to the Penna Shaft that services historic operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical and seismic risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives. Operations at the lower level of the LaRonde mine are subject to high levels of geomechanical stress and there are few resources available to assist the Company in modelling the geomechanical conditions at these depths, which may result in the Company not being able to extract the ore at these levels as currently contemplated. In 2012, challenges associated with excess heat and congestion at the lower parts of the mine delayed the ramp up of production and, in 2013, throughput at the LaRonde mine was reduced as a result of 16 days of unplanned shut down to the hoist drive. In 2014, ten days of downtime resulting from a production hoist drive failure resulted in annual production at LaRonde being approximately 10,000 ounces below the Company's expectations. In 2017-2018, many of the delays at the LaRonde mine were related to seismic activity, with day-to-day operations delayed due to non-entry protocols following a seismic event; typical delays lasted approximately 12 hours; with no single delay lasting more than 48 hours to regain access to the active mining front; and in December 2019, the Company temporarily suspended mining activity in the West mine area to reinforce ground support in the main ramp and access points on various levels due to an increase in seismicity in the West mine area outside of normal protocols. In addition, the Company continues to evaluate the potential to mine below the currently planned 3.1 kilometre depth at LaRonde, or the LaRonde 3 deposit, which will likely face similar or greater challenges relating to operating at depth.

The further development of the Kittila and Pinos Altos mines, as well as the development of the new mining zones at the Goldex mine and the construction of the Canadian Malartic pit extension, requires the construction and operation of new mining infrastructure and, at Kittila, expanded milling operations and the construction of a shaft. The construction and operation of underground mining facilities and the expansion of milling facilities are subject to risks, including unforeseen geological formations, implementation of new mining or milling processes, delays in obtaining required construction, environmental or operating permits and engineering and mine or mill design adjustments, any of which may result in lower than expected or delayed production.

The Company's total cash costs per ounce and all-in sustaining costs per ounce of gold produced depend, in part, on external factors that are subject to fluctuation and, if such costs increase, some or all of the Company's activities may become unprofitable.

The Company's total cash costs per ounce and all-in sustaining costs per ounce of gold are dependent on a number of factors, including the exchange rate between the U.S. dollar and the Canadian dollar, Euro and Mexican peso, smelting and refining charges, production royalties, the price of gold and by-product metals (when calculated on a by-product basis) and the cost of inputs used in mining operations. At the LaRonde Complex, the Company's total cash costs per ounce and all-in sustaining costs per ounce of production (when calculated on a by-product basis) are affected by the prices and production levels of by-product zinc, silver and copper, the revenue from which is offset against the cost of gold production. At the Canadian Malartic, Pinos Altos and La India mines, the Company's total cash costs per ounce and all-in sustaining costs per ounce of production (when calculated on a by-product basis) are affected by the prices and production levels of by-product silver, the revenue from which is offset against the cost of gold production. Total cash costs per ounce and all-in sustaining costs per ounce from the Company's operations at its mines in Canada, Mexico and Finland are affected by changes in the exchange rates between the U.S. dollar and the Canadian dollar, Mexican peso and the Euro, respectively. Total cash costs per ounce and all-in sustaining costs per ounce at all of the Company's mines are also affected by the costs of inputs used in mining operations, including labour (including contractors), energy, steel and chemical reagents. All of these factors are beyond the Company's control. If the Company's total cash costs per ounce or all-in sustaining costs per ounce of gold rise above the market

price of gold and remain so for any sustained period, the Company may experience losses and may curtail or suspend some or all of its exploration, development and/or mining activities.

Total cash costs per ounce and all-in sustaining costs per ounce are not recognized measures under US GAAP or IFRS, and this data may not be comparable to data presented by other gold mining companies. See the Annual MD&A for reconciliation of total cash costs per ounce and all-in sustaining costs per ounce to their closest IFRS measure and "Introductory Notes – Note to Investors Concerning Certain Measures of Performance" in this AIF for a discussion of non-GAAP measures.

Mineral reserve and mineral resource estimates are only estimates and such estimates may not accurately reflect future mineral recovery.

The mineral reserves and mineral resources published by the Company are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of gold will be realized. Mineral reserve and mineral resource estimates are based on gold recoveries in small scale laboratory tests and may not be indicative of the mineralization in the entire orebody and the Company may not be able to achieve similar results in larger scale tests under on-site conditions or during production. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resources. The estimates of mineral reserves and mineral resources have been determined based on assumed metal prices, foreign exchange rates and operating costs. For example, the Company has estimated proven and probable mineral reserves based on, among other things, a $1,200 per ounce gold price. The yearly average gold price has been above $1,200 per ounce since 2010 (other than 2015); however, prior to that time, yearly average gold prices were below $1,200 per ounce. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. For example, the Company recognized impairment losses in an aggregate amount of $389.7 million as at December 31, 2018 related to the Canadian Malartic mine, the La India mine and the El Barqueno project. Market price fluctuations of gold (or applicable by-product metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of orebodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period. See note 24 to the Annual Financial Statements for further information with respect to the impairment losses that were realized as at December 31, 2018.

Mineral resource estimates for properties that have not commenced production or at deposits that have not yet been exploited are based, in most instances, on very limited and widely spaced drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as production experience is gained. See "Note to Investors Concerning Estimates of Mineral Reserves and Mineral Resources".

The Company's properties and mining operations may be subject to rights or claims of indigenous groups and the assertion of such rights or claims may impact the Company's ability to develop or operate its mining properties.

The Company currently operates in, and in the future may operate in or explore additional, areas currently or traditionally inhabited or used by indigenous peoples and subject to indigenous rights or claims. Operating in such areas may trigger various international and national laws, codes, resolutions, conventions, guidelines, and impose obligations on governments and the Company to respect the rights of indigenous people. These obligations may, among other things, require the government or the Company to consult, or enter into agreements, with communities near the Company's mines, development projects or exploration activities regarding actions affecting local stakeholders, prior to granting the Company mining rights, permits, approvals or other authorizations.

Consultation and other rights of First Nations or indigenous peoples may require accommodation including undertakings regarding employment, royalty payments, procurement, other financial payments and other matters. This may affect the Company's ability to acquire effective mineral title, permits or licences in these jurisdictions, including in some parts of Canada and Mexico, in which title or other rights are claimed by First Nations and other indigenous peoples, and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions.

In addition, some of the Company's properties in Mexico are held by agrarian community groups, or Ejidos, which results in the Company needing to contract with the local communities surrounding its properties in order to obtain surface rights to land needed in connection with the Company's mining, development and exploration activities. The Company's inability to maintain and periodically renew or expand these surface rights on favourable terms or otherwise could have an adverse effect on the Company's business and financial condition.

There is an increasing level of public concern relating to the perceived effect of mining activities on indigenous communities. The evolving expectations related to human rights, indigenous rights and environmental protection may result in opposition to the Company's current or future activities. Such opposition may be directed through legal or administrative proceedings, against the government and/or the Company, or expressed in manifestations such as protests, delayed or protracted consultations, blockades or other forms of public expression against the Company's activities or against the government's position. There can be no assurance that these relationships can be successfully managed. Intervention by the aforementioned groups may have a material adverse effect on the Company's reputation, results of operations and financial performance.

The Company may experience operational difficulties at its foreign operations.

The Company's operations include mines in Finland and in northern Mexico. Collectively, these mines accounted for approximately 26.5% of the Company's gold production in 2019 and are expected to account for a significant portion of the Company's gold production in the future. These operations are subject to various levels of political, economic and other risks and uncertainties that are different from those encountered at the Company's Canadian properties. These risks and uncertainties vary from country to country and may include: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; restrictions or travel; hostage taking; security issues (including thefts of gold from a mine); changing political conditions; and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, the United States, Finland and Mexico, including export requirements, taxes, tariffs, import duties and other trade barriers, as well as health, safety and environmental requirements.

Changes, if any, in mining or investment policies or shifts in political attitude in Finland or Mexico may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to matters including restrictions on production, price controls, export controls, currency controls or restrictions, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

In addition, Finland and Mexico have significantly different laws and regulations than Canada and there are cultural and language differences between these countries and Canada. Also, the Company faces challenges inherent in efficiently managing employees over large geographical distances, including the challenges of staffing and managing operations in several international locations and implementing appropriate systems, policies, benefits and compliance programs. These challenges may divert management's attention to the detriment of the Company's other operations. There can be no assurance that difficulties associated with the Company's foreign operations can be successfully managed.

In the future, the Company may choose to operate in foreign jurisdictions other than Finland and Mexico. For example, the Company currently has exploration properties in each of the United States and Sweden, as well as strategic investments in companies holding properties in the Dominican Republic, Colombia and Panama. Such operations would inherently be subject to various levels of political, economic and other risks and uncertainties that are different from those encountered at the Company's Canadian, Finnish and Mexican properties.

The Company may experience problems in executing acquisitions or managing and integrating any completed acquisitions with its existing operations.

The Company regularly evaluates opportunities to acquire all or a portion of the securities or assets of other mining businesses. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial, geological or reputational risks. The

Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms and integrate their operations successfully with those of the Company. Any acquisition would be accompanied by risks, such as: due diligence failures; the difficulty of assimilating the operations and personnel of any acquired businesses; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful integration of acquired assets and businesses; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, suppliers and contractors as a result of any integration of new management personnel; the potential unknown liabilities (including potential environmental liabilities and permitting gaps, community issues, indigenous title and consultation and accommodation issues, or any prior bribery or corruption activities) associated with acquired assets and businesses; and for acquisitions which result in joint ownership, the risks associated with the conduct of joint operations (see "– The Company is subject to the risks normally associated with the conduct of joint operations."). Potential acquisition targets may operate in jurisdictions in which the Company does not operate and that may have a different risk profile than the jurisdictions in which the Company currently operates (see "– The Company may experience operational difficulties at its foreign operations"). In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. The Company is permitted under the terms of its unsecured revolving bank credit facility and its guaranteed senior unsecured notes referred to under "Material Contracts" below to incur additional unsecured indebtedness, provided that it maintains certain financial ratios and meets financial condition covenants and, in the case of the bank credit facility, that no event of default under the bank credit facility has occurred and is continuing, or would occur as a result of the incurrence or assumption of such indebtedness. There can be no assurance that the Company would be successful in overcoming these or any other problems encountered in connection with such acquisitions.

The Company is subject to the risks normally associated with the conduct of joint operations.

The Company holds an indirect 50% interest in the Canadian Malartic mine through the Partnership, with the remaining interest in this property being held indirectly by Yamana. The Company's interest in the Canadian Malartic mine is subject to the risks normally associated with the conduct of partnerships and other joint operations. The existence or occurrence of one or more of the following circumstances and events could have a material adverse effect on Company's profitability or the viability of its interests held through joint operations, which could have a material adverse effect on the Company's financial performance and results of operations: (i) lack of control over the joint operations and disagreement with partners on how to explore, develop or operate mines efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of jointly held properties; (iii) inability of partners to meet their obligations to the joint operation or third parties; (iv) litigation between joint venture partners regarding joint operation matters; and (v) liability that might accrue to partners as a result of the failure of the joint venture or general partnership to satisfy its obligations. In addition to the Partnership, in 2015, the Company entered into a joint venture with Barsele Minerals Corp. with respect to the Barsele project in Sweden. The Company may enter into additional joint ventures or partnerships in the future.

To the extent that the Company is not the operator of its joint venture properties, the Company will be dependent on the operators for the timing of activities related to these properties and the Company will be largely unable to direct or control the activities of the operators. The Company also will be subject to the decisions made by the operators regarding activities at the properties, and will have to rely on the operators for accurate information about the properties. Although the Company expects that the operators of the properties in which it owns a joint venture interest will operate these properties in accordance with industry standards and in accordance with any applicable operating agreements, there can be no assurance that all decisions of the operators will achieve the expected goals. In addition, where the Company is the operator, it will be subject to the limitations put on it by any joint venture or other agreement in respect of the project. Such limitations may result in the Company's inability to undertake the operations it would if it were the sole owner of the project.

The Company estimates the recoverable amount of long-lived assets and goodwill using assumptions and if the carrying value of an asset or goodwill is then determined to be greater than its actual recoverable amount, an impairment is recognized reducing the Company's earnings.

The Company conducts annual impairment assessments of goodwill and, at the end of each reporting period, the Company assesses whether there is any indication that long-lived assets (such as mining properties and plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in

order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount. For example, the Company recognized impairment losses in an aggregate amount of $389.7 million as at December 31, 2018 related to the Canadian Malartic mine, the La India mine and the El Barqueno project.

The assessment for impairment is subjective and requires management to make estimates and assumptions for a number of factors including estimates of production levels, mineral reserves and mineral resources, operating costs and capital expenditures reflected in the Company's life-of-mine plans, as well as economic factors beyond management's control, such as gold prices, discount rates and observable net asset value multiples. Should management's estimates and assumptions regarding these factors be incorrect, the Company may be required to realize impairment charges, which will reduce the Company's earnings. The timing and amount of such impairment charges is difficult to predict.

If the Company fails to comply with restrictive covenants in its debt instruments, the Company's ability to borrow under its unsecured revolving bank credit facility could be limited and the Company may then default under other debt agreements, which could harm the Company's business.

The Company's unsecured revolving bank credit facility limits, among other things, the Company's, and certain of its subsidiaries that are guarantors under the facility, ability to permit the creation of certain liens, make investments other than investments in businesses related to mining or a business ancillary or complementary to mining, dispose of material assets or, in certain circumstances, pay dividends. In addition, the Company's guaranteed senior unsecured notes limit, among other things, the Company's, and certain of its subsidiaries that are guarantors under the notes, ability to permit the creation of certain liens, carry on business unrelated to mining or dispose of material assets. The bank credit facility and the guaranteed senior unsecured notes also require the Company to maintain specified financial ratios and meet financial condition covenants. Events beyond the Company's control, including changes in general economic and business conditions and global health crisis or pandemics (including with respect to COVID-19), may affect the Company's ability to satisfy these covenants, which could result in a default under the bank credit facility or the guaranteed senior unsecured notes and, by extension, the BNS Letter of Credit Facility (as defined below). At March 17, 2020, there was $1.0 billion drawn under the bank credit facility (including under letters of credit) and approximately C$385 million drawn under the Company's other letter of credit facilities. If an event of default under the unsecured revolving bank credit facility or the guaranteed senior unsecured notes occurs, the Company would be unable to draw down further on the bank credit facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and this would cause an event of default under the Company's guaranteed senior unsecured notes and other letter of credit facilities. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of credit facilities may also give rise to an event of default under other existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

The exploration of mineral properties is highly speculative, involves substantial expenditures and is frequently unsuccessful.

The Company's financial performance is significantly affected by the costs and results of its exploration and development programs. As mines have limited lives based on proven and probable mineral reserves, the Company actively seeks to replace and expand its mineral reserves, primarily through exploration and development as well as through strategic acquisitions. Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any gold exploration and development program are the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, the acceptance or support of local stakeholders and the construction of mining and processing facilities. Substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic orebody, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Accordingly, there can be no assurance that the Company's current or future exploration and development programs will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

The mining industry is highly competitive, and the Company may not be successful in competing for new mining properties.

There is a limited supply of desirable mineral properties available for claim staking, leasing, exploration or acquisition in the areas where the Company contemplates conducting activities. Many companies and individuals are engaged in the mining business, including large, established mining companies with substantial capabilities and long earnings records. The Company may be at a competitive disadvantage in acquiring mining properties, as it must compete with these companies and individuals, some of which have greater financial resources and larger technical staff than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

The success of the Company is dependent on good relations with its employees and on its ability to attract and retain employees and key personnel.

Success at the Company's mines, development projects and exploration projects is dependent on the efforts of the Company's employees and contractors. The Company competes with mining and other companies on a global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary to operate its mines. Relationships between the Company and its employees may be affected by changes in the scheme of employee relations that may be introduced by relevant government authorities in the jurisdictions that the Company operates. Changes in applicable legislation or in the relationship between the Company and its employees or contractors may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is also dependent on key management personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

The Company faces significant competition to attract and retain qualified personnel and there can be no assurance that the Company will be able to continue to attract and retain such personnel.

The Company may have difficulty financing its additional capital requirements for its planned mine construction, expansion, exploration and development.

The capital required for operations (including operating, new or expanded operations) and continuing exploration and development projects in Quebec, Nunavut, Finland, Sweden, Mexico and the United States, will require substantial expenditures. The Company expects that capital expenditures will be approximately $740 million in 2020. If cash from operations is lower than expected, including due to COVID-19, or capital costs at the Company's mines or projects exceed current estimates, the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties or for other purposes or advances from the bank credit facility are unavailable, the Company may be required to seek, or may deem it advantageous to seek, additional financing to maintain its capital expenditures at planned levels. In addition, the Company will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise.

Additional financing may not be available when needed or, if available, the terms of such financing may not be favourable to the Company and, if raised by offering equity securities, or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties, which may have a material adverse effect on the Company's business, financial condition and results of operations.

If the credit and capital markets deteriorate, or if any sudden or rapid destabilization of global economic conditions occurs, it could have a material adverse effect on the Company's liquidity, ability to raise capital and costs of capital. If the Company experiences difficulty accessing the credit and/or capital markets, the Company may seek alternative financing options, including, but not limited to, streaming transactions, royalty transactions or the sale of assets. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

Additionally, any sudden or rapid destabilization of global economic conditions could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment and other losses for the Company.

The Company's operations are subject to numerous laws and extensive government regulations which may require significant expenditures or cause a reduction in levels of production, delays in production or the prevention of the development of new mining properties or otherwise cause the Company to incur costs that adversely affect the Company's results of operations.

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, territorial, state and local governments in the jurisdictions in which the Company operates and the receipt of, and compliance with, applicable permits. These laws, regulations and permits are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal and tailings management, toxic substances, environmental protection, mine safety, reporting of payments to governments and other matters. Compliance with such laws, regulations and permits increases the costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating mines and other facilities. New laws or regulations, amendments to current laws and regulations governing operations and activities on mining properties or more stringent implementation or interpretation thereof could have a material adverse effect on the Company, increase costs, cause a reduction in levels of production and delay or prevent the development of new mining properties. Regulatory enforcement, in the form of infraction or compliance notices, has occurred at some of the Company's mines and, while the current risks related to such enforcement are not expected to be material, the risk of material fines or corrective action cannot be ruled out in the future.

The Company is subject to anti-corruption and anti-bribery laws.

The Company's operations are governed by, and involve interactions with, various levels of government in numerous countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company or its contractual counterparties conducts its business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. The Company may be found liable for violations by not only its employees, but also by its third party agents. Measures that the Company has adopted to mitigate these risks may not always be effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption and anti-bribery laws in such jurisdictions. See "The Company may experience operational difficulties at its foreign operations".

Greenhouse gas emissions regulations and climate change may adversely affect the Company's operations.

The Company operates in jurisdictions where regulatory requirements have taken effect to monitor, report and/or reduce greenhouse gas emissions. Increasing regulation and regulatory uncertainty regarding greenhouse gas emissions and climate change issues may adversely affect the Company's operations. Costs to comply with current and future regulations are difficult to predict. While the evolving regulatory requirements in respect of greenhouse gases and the additional costs required to comply are not expected to have a material adverse effect on the Company's operations, such requirements may be amended or may have unexpected effects on the Company and, as a result, may have a material adverse effect on the Company's financial performance and its results of operations.

In 2015, Canada established a greenhouse gases reduction target of 30% from 2005 levels by 2030 and signed the Paris Agreement to limit the global average temperature rise below 2 degrees Celsius and pursue efforts to limit the increase to 1.5 degrees Celsius. A new federal carbon pricing regime came into force in 2019, consisting of a carbon levy applicable to certain fuels, and an Output-Based Pricing System ("OBPS") that applies to industrial facilities, engaged in certain prescribed activities, that emit greenhouse gases above a prescribed threshold. The federal carbon pricing regime applies to the Company's Canadian operations in jurisdictions where provincial or territorial

regimes do not meet federal requirements, including Nunavut where the Company produces electricity using diesel fuel. The OBPS and the carbon levy became effective in Nunavut on July 2, 2019 and will increase to $30 per tonne in 2020, $40 in 2021 and $50 in 2022. The rate of increase thereafter has not yet been determined. The Company's Quebec mines will continue to be subjected to that province's cap and trade system. Similarly, Finland was a signatory to the Paris Agreement and sectors such as mining participate in the European Union's cap and trade system. Finland's Climate Change Act establishes a greenhouse gas reduction target of at least 80% by 2050, compared to 1990. Mexico is also a party to the Paris Agreement and has enacted climate change legislation with a greenhouse gas emission reduction target of 25% (unconditional) to 40% (conditional) from 2013 business as usual levels by 2030.

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. Fossil fuel use in mining and processing activities is the Company's most significant source of greenhouse gas emissions. In Quebec, the Company primarily uses hydroelectric power and is not a large producer of greenhouse gases. As a result, Quebec's regulatory requirements are not expected to have a material adverse effect on the Company. In 2019, the Company's total greenhouse gases emissions (direct and indirect) were approximately 520,832 tonnes equivalent CO2 (not including the Canadian Malartic mine). In 2019, the Company's Nunavut Operations (Meadowbank Complex and Meliadine mine) produced approximately 300,722 tonnes of greenhouse gases (direct and indirect) mostly from the production of electricity from diesel power generation, which is approximately 58% of the Company's total greenhouse gas emissions (not including the Canadian Malartic mine). The Pinos Altos mine purchases electricity that is largely fossil fuel generated and, as a result, it is the Company's third highest greenhouse gas producer (following the Meadowbank Complex and Meliadine mine) (approximately 98,739 tonnes of greenhouse gases in 2019) at approximately 19% of the Company's total direct and indirect greenhouse gas emissions (not including the Canadian Malartic mine).

In addition, the potential physical impacts of climate change on the Company's operations are highly uncertain and may be particular to the unique geographic circumstances associated with each of its operations. These may include extreme weather events, changes in rainfall patterns, water shortages and changing temperatures. There may also be supply chain implications in getting supplies to the Company's operations, including transportation issues.

Due to the nature of the Company's mining operations, the Company may face liability, delays and increased costs from environmental liabilities and industrial accidents, and the Company's insurance coverage may prove inadequate to satisfy future claims against the Company.

The business of gold mining is generally subject to risks and hazards, including environmental hazards (including relating to hazardous substances, such as cyanide), industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, seismicity, cave-ins, rock bursts, rock falls, pit wall failures, flooding and gold bullion losses (from theft or otherwise). Such occurrences could result in, among other things, damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As well, risks may arise with respect to the management of tailings and waste rock, mine closure, rehabilitation and management of closed mine sites (whether the Company operated the mine site or acquired it after operations were conducted by others). The Company's insurance may not provide adequate coverage in certain unforeseen circumstances or may not otherwise be adequate for its needs. The Company may also become subject to liability for, among other things, pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Company may become subject to liabilities which exceed policy limits. In these circumstances, the Company may incur significant costs that could have a material adverse effect on its financial performance and results of operations. Financial assurances may also be required with respect to closure and rehabilitation costs, may increase significantly over time and reserved amounts may not be sufficient to address actual obligations at the time of decommissioning and rehabilitation.

The Company is subject to the risk of litigation, the causes and costs of which cannot be known.

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve litigation favourably, either by judicial determination or settlement, it may have a material adverse effect on the Company's financial performance and results of operations. For instance, see "Legal

Proceedings and Regulatory Actions – Canadian Malartic" for a discussion of recently settled litigation involving the Canadian Malartic mine.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's ability to enforce its rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition.

Title to the Company's properties may be uncertain and subject to risks.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. There is no guarantee that title to any of the Company's properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including land claims by indigenous groups, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct its operations on one or more of its properties as currently anticipated or permitted or to enforce its rights in respect of its properties.

The use of derivative instruments for the Company's by-product metal production may prevent gains from being realized from subsequent by-product metal price increases.

The Company has used, and may in the future use, various by-product metal derivative strategies, such as selling future contracts or purchasing put options. No assurance can be given that the use of by-product metal derivative strategies will benefit the Company in the future. There is a possibility that the Company could lock in forward deliveries at prices lower than the market price at the time of delivery. In addition, the Company could fail to produce enough by-product metals to offset its forward delivery obligations, requiring the Company to purchase the metal in the spot market at higher prices to fulfill its delivery obligations or, for cash settled contracts, make cash payments to counterparties in excess of by-product revenue. If the Company is locked into a lower than market price forward contract or has to buy additional quantities at higher prices, its net income could be adversely affected. None of the current contracts establishing the by-product metal derivatives positions qualify for hedge accounting treatment under IFRS and therefore any year-end mark-to-market adjustments are recognized in the "(Gain) loss on derivative financial instruments" line item of the consolidated statements of income and comprehensive income. See "Risk Profile – Financial Instruments" in the Annual MD&A for additional information.

The trading price for the Company's securities is volatile.

The trading price of the Company's common shares has been and may continue to be subject to large fluctuations which may result in losses to investors. The trading price of the Company's common shares may increase or decrease in response to a number of events and factors, including:

- changes in the market price of gold or other by-product metals the Company sells;
- events affecting economic circumstances in Canada, the United States and elsewhere, including COVID-19;
- trends in the mining industry and the markets in which the Company operates;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions, investements, divestitures and financings;
- quarterly variations in operating results;
- compliance with new and existing regulations, including with respect to water and tailings management and greenhouse gas emissions;
- the actions of other companies in the mining industry;
- the operating and share price performance of other companies that investors may deem comparable; and
- purchases or sales of large blocks of the Company's common shares or securities convertible into or exchangeable for the Company's common shares.

Wide price swings are currently common in the markets on which the Company's securities trade. This volatility may adversely affect the prices of the Company's common shares regardless of the Company's operating performance.

The Company is dependent on information technology systems.

The Company relies heavily on its information technology systems including its networks, equipment, hardware, software, telecommunications and other information technology (collectively, "IT systems"), and the IT systems of third-party service providers, to operate its business as a whole. The Company's operations depend on the timely maintenance, upgrade and replacement of its IT systems, as well as pre-emptive efforts to mitigate cybersecurity risks and other IT system disruptions.

IT systems are subject to an increasing threat of continually evolving cybersecurity risks from sources including computer viruses, cyber-attacks, natural disasters, power loss, defects in design, security breaches and other manipulation or improper use of the Company's systems and networks, resulting in, among other things, unauthorized access, disruption, damage or failure of the Company's IT systems (collectively, "IT Disruptions"). Although to date the Company has not experienced any material losses relating to such IT Disruptions, there can be no assurance that it will not incur such losses in the future.

The occurrence of one or more IT Disruptions could have effects including: damage to the Company's equipment, including mining equipment; production downtimes; operational delays; destruction or corruption of data; increases in capital expenditures; loss of production or accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation; or events of noncompliance which could lead to regulatory fines or penalties or ransom payments. Any of the foregoing could have a material adverse effect on the Company's results of operations and financial performance.

The Company may not be able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act.

Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. Section 404 of SOX also requires an annual attestation report by the Company's independent auditors addressing the effectiveness of the Company's internal control over financial reporting. The Company has completed its Section 404 assessment and received the auditors' attestation as of December 31, 2019.

If the Company fails to maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, the Company may not be able to conclude that it has effective internal control over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will prevent misstatement due to error or fraud or will detect or uncover all control issues or instances of fraud, if any. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in maintaining adequate internal control over financial reporting will increase and will require that the Company continue to improve its internal control over financial reporting. The Company cannot be certain that it will be successful in continuing to comply with Section 404 of SOX.

DIVIDENDS

The Company's current policy is to pay quarterly dividends on its common shares and, on February 13, 2020, the Company declared a quarterly dividend of $0.20 per common share, which was paid on March 16, 2020. In 2019, the dividends paid were $0.55 per common share (quarterly payments of $0.125 per common share in the first, second and third quarters and $0.175 per common share in the fourth quarter). In 2018, the dividends paid were $0.44 per common share (quarterly payments of $0.11 per common share). In 2017, the dividends paid were $0.41 per common share (quarterly payments of $0.10 per common share in the first, second and third quarters and $0.11 per common share in the fourth quarter). Although the Company expects to continue paying a cash dividend, future

dividends will be at the discretion of the Board and will be subject to factors such as the Company's earnings, financial condition and capital requirements. The Company's bank credit facility contains a covenant that restricts the Company's ability to declare or pay dividends if certain events of default under the bank credit facility have occurred and are continuing.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of shares of one class designated as common shares. All outstanding common shares of the Company are fully paid and non-assessable. The holders of the common shares are entitled to one vote per share at meetings of shareholders and to receive dividends if, as and when declared by the Board. In the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company, after payment of all outstanding debts, the remaining assets of the Company available for distribution would be distributed rateably to the holders of the common shares. Holders of the common shares of the Company have no pre-emptive, redemption, exchange or conversion rights. The Company may not create any class or series of shares or make any modification to the provisions attaching to the Company's common shares without the affirmative vote of two-thirds of the votes cast by the holders of the common shares.

RATINGS

The rating of the Company's notes (the "Notes") issued under the Note Purchase Agreements (as defined under "Material Contracts – Note Purchase Agreements") by the rating agency Dominion Bond Rating Service ("DBRS") as at December 31, 2019 is BBB (low) with a positive outlook.

DBRS's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. DBRS's BBB rating assigned to the Company's Notes is the fourth highest of the ten rating categories for long-term debt. Debt securities rated "BBB" are of adequate credit quality, and the capacity for the payment of financial obligations is considered acceptable. However, the obligor is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the obligor. A reference to "high" or "low" reflects the relative strength within the rating category. DBRS has also assigned a positive outlook to the rating, which indicates the direction DBRS considers the rating is headed should present trends continue.

The Company understands that the rating is based on, among other things, information furnished to DBRS by the Company and information obtained by DBRS from publicly available sources. The credit rating given to the Company's Notes by DBRS is not a recommendation to buy, hold or sell debt instruments since such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. Credit ratings are intended to provide investors with: (i) an independent measure of the credit quality of an issue of securities; (ii) an indication of the likelihood of repayment for an issue of securities; and (iii) an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. The credit rating accorded to the Notes may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this AIF. If DBRS lowers the credit rating on the Notes, particularly a downgrade below investment grade, it could adversely affect the Company's cost of financing and access to liquidity and capital. See also "Risk Factors". The Company pays DBRS an annual fee in connection with the rating of the Notes and an additional fee if and when additional Notes are issued. The Company also made payments to DBRS in 2019 of $68,365 (2018 – $196,000).

MARKET FOR SECURITIES

Common Shares

The Company's common shares are listed and traded on the TSX and on the New York Stock Exchange (the "NYSE") under the symbol "AEM". On March 17, 2020, the closing price of the common shares was C$58.92 on the TSX and $41.55 on the NYSE.

The following table sets forth the high and low sale prices and the average daily trading volume for composite trading of the Company's common shares on the TSX and the NYSE since January 1, 2019.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2019						
January	57.37	51.39	742,944	43.72	38.72	359,373
February	58.44	54.79	706,432	44.31	41.30	308,921
March	61.03	55.53	889,221	45.59	41.49	339,260
April	58.78	53.23	767,911	44.15	39.67	326,347
May	59.87	53.69	920,417	44.27	39.97	249,579
June	69.13	59.49	1,039,415	52.50	44.27	385,180
July	71.96	65.42	710,253	54.63	49.66	308,486
August	86.39	67.81	927,597	64.86	51.22	411,871
September	85.55	70.61	952,340	64.17	53.34	497,194
October	81.18	68.06	732,146	61.64	51.47	422,910
November	81.05	75.16	653,260	61.47	56.82	288,772
December	84.20	76.04	564,554	63.26	57.78	244,393
2020						
January	83.99	75.09	664,525	63.59	57.48	326,293
February	81.41	61.92	1,332,919	61.48	46.14	613,857
March (to March 17)	71.98	43.25	1,610,601	53.72	31.01	818,875

DIRECTORS AND OFFICERS OF THE COMPANY

Directors

The following is a brief biography of each of the Company's directors:

Dr. Leanne M. Baker, of Labadie, Missouri, is an independent director of Agnico Eagle. From November 2011 until June 2013, Dr. Baker was the President and Chief Executive Officer of Sutter Gold Mining Inc. Previously, Dr. Baker was employed by Salomon Smith Barney where she was one of the top-ranked mining sector equity analysts in the United States. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics). Dr. Baker has been a director of Agnico Eagle since January 1, 2003, and is also a director of Aurora Resources Corporation (an oil and gas company), Reunion Gold Corporation (a mining exploration company traded on the TSX-V) and McEwen Mining Inc. (a gold and silver producing company traded on the NYSE Arca and the TSX).

Sean Boyd, CPA, CA, of Toronto, Ontario, is the Vice-Chairman and Chief Executive Officer and a director of Agnico Eagle. Mr. Boyd has been with Agnico Eagle since 1985. Prior to his appointment as Vice-Chairman and Chief Executive Officer in April 2015, Mr. Boyd served as Vice-Chairman, President and Chief Executive Officer from 2012 to 2015, Vice-Chairman and Chief Executive Officer from 2005 to 2012 and as President and Chief Executive Officer from 1998 to 2005, Vice-President and Chief Financial Officer from 1996 to 1998, Treasurer and Chief Financial Officer from 1990 to 1996, Secretary Treasurer during a portion of 1990 and Comptroller from 1985 to 1990. Prior to joining Agnico Eagle in 1985, he was a staff accountant with Clarkson Gordon (Ernst & Young). Mr. Boyd is a Chartered Accountant and a graduate of the University of Toronto (B.Comm.). Mr. Boyd has been a director of Agnico Eagle since April 14, 1998.

Martine A. Celej, of Toronto, Ontario, is an independent director of Agnico Eagle. Ms. Celej is currently a Vice-President, Investment Advisor with RBC Dominion Securities and has been in the investment industry since 1989. She is a graduate of Victoria College at the University of Toronto (B.A. (Honours)). Ms. Celej has been a director of Agnico Eagle since February 14, 2011. *Area of expertise:* Investment Management.

Robert J. Gemmell, of Toronto, Ontario, is an independent director of Agnico Eagle. Now retired, Mr. Gemmell spent 25 years as an investment banker in the United States and in Canada. Most recently, he was President and Chief Executive Officer of Citigroup Global Markets Canada and its predecessor companies (Salomon Brothers Canada and Salomon Smith Barney Canada) from 1996 to 2008. In addition, he was a member of the Global Operating Committee of Citigroup Global Markets from 2006 to 2008. Mr. Gemmell is a graduate of Cornell University (B.A.), Osgoode Hall Law School (LL.B.) and the Schulich School of Business (M.B.A.). Mr. Gemmell has been a director of Agnico Eagle since January 1, 2011, and is also a director of Rogers Communications Inc. (a communications and media company traded on the TSX and NYSE).

Mel Leiderman, FCPA, FCA, TEP, ICD.D, of Toronto, Ontario, is an independent director of Agnico Eagle. Mr. Leiderman is senior consultant of the Toronto accounting firm Lipton LLP, Chartered Accountants. He is a graduate of the University of Windsor (B.A.) and is a certified director of the Institute of Corporate Directors (ICD.D). He has been a director of Agnico Eagle since January 1, 2003 and is also a director and a chairman of the Audit Committee of Morguard North American Residential REIT.

Deborah McCombe, P. Geo. of Toronto, Ontario, is an independent director of Agnico Eagle. Ms. McCombe is Technical Director, Global Mining Advisory at SLR Consulting ("SLR"). She has over 30 years' international experience in exploration project management, feasibility studies, reserve estimation, due diligence studies and valuation studies and was President and CEO of Roscoe Postle Associates Inc. ("RPA") when it was purchased by SLR in 2019. Prior to joining RPA, Ms. McCombe was Chief Mining Consultant for the Ontario Securities Commission and was involved in the development and implementation of NI 43-101. She is actively involved in industry associations as a member of the Committee for Mineral Reserves International Reporting Standards – (Canadian Institute of Mining, Metallurgy and Petroleum ("CIM")); President of the Association of Professional Geoscientists of Ontario (2010 – 2011); a Director of the Prospectors and Developers Association of Canada (1999 – 2011); a CIM Distinguished Lecturer on NI 43 101; co chair of the CIM Mineral Resource and Mineral Reserve Committee; is a member of the CSA Mining Technical Advisory and Monitoring Committee; and was a Guest Lecturer at the Schulich School of Business, MBA in Global Mine Management at York University. Ms. McCombe holds a degree in Geology from Western University. Ms. McCombe has been a director of Agnico Eagle since February 12, 2014.

James D. Nasso, ICD.D, of Toronto, Ontario, is Chairman of the Board of Directors and an independent director of Agnico Eagle. Mr. Nasso is now retired and was an independent businessman who founded and ran his own successful company. Mr. Nasso is a graduate of St. Francis Xavier University (B.Comm.) and is a certified director of the Institute of Corporate Directors (ICD.D). Mr. Nasso has been a director of Agnico Eagle since June 27, 1986.

Dr. Sean Riley, of Antigonish, Nova Scotia, is an independent director of Agnico Eagle. Now retired, Dr. Riley served as President of St. Francis Xavier University from 1996 to 2014. Prior to 1996, his career was in finance and management, first in corporate banking and later in manufacturing. Dr. Riley is a graduate of St. Francis Xavier University (B.A. (Honours)) and of Oxford University (M. Phil, D. Phil, International Relations). Dr. Riley has been a director of Agnico Eagle since January 1, 2011.

J. Merfyn Roberts, CA , of London, England, is an independent director of Agnico Eagle. Now retired, Mr. Roberts was a fund manager and investment advisor for more than 25 years and has been closely associated with the mining industry. From 2007 until his retirement in 2011, he was a senior fund manager with CQS Management Ltd. in London. Mr. Roberts is a graduate of Liverpool University (B.Sc., Geology) and Oxford University (M.Sc., Geochemistry) and is a member of the Institute of Chartered Accountants in England and Wales. Mr. Roberts has been a director of Agnico Eagle since June 17, 2008, and is also a director and a member of the Audit Committee of Newport Exploration Limited and a director of Rugby Mining Inc.

Jamie Sokalsky, CPA, CA, of Toronto, Ontario, is an independent director of Agnico Eagle. Now retired, Mr. Sokalsky has over 20 years' experience as a senior executive in the mining industry, most recently as Chief Executive Officer and President of Barrick Gold Corporation ("Barrick") from June 2012 to September 2014, and as Chief Financial Officer of Barrick from 1999 to June 2012 and Executive Vice President of Barrick from April 2004 to June 2012. Prior to entering the mining industry, Mr. Sokalsky served in various financial management capacities at George Weston Limited and began his professional career at Ernst & Whinney Chartered Accountants (KPMG). Mr. Sokalsky is graduate of Lakehead University (B.Comm. (Honours)). Mr. Sokalsky has been a director of Agnico Eagle since June 2, 2015, and is also the Chairman of the board of directors of Probe Metals Inc. and a director of Royal Gold, Inc.

The by-laws of Agnico Eagle provide that directors will hold office for a term expiring at the next annual meeting of shareholders of Agnico Eagle or until their successors are elected or appointed or the position is vacated. The Board annually appoints the officers of Agnico Eagle, who are subject to removal by resolution of the Board at any time, with or without cause (in the absence of a written agreement to the contrary).

Committees

The members of the Audit Committee are Dr. Leanne M. Baker (Chair), Mel Leiderman and Jamie Sokalsky.

The members of the Compensation Committee are Robert J. Gemmell (Chair), Martine A. Celej and J. Merfyn Roberts.

The members of the Corporate Governance Committee are J. Merfyn Roberts (Chair), Martine A. Celej and Jamie Sokalsky.

The members of the Health, Safety, Environmental and Sustainable Development Committee are Deborah McCombe (Chair), James D. Nasso and Sean Riley.

Officers

The following is a brief biography of each of the Company's officers (for Mr. Boyd, see "Directors and Officers of the Company – Directors"):

Ammar Al-Joundi, of Toronto, Ontario, is President of Agnico Eagle, a position he has held since April 6, 2015. From September 2010 to June 2012, Mr. Al-Joundi was Senior Vice-President and Chief Financial Officer of Agnico Eagle. Prior to returning to Agnico Eagle in 2015, Mr. Al-Joundi served in various roles at Barrick, including as Chief Financial Officer from July 2012 to February 2015, Senior Executive Vice President from July 2014 to February 2015 and Executive Vice President from July 2012 to July 2014. Prior to joining Agnico Eagle in 2010, Mr. Al-Joundi spent 11 years at Barrick serving in various senior financial roles, including Senior Vice President of Capital Allocation and Business Strategy, Senior Vice President of Finance, and Executive Director and Chief Financial Officer of Barrick South America. Prior to joining the mining industry, Mr. Al-Joundi served as Vice President, Structured Finance at

Citibank, Canada. Mr. Al-Joundi is a graduate of Western University (M.B.A. (Honours)) and the University of Toronto (BASc (Mechanical Engineering)).

Guy Gosselin, Eng., P.Geo., of Val d'Or, Quebec, is Senior Vice-President, Exploration of Agnico Eagle, a position he has held since August 2019. Prior to that, Mr. Gosselin was Vice President, Exploration and before that he was Exploration Manager for Eastern-Canada, Chief Geologist at the LaRonde Division and an Exploration Geologist. Mr. Gosselin is a graduate of the Université du Québec de Chicoutimi (M.Sc.). Mr. Gosselin is a Professional Engineer and is a member of the Order of Engineers (OIQ – Quebec) and the Order of Geologists (OGQ – Quebec).

Louise Grondin, Eng., P.Eng., of Toronto, Ontario, is Senior Vice-President, People and Culture of Agnico Eagle, a position she has held since January 2020. Prior to that, Ms. Grondin was Senior Vice-President, Environment, Sustainable Development and People and before that she was Senior Vice-President, Environment and Sustainable Development. Prior to her employment with Agnico Eagle, Ms. Grondin worked for Billiton Canada Ltd. as Manager Environment, Human Resources and Safety. Ms. Grondin is a graduate of the University of Ottawa (B.Sc.) and McGill University (M.Sc.). Ms. Grondin is a member of the Professional Engineers of Ontario and of the Ordre des Ingénieurs du Québec.

R. Gregory Laing, of Oakville, Ontario, is General Counsel and Senior Vice-President, Legal of Agnico Eagle, a position he has held since January 2020, prior to which, Mr. Laing had been General Counsel and Senior Vice-President, Legal and Corporate Secretary since December 2006. Prior to joining Agnico Eagle, he was Vice President, Legal of Goldcorp Inc. from October 2003 to June 2005 and General Counsel, Vice President, Legal and Corporate Secretary of TVX Gold Inc. from October 1995 to January 2003. He worked as a corporate securities lawyer for two prominent Toronto law firms prior to that. Mr. Laing is a graduate of the University of Windsor (LL.B.) and Queen's University (B.A.).

Marc Legault, P.Eng, of Mississauga, Ontario, is Senior Vice-President, Operations – U.S.A and Latin America of Agnico Eagle, a position he has held since February 2017. Prior to that, he was Senior Vice-President, Project Evaluations since 2012. Mr. Legault has been with Agnico Eagle since 1988, when he was hired as an exploration geologist in Val d'Or, Quebec. Since then, he has taken on successively increasing responsibilities in the Company's exploration, mine geology and project evaluation activities. Mr. Legault is a graduate of Carleton University (M.Sc. in Geology) and Queen's University (B.Sc.H. in Geological Engineering). Mr. Legault is a member of the Professional Engineers of Ontario and of the Ordre des Ingénieurs du Québec.

Carol-Ann Plummer-Theriault, Eng., of Pont-Rouge, Quebec, is Vice-President, Sustainability of Agnico Eagle, a position he has held since January 2020. Prior to that, she was Vice-President, Corporate Development since 2018. She joined Agnico Eagle in 2004 and held several key positions including General Manager Lapa mine; General Manager Kittila mine; General Manager LaRonde mine; Corporate Director Mining; Senior Corporate Director – Engineering and Project Development, USA and Latin America; and Vice President, Project Development, Southern Business. Ms. Plummer is a graduate of Queen's University (B.Sc. in Mining Engineering) and is a licenced Professional Engineer (Quebec).

Jean Robitaille, of Oakville, Ontario, is Senior Vice-President, Business Strategy, Technical Services and Corporate Development of Agnico Eagle, a position he has held since January 2020. Prior to that, he held various positions with Agnico Eagle since 1988, most recently as Senior Vice-President, Technical Services and Business Strategy, Senior Vice-President, Technical Services and Project Development, Vice-President, Metallurgy & Marketing, General Manager, Metallurgy & Marketing and Mill Superintendent and Project Manager for the expansion of the LaRonde mill. Prior to joining Agnico Eagle, Mr. Robitaille worked as a metallurgist with Teck Mining Group. Mr. Robitaille has served on the board of directors of the Canada Mining Innovation Council since May 2014. Mr. Robitaille is a mining graduate of the College de l'Abitibi Témiscamingue with a specialty in mineral processing.

David Smith, P.Eng., of Toronto, Ontario, is Senior Vice-President, Finance and Chief Financial Officer of Agnico Eagle, a position he has held since October 24, 2012. Prior to that, he was Senior Vice-President, Strategic Planning and Investor Relations, a position he held since January 1, 2011, prior to that he was Senior Vice-President, Investor Relations and prior to that he was Vice-President, Investor Relations. He started work in investor relations at Agnico Eagle in February 2005. Prior to that, Mr. Smith was a mining analyst for more than five years and held a variety of mining engineering positions, both in Canada and abroad. Mr. Smith is a Chartered Director and an alternate Director of the World Gold Council. Mr. Smith is a graduate of Queen's University (B.Sc.) and the University of Arizona (M.Sc.). Mr. Smith is a Professional Engineer.

Yvon Sylvestre, of Mississauga, Ontario, is Senior Vice-President, Operations – Canada & Europe, a position he has held since February 2014. Prior to that, he was Senior Vice-President, Operations, Vice-President, Construction, Mine General Manager at the Goldex division of Agnico Eagle and, previously, Mill Superintendent at the LaRonde division. Mr. Sylvestre is a Metallurgical Engineering Technology graduate from Cambrian College in Sudbury. Following graduation, he served as Metallurgist and Mill Superintendent at the Joutel division of Agnico Eagle and also held the position of Mill Superintendent at the Troilus division of Inmet Mining Corporation.

Chris Vollmershausen, of Toronto, Ontario, is Vice President, Legal and Corporate Secretary, a position he has held since January 2020. Prior to that, he was Vice President, Legal from 2018. Mr. Vollmershausen joined Agnico Eagle in 2014 as Corporate Director, Legal. Prior to joining Agnico Eagle, Mr. Vollmershausen was in-house counsel at a Canadian based international manufacturing company and worked as a corporate securities lawyer for a prominent Toronto law firm. Mr. Vollmershausen is a graduate of the University of Western Ontario (HBA and LL.B.).

Shareholdings of Directors and Officers

As at March 17, 2020, the directors and officers of Agnico Eagle, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 669,352 common shares or approximately 0.3% of the 240,848,228 issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, no director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, or within ten years prior to the date hereof has been, a director or officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Leiderman, a director of the Company, was a director of Colossus Minerals Inc. ("Colossus") from August 1, 2011 until his resignation on November 13, 2013. On February 7, 2014, Colossus filed a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada). On February 25, 2014, the resolution approving an amended proposal was approved by the requisite majority of Colossus' creditors. On April 30, 2014, Colossus announced that it had completed the implementation of the court-approved proposal.

Dr. Baker, a director of the Company, was a director of Sutter Gold Mining Inc. ("Sutter") from November 1, 2011 to May 21, 2019. On May 17, 2019, a receiver was appointed over all of the assets, undertakings and properties of Sutter. The receiver was appointed pursuant to an application brought by Sutter's secured lender, RMB Australia Holdings Inc., with the consent of Sutter.

Conflicts of Interest

To the best of the Company's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors and officers of the Company serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other company.

AUDIT COMMITTEE

The Audit Committee has two primary objectives. The first is to advise the Board of Directors in its oversight responsibilities regarding:

- the quality and integrity of the Company's financial reports and information;
- the Company's compliance with legal and regulatory requirements;
- the effectiveness of the Company's internal controls for finance, accounting, internal audit, ethics and legal and regulatory compliance;
- the performance of the Company's auditing, accounting and financial reporting functions;
- the fairness of related party agreements and arrangements between the Company and related parties; and
- the independent auditors' performance, qualifications and independence.

The second primary objective of the Audit Committee is to prepare the reports required to be included in management information circulars of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.

The Board has adopted an Audit Committee charter, which provides that each member of the Audit Committee must be unrelated to and independent from the Company as determined by the Board in accordance with the applicable requirements of the laws governing the Company, the stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities. In addition, each member must be financially literate and at least one member of the Audit Committee must be an audit committee financial expert, as the term is defined in the rules of the SEC. The Audit Committee charter is attached as Schedule A to this AIF.

Composition of the Audit Committee

The Audit Committee is composed entirely of directors who are unrelated to and independent from the Company (currently, Dr. Baker (Chair), Mr. Leiderman and Mr. Sokalsky), each of whom is financially literate, as the term is used in the CSA's Multilateral Instrument 52-110 – *Audit Committees*. In addition, Mr. Leiderman and Mr. Sokalsky are Chartered Accountants; the Board has determined that both of them qualify as an audit committee financial experts, as the term is defined in the rules of the SEC.

Relevant Education and Experience

The education and experience of each member of the Audit Committee is set out under "Directors and Officers of the Company – Directors" above.

Pre-Approval Policies and Procedures

In 2003, the Audit Committee established a policy to pre-approve all services provided by the Company's independent public auditor, Ernst & Young LLP. The Audit Committee determines which non-audit services the independent auditors are prohibited from providing and authorizes permitted non-audit services to be performed by the independent auditors to the extent those services are permitted by SOX and other applicable legislation and regulations. All fees paid to Ernst & Young LLP in 2019 were pre-approved by the Audit Committee.

External Auditor Service Fees

Ernst & Young LLP has served as the Company's independent public auditor for each of the fiscal years ended December 31, 2019 and 2018. Fees paid to Ernst & Young LLP in 2019 and 2018 are set out below.

	Year Ended December 31,	
	2019	**2018**
	(C$ thousands)	
Audit fees	2,939	2,641
Audit-related fees[(1)]	99	82
Tax fees[(2)]	1,001	1,038
All other fees[(3)]	48	157
Total[(4)]	**4,087**	**3,918**

Notes:

(1) Audit-related fees consist of fees paid for assurance and related services performed by the auditors that are reasonably related to the performance of the audit of the Company's financial statements. This includes consultation with respect to financial reporting, accounting standards and compliance with Section 404 of SOX.

(2) Tax fees were paid for professional services relating to tax compliance, tax advice and tax planning. These services included the review of tax returns and tax planning and advisory services in connection with international and domestic taxation issues.

(3) All other fees were paid for services other than the services described above and include fees for professional services rendered by the auditors in connection with the translation of securities regulatory filings required to comply with securities laws in certain Canadian jurisdictions.

(4) No other fees were paid to auditors in the previous two years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Canadian Malartic

Class Action

On August 2, 2016, the Partnership was served with a class action lawsuit, filed in the Superior Court of Quebec, with respect to allegations involving the Canadian Malartic mine. The complaint was in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs sought damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing the residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Court of Appeal and the class members continued to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The plaintiff did not seek leave to appeal this decision and rather added new allegations in an attempt to recapture the pre-transaction period. On July 19, 2019, the Court refused to add back the pre-transaction period based on these new allegations. An application for leave to appeal was filed by the plaintiff.

For a description of certain collaborative initiatives between the Partnership and the community of Malartic, see "Operations and Production – Northern Business – Canadian Malartic Mine – Mining and Milling Facilities – Environmental, Permitting and Social Matters" in this AIF.

Injunction

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed by Dave Lemire with the Superior Court of Quebec under the *Environment Quality Act*

(Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree. The Partnership was an impleaded party in the proceedings. The applicant sought to obtain the annulment of a decree authorizing the expansion of the Canadian Malartic mine. Following a hearing on the merits in October 2018, the Superior Court dismissed the judicial review on May 13, 2019 and an application for leave to appeal was filed by the plaintiff on June 20, 2019 and allowed on September 19, 2019.

On October 15, 2019, an agreement in principle was announced by the parties with respect to the class action, the permanent injunction and the judicial review proceedings. A formal settlement agreement was executed on November 11, 2019 and approved by the Court on December 13, 2019. This agreement includes: (i) the reopening of the 2013 to 2018 compensation periods of the Guide for the benefit of the residents who did not individually settle for these periods under the Guide; (ii) the implementation of a new renovation program for the benefit of property owners in the South sector, whether they are class members or not; (iii) the full and final release of the Partnership for the class action period; (iv) the current compensations under the Guide as a threshold for the three upcoming compensation years (2019 to 2021); and (v) the plaintiff's withdrawal from the injunction and the judicial review proceedings. The Court also approved certain other non-material considerations agreed by the parties before and during the settlement approval hearing held on December 11, 2019. As no appeal was filed, the judgement approving the settlement is definitive and the plaintiff consequently withdrew from the injunction and the judicial review proceedings on January 20, 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF, since January 1, 2017, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or shareholder, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Company's common shares is Computershare Trust Company of Canada, Toronto, Ontario.

MATERIAL CONTRACTS

The Company believes the contracts described below (other than the 2015 Note Purchase Agreement and the TD Letter of Credit Facility, both as defined below) constitute the only material contracts to which it is a party.

Credit Facility

On October 25, 2017, the Company amended and restated its credit facility with a group of financial institutions that provides a $1.2 billion unsecured revolving bank credit facility and then amended it further on December 14, 2018 (as so amended, the "Credit Facility"). The Credit Facility matures and all indebtedness thereunder is due and payable on June 22, 2023. The Company, with the consent of lenders representing at least $66^{2}/_{3}\%$ of the aggregate commitments under the Credit Facility, may extend the term of the Credit Facility for additional one-year terms. The Credit Facility is available in multiple currencies through prime rate and base rate advances, priced at the applicable rate plus a margin that ranges from 0.20% to 1.75%, through LIBOR advances, bankers' acceptances and financial letters of credit, priced at the applicable rate plus a margin that ranges from 1.20% to 2.75% and through performance letters of credit, priced at the applicable rate plus a margin that ranges from 0.80% to 1.83%. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.24% to 0.55% of the undrawn portion of the facility. In each case, the applicable margin or standby fee vary depending on the Company's credit rating and the Company's total net debt to EBTIDA ratio. The Credit Facility provides for an uncommitted accordion feature which permits the Company to request an increase in the principal amount of the facility by up to $300 million. No increase to the principal amount of the facility will occur pursuant to the accordion feature unless one or more lenders agree to increase their commitments or a new lender agrees to commitments under the Credit Facility. Payment and performance of the Company's obligations under the Credit Facility are guaranteed by each of

its material subsidiaries and certain of its other subsidiaries (the "Guarantors" and, together with the Company, each an "Obligor").

The Credit Facility contains covenants that limit, among other things, the ability of an Obligor to:

- incur additional indebtedness;
- pay or declare dividends or make other restricted distributions or payments in respect of the Company's equity securities if one of certain of the events of default has occurred and is continuing;
- make sales or other dispositions of material assets;
- create liens on its existing or future assets, other than permitted liens;
- enter into transactions with affiliates other than the Obligors, except on a commercially reasonable basis as if it were dealing with such person at arm's length;
- make any investment or loan other than: investments in or loans to businesses related to mining or a business ancillary or complementary to mining; investments in cash equivalents; or certain inter-company investments or loans;
- enter into or maintain certain derivative instruments; and
- amalgamate or otherwise transfer its assets.

The Company is also required to maintain a total net debt to EBITDA ratio below a specified maximum value. Events of default under the Credit Facility include:

- the failure to pay principal when due and payable or interest, fees or other amounts payable within five business days of such amounts becoming due and payable;
- the breach by the Company of the total net debt to EBITDA ratio covenant;
- the breach by any Obligor of any of its obligations or undertakings under the Credit Facility or related agreements or documents that is not cured within 30 days after written notice of the breach has been given to the Company;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $75 million or more;
- a change of control of the Company which is defined to occur upon (a) the acquisition, directly or indirectly, by any means whatsoever, by any person, or group of persons acting jointly or in concert, (collectively, an "offeror") of beneficial ownership of, or the power to exercise control or direction over, or securities convertible or exchangeable into, any securities of the Company carrying in aggregate (assuming the exercise of all such conversion or exchange rights in favour of the offeror) more than 50% of the aggregate votes represented by the voting stock then issued and outstanding or otherwise entitling the offeror to elect a majority of the board of directors of the Company, or (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the board of directors of the Company, or the election or appointment of new directors comprising one-half or more of the total number of members of the board of directors in office immediately following such election or appointment; unless, in any such case, the nomination of such directors for election or their appointment is approved by the board of directors of the Company in office immediately preceding such nomination or appointment in circumstances where such nomination or appointment is made other than as a result of a dissident public proxy solicitation, whether actual or threatened (a "Change of Control"); and
- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

As at March 17, 2020, there was approximately $1.0 billion in the aggregate outstanding under the Credit Facility (including outstanding letters of credit). In March, 2020, the Company drew $1.0 billion on its $1.2 billion unsecured revolving bank credit facility. The Company drew these funds as a cautionary measure given the current uncertainty with respect to the COVID-19 pandemic and has no current plans to use the funds, though a portion may be used to repay a portion of the $360 million 6.67% Series B notes due 2020. See "Risk Factors – The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom".

Letter of Credit Facilities

BNS Letter of Credit Facility

On June 26, 2012, the Company entered into a letter of credit facility with The Bank of Nova Scotia, as lender, providing for a C$150 million uncommitted letter of credit facility (the "BNS Letter of Credit Facility"). Through a series of amendments to the BNS Letter of Credit Facility from November 5, 2013 to September 27, 2016, the Company and the lender increased the maximum aggregate amount that may be outstanding under the BNS Letter of Credit Facility to C$350 million.

Under the terms of the BNS Letter of Credit Facility, the Company may request to be issued one or more letters of credit in Canadian or U.S. dollars in a maximum aggregate amount outstanding at any time not exceeding C$350 million. The BNS Letter of Credit Facility may be used by the Company to support (a) reclamation obligations of the Company or its subsidiaries or (b) non-financial or performance obligations of the Company or its subsidiaries that are not directly related to reclamation obligations. If the Company fails to pay any amount of a reimbursement obligation under the BNS Letter of Credit Facility, including any interest thereon, on the date such amount is due, the overdue amount will bear interest at equal to 2% greater than the reference rate (as calculated under the BNS Letter of Credit Facility). Payment and performance of the Company's obligations under the BNS Letter of Credit Facility are guaranteed by the Guarantors.

Events of default under the BNS Letter of Credit Facility include:

- the failure to pay any amount drawn under the BNS Letter of Credit Facility within three business days of when notified or demanded by the lender;
- the breach by any Obligor of any obligation or undertaking under the Letter of Credit Facility or guarantee provided pursuant to the BNS Letter of Credit Facility that has not been remedied within 30 days following written notice of the breach being given by the lender to the Company;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $50 million or more; and
- a Change of Control.

The BNS Letter of Credit Facility provides that upon an event of default, The Bank of Nova Scotia may declare immediately due and payable all amounts drawn under the BNS Letter of Credit Facility.

As at March 17, 2020, there was approximately C$255 million in the aggregate of letters of credit outstanding under the BNS Letter of Credit Facility.

TD Letter of Credit Facility

On September 23, 2015, the Company entered into a standby letter of credit facility with The Toronto-Dominion Bank, as lender, which currently provides for a C$150 million uncommitted letter of credit facility (as amended, the "TD Letter of Credit Facility").

Under the terms of the TD Letter of Credit Facility, the Company may request to be issued one or more letters of credit in Canadian or U.S. dollars in a maximum aggregate amount outstanding at any time not exceeding C$150 million. The TD Letter of Credit Facility may be used by the Company to support (a) the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or (b) the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations.

Payment and performance of the Company's obligations under the TD Letter of Credit Facility are supported by an account performance security guarantee issued by Export Development Canada ("EDC") in favour of the lender. EDC issued the guarantee in connection with a declaration and indemnity dated September 23, 2015 between EDC and the Obligors (as supplemented, the "EDC Indemnity"). Pursuant to the EDC Indemnity, each of the Obligors has agreed to indemnify EDC against all claims and demands made in respect of any indemnity bonding product issued by EDC pursuant to the EDC Indemnity.

As at March 17, 2020, there was approximately C$130 million in the aggregate of letters of credit outstanding under the TD Letter of Credit Facility.

Note Purchase Agreements

On April 7, 2010, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $115 million 6.13% Series A senior notes due 2017, $360 million 6.67% Series B senior notes due 2020 and $125 million 6.77% Series C senior notes due 2022 (the "2010 Note Purchase Agreement"). The Series A senior notes under the 2010 Note Purchase Agreement matured in 2017. On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (the "2012 Note Purchase Agreement").

On September 30, 2015, the Company entered into a note purchase agreement with Ressources Québec Inc., a subsidiary of Investissement Québec, providing for the issuance of $50 million principal amount of 4.15% senior unsecured notes due 2025 (the "2015 Note Purchase Agreement"). On June 30, 2016, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.54% Series A senior notes due 2023, $200 million 4.84% Series B senior notes due 2026 and $50 million 4.94% Series C senior notes due 2028 (the "2016 Note Purchase Agreement"). On May 5, 2017, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $40 million 4.42% Series A senior notes due 2025, $100 million 4.64% Series B senior notes due 2027, $150 million 4.74% Series C senior notes due 2029 and $10 million 4.89% Series D senior notes due 2032 (the "2017 Note Purchase Agreement"). On February 27, 2018, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $45 million 4.38% Series A senior notes due 2028, $55 million 4.48% Series B senior notes due 2030 and $250 million 4.63% Series C senior notes due 2033 (the "2018 Note Purchase Agreement", and together with the 2010 Note Purchase Agreement, the 2012 Note Purchase Agreement, the 2015 Note Purchase Agreement, the 2016 Note Purchase Agreement and the 2017 Note Purchase Agreement, the "Note Purchase Agreements").

Payment and performance of the Company's obligations under the Note Purchase Agreements, the notes issued pursuant thereto and the obligations of the Guarantors under the related guarantees are guaranteed by the Guarantors.

The Note Purchase Agreements contain restrictive covenants that limit, among other things, the ability of an Obligor to:

- enter into transactions with affiliates other than the Obligors, except on a commercially reasonable basis upon terms no less favourable to the Obligor than would be obtainable in a comparable arm's length transaction;
- amalgamate or otherwise transfer its assets;
- carry on business other than those related to mining or a business ancillary or complementary to mining;
- create liens on its existing or future assets, other than permitted liens;
- incur subsidiary indebtedness where the Obligor is a subsidiary of the Company; and
- make sales or other dispositions of material assets.

The Company is also required to maintain the same total net debt to EBITDA ratio under the Note Purchase Agreements as under the Credit Facility and, except with respect to the 2018 Note Purchase Agreement, to maintain a minimum tangible net worth. Events of default under the Note Purchase Agreements include:

- the failure to pay principal or make whole amounts when due and payable or interest, fees or other amounts payable within five business days of such amounts becoming due and payable;
- the breach by any Obligor of any other term or covenant that is not cured within 30 business days after the earlier of written notice of the breach having been given to the Company or actual knowledge of the breach is obtained;
- the finding that any representation or warranty made by an Obligor was false or incorrect in any material respect on the date as of which it was made;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $50 million or more; and

- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

The Note Purchase Agreements provide that, upon the occurrence of certain events of default, the notes automatically become due and payable without any further action.

In addition, the Note Purchase Agreements contain a "Most Favored Lender" clause which acts to incorporate into the Note Purchase Agreements any grace periods upon an event of default that are shorter in the Credit Facility than in the Note Purchase Agreements. The 2018 Note Purchase Agreement's "Most Favored Lender" clause also provides that if the terms of the Credit Facility or any debt securities issued by the Company in the future contain a tangible net worth covenant, the covenant will be deemed incorporated by reference into the 2018 Note Purchase Agreement.

INTERESTS OF EXPERTS

Ernst & Young LLP, the auditors of the Company, has advised the Company that it is independent of the Company in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario and has complied with the SEC's rules on auditor independence.

None of Alain Thibault, Eng., Alexandre Proulx, Eng., Camil Prince, Eng., Carl Pednault, Eng., Christian Roy, Eng., Daniel Doucet, Eng., Daniel Pare, P.Eng., Dany Laflamme, Eng., David Paquin Bilodeau, P.Geo., Denis Caron, Eng., Dominique Girard, Eng., Donald Gervais, P.Geo., Dyane Duquette, P.Geo., Francis Brunet, P.Eng., François Petrucci, Eng., François Robichaud, Eng., Guy Gosselin, Eng., P.Geo., Jean François Lagueux, Eng., Julie Larouche, P.Geo., Karl Leetmaa, P. Eng., Larry Connell, P.Eng., Louise Grondin, P.Eng., Marc Legault, Eng., Michel Julien, P.Eng., Pascal Lehouiller, P.Geo., Paul Cousin, Eng., Pierre Matte, Eng., Pierre McMullen, P. Eng., Richard Genest, P.Geo., Eng., Robert Badiu, P.Geo., Sylvain Boily, Eng., Sylvie Lampron, P.Eng. or Tim Haldane, P.Eng. (each, a "Qualified Person"), each of whom has prepared or certified a report under NI 43-101 or approved scientific and technical information referenced in a filing made by the Company under National Instrument 51-102 – *Continuous Disclosure Obligations* during or relating to the Company's most recently completed financial year, has received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, each of the Qualified Persons beneficially owns, directly or indirectly, less than one percent of any outstanding securities of the Company or any associate or affiliate of the Company. Each of the Qualified Persons is, or was at the time such person prepared or certified the relevant report under NI 43-101 or approved the relevant scientific and technical information, an officer or employee of the Company and/or one or more of its associates or affiliates.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the System for Electronic Document Analysis and Retrieval at *www.sedar.com*, on the SEC's website at *www.sec.gov* and on the Company's website at *www.agnicoeagle.com*. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular dated March 17, 2020 relating to the annual and special meeting of shareholders of the Company scheduled for May 1, 2020. Additional financial information is provided in the Annual Financial Statements and Annual MD&A.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER OF THE COMPANY

This Charter shall govern the activities of the audit committee (the "Audit Committee") of the board of directors (the "Board of Directors") of Agnico Eagle Mines Limited (the "Corporation").

I. PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee shall: (a) assist the Board of Directors in its oversight responsibilities with respect to: (i) the integrity of the Corporation's and it's subsidiaries' financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the external auditor's qualifications and independence, and (iv) the performance of the Corporation's internal and external audit functions; and (b) prepare any report of the Audit Committee required to be included in the Corporation's annual report, proxy material or other filings. The head of the Corporation's internal audit function and the external auditors shall have direct and ready access to the chair of the Audit Committee (the "Chair").

The Audit Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the Audit Committee with respect to any of the matters referred to in this Charter.

II. COMPOSITION

The Audit Committee shall be comprised of a minimum of three directors. No member of the Audit Committee shall be an officer or employee of the Corporation or any of its affiliates for the purposes of the applicable corporate statute. Each member of the Audit Committee shall be an unrelated and independent director as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

Each member of the Audit Committee shall be financially literate. Unless the Audit Committee shall otherwise determine, a member of the Audit Committee shall be considered to be financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

At least one member of the Audit Committee shall be a financial expert as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

The members of the Audit Committee shall be appointed by the Board of Directors annually at the first meeting of the Board of Directors after a meeting of the shareholders at which directors are elected and shall serve until: the next annual meeting of the shareholders; they resign; their successors are duly appointed; or such member is removed from the Audit Committee by the Board of Directors. The Board of Directors shall designate one member of the Audit Committee as the Chair or, if it fails to do so, the members of the Audit Committee shall appoint the Chair from among its members.

No member of the Audit Committee may earn fees from the Corporation or any of its subsidiaries other than directors fees (which fees may include cash, shares, restricted share units and/or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Audit Committee shall accept any consulting, advisory or other compensatory fee from the Corporation.

III. MEETINGS

The Audit Committee shall meet at least quarterly or more frequently as required.

As a part of each meeting of the Audit Committee at which the Audit Committee recommends that the Board of Directors approve the annual audited financial statements or at which the Audit Committee reviews the quarterly financial statements, the Audit Committee shall meet in a separate session with the external auditor and, if desired, with management and/or the internal auditor. In addition, the Audit Committee or the Chair shall meet with management quarterly to review the Corporation's financial statements as described in Section IV.5 below and the

Audit Committee or a designated member of the Audit Committee shall meet with the external auditors to review the Corporation's financial statements on a quarterly or other regular basis as the Audit Committee may deem appropriate.

The Audit Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Audit Committee participating in any meeting of the Audit Committee shall be sufficient for the adoption of any resolution.

IV. RESPONSIBILITIES AND DUTIES

The Audit Committee's primary responsibilities are to:

General

1. review and assess the adequacy of this Charter at least annually and, where necessary or desirable, recommend changes to the Board of Directors;

2. report to the Board of Directors regularly at such times as the Chair may determine to be appropriate but not less frequently than four times per year;

3. follow the process established for all committees of the Board of Directors for assessing the Audit Committee's performance;

Documents/Reports Review

4. review the Corporation's financial statements and related management's discussion and analysis, Annual Information Form ("AIF") and related Form 40-F, Annual Report and any other significant annual reports of a financial nature or other significant financial information to be submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the external auditors before they are approved by the Board of Directors and publicly disclosed;

5. review with the Corporation's management and the external auditors, the Corporation's quarterly financial statements and related management's discussion and analysis, before they are released;

6. ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;

7. review the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;

8. review with the Corporation's management any press release of the Corporation which contains significant financial information (including any "pro forma" or "adjusted" non-GAAP information);

9. review and assess, on a quarterly basis, management's risk assessment and risk management strategies including hedging and derivative strategies;

External Auditors

10. recommend external auditors nominations to the Board of Directors to be put before the shareholders for appointment and, as necessary, the removal of any external auditor in office from time to time;

11. approve the fees and other compensation to be paid to the external auditors;

12. pre-approve all significant non-audit engagements to be provided to the Corporation with the external auditors;

13. require the external auditors to submit to the Audit Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Corporation and

discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;

14. recommend to the Board of Directors any action required to ensure the independence of the external auditors;

15. advise the external auditors of their ultimate accountability to the Board of Directors and the Audit Committee;

16. oversee the work of the external auditors engaged for the purpose of preparing an audit report or performing other audit, review and attestation services for the Corporation;

17. evaluate the qualifications, performance and independence of the external auditors which are to report directly to the Audit Committee, including (i) reviewing and evaluating the lead partner on the external auditors' engagement with the Corporation, (ii) considering whether the external auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the external auditors' independence, (iii) determine the rotation of the lead external audit partner and the external audit firm, and (iv) take into account the opinions of management and the internal audit function in assessing the external auditors' qualifications, independence and performance;

18. present the Audit Committee's conclusions with respect to its evaluation of external auditors to the Board of Directors and take such additional action to satisfy itself of the qualifications, performance and independence of external auditors and make further recommendations to the Board of Directors as it considers necessary;

19. obtain and review a report from the external auditors at least annually regarding: the external auditors' internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more external audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the external auditors and the Corporation;

20. establish practices for the Corporation's hiring of employees or former employees of the external auditors;

Internal Auditor

21. receive regular quarterly reports from the Corporation's internal auditor on the scope and material results of its internal audit activities, based on the Internal Audit Charter;

22. review and discuss the Corporation's Code of Business Conduct and Ethics and the actions taken to monitor and enforce compliance with the Corporation's Code of Business Conduct and Ethics;

23. establish procedures for:

    i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters;

    ii) the confidential, anonymous submission of concerns regarding questionable accounting, internal control and auditing matters; and

    iii) compliance with applicable foreign corrupt practices legislation, guidelines and practices;

Fraud Prevention and Detection

24. oversee and assess management's controls and processes to prevent and detect fraud;

25. receive periodic reports from the internal auditor on findings of fraud as well as significant findings regarding the design and/or operation of internal controls and management responses;

Financial Reporting Process

26. periodically discuss the integrity, completeness and accuracy of the Corporation's internal controls and the financial statements with the external auditors in the absence of the Corporation's management;

27. in consultation with the external auditors, review the integrity of the Corporation's financial internal and external reporting processes;

28. consider the external auditors' assessment of the appropriateness of the Corporation's auditing and accounting principles as applied in its financial reporting;

29. review and discuss with management and the external auditors at least annually and approve, if appropriate, any material changes to the Corporation's auditing and accounting principles and practices suggested by the external auditors, internal audit personnel or management;

30. review and discuss with the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") the procedures undertaken in connection with the CEO and CFO certifications for the interim and annual filings with applicable securities regulatory authorities;

31. review disclosures made by the CEO and CFO during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;

32. establish regular and separate systems of reporting to the Audit Committee by management and the external auditors of any significant decision made in management's preparation of the financial statements, including the reporting of the view of management and the external auditors as to the appropriateness of such decisions;

33. discuss during the annual audit, and review separately with each of management and the external auditors, any significant matters arising from the course of any audit, including any restrictions on the scope of work or access to required information; whether raised by management, the head of internal audit or the external auditors;

34. resolve any disagreements between management and the external auditors regarding financial reporting;

35. review with the external auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;

36. retain and determine the compensation of any independent counsel, accountants or other advisors to assist in its oversight responsibilities (the Audit Committee shall not be required to obtain the approval of the Board of Directors for such purposes);

37. discuss any management or internal control letters or proposals to be issued by the external auditors of the Corporation;

Disclosure Controls and Procedures

38. obtain and review the statement of Corporate Disclosure Controls, Procedures and Policies prepared by the disclosure committee of the Board of Directors and, if appropriate, approve the disclosure controls and procedures set out in such statement and any changes made thereto;

39. receive confirmation from the CEO and CFO that reports to be filed with Canadian securities regulatory authorities, the United States Securities and Exchange Commission and any other applicable regulatory agency:

    (a) have been prepared in accordance with the Corporation's disclosure controls and procedures; and

(b) contain no material misrepresentations or omissions and fairly presents, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports;

40. receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by the reports;

41. discuss with the CEO and CFO any reasons for which any of the confirmations referred to in the two preceding paragraphs cannot be given by the CEO and CFO;

Legal Compliance

42. confirm that the Corporation's management has the proper review system in place to ensure that the Corporation's financial statements, reports, press releases and other financial information satisfy legal requirements;

43. review legal compliance matters with the Corporation's legal counsel;

44. review with the Corporation's legal counsel any legal matter that the Audit Committee understands could have a significant impact on the Corporation's financial statements;

45. conduct or authorize investigations into matters within the Audit Committee's scope of responsibilities;

46. perform any other activities in accordance with this Charter, the Corporation's by-laws and governing law that the Audit Committee or the Board of Directors deems necessary or appropriate;

Related Party Transactions

47. review the financial reporting of any transaction between the Corporation and any officer, director or other "related party" as defined within the Corporation's Accounting Policy (including any shareholder holding an interest greater than 5% in the Corporation) or any entity in which any such person has a financial interest;

Reporting and Powers

48. report to the Board of Directors following each meeting of the Audit Committee and at such other times as the Board of Directors may consider appropriate; and

49. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Audit Committee by the Board of Directors.

V. LIMITATION OF RESPONSIBILITY

While the Audit Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with international financial reporting standards. This is the responsibility of management (with respect to whom the Audit Committee performs an oversight function) and the external auditors.

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Exhibit 99.2

Annual Audited Consolidated Financial Statements

(Prepared in accordance with International Financial Reporting Standards)

AGNICO EAGLE

MANAGEMENT CERTIFICATION

Management of Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, the Company's management used the criteria outlined by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework issued in 2013. Based on its assessment, management concluded that, as of December 31, 2019, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 27, 2020

By /s/ SEAN BOYD

Sean Boyd
Vice-Chairman and
Chief Executive Officer

By /s/ DAVID SMITH

Senior Vice-President, Finance and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Agnico Eagle Mines Limited

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Agnico Eagle Mines Limited (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB"), the Company's internal control over financial reporting as of December 31, 2019, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 27, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill and property, plant and mine development impairment and impairment reversal

Description of the Matter

At December 31, 2019, the carrying values of goodwill and property, plant and mine development were $407.8 million and $7,003.7 million, respectively, and the Company recorded an impairment reversal of $345.8 million associated with the Meliadine cash generating unit ("CGU"). The Company's impairment test with regards to the Canadian Malartic CGU and its impairment reversal test with regards to the Meliadine CGU required management to make significant assumptions (in particular gold price, discount rate and rate of conversion from resources to reserves) in determining the recoverable amounts. The Company discloses significant judgments, estimates and assumptions in respect of impairment and impairment reversals in Note 4 to the consolidated financial statements, and the results of their analysis in Note 24.

This matter was identified as a critical audit matter in respect of the Canadian Malartic CGU and the Meliadine CGU due to the significant estimation uncertainty and judgement applied by management in determining the recoverable amount, primarily due to the sensitivity of the underlying key assumptions to the future cash flows and the significant effect changes in these assumptions would have on the recoverable amounts. In addition, significant judgment and specialized industry knowledge and techniques were required to assess management's estimated quantities of mineralization, the valuation methods applied by management based on the differing characteristics of the additional mineralization, the future operating and capital costs and production levels at Meliadine due to its limited operating history, and in ascribing anticipated economics to mineralization in cases where only limited or no comprehensive economic study had been completed.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment and impairment reversal processes. We tested controls over the Company's mineralization estimation and life of mine processes and review of significant assumptions as described above.

We assessed the discount rates and long-term gold prices used in the Company's discounted cash flow analysis. We involved our valuation specialist to assist in evaluating the discount rates against current industry and economic trends as well as company-specific risk premiums. We also involved our valuation specialist to compare long-term gold prices against market data including a range of analyst forecasts. We performed sensitivity analyses over changes in the discount rates and long-term gold prices assumptions to the recoverable amounts of the Canadian Malartic CGU and the Meliadine CGU.

To evaluate the estimates of reserves, resources and exploration potential used in the impairment analysis, we reviewed the economic assumptions used in establishing cut-off grades for reserve and resource estimates. We involved our geology specialist to assist in understanding and evaluating the factors that affected the Company's estimated conversion of mineral resources and exploration potential into reserves. In addition, we evaluated the competency and objectivity of management's qualified persons through consideration of their professional qualifications, experience, objectivity, and their use of accepted industry practices.

Life of mine plans form the basis of future operating and capital cost and future production level estimates used in the impairment analysis. To assess accuracy of the Company's ability to estimate future operating and capital costs and future productions levels in circumstances where limited operating history exists, we compared historical estimates against actual results and reviewed supporting analysis underlying the estimates used within the discounted cash flows.

To test estimates of the fair value of mineralization in excess of life of mine plans, we involved our valuation specialist to assist in reviewing the valuation methods selected by management for each area of mineralization, which was based on each deposit's characteristics. Where an income approach was employed, we inspected and evaluated management's analysis supporting the anticipated economics, including comparing the deposits to existing operations and involving our specialist.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1983.

Toronto, Canada
March 27, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Agnico Eagle Mines Limited

Opinion on Internal Control over Financial Reporting

We have audited Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Agnico Eagle Mines Limited. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, and the related consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the related notes and our report dated March 27, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Toronto, Canada
March 27, 2020

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

	As at December 31, 2019	As at December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 321,897	$ 301,826
Short-term investments	6,005	6,080
Trade receivables (Notes 6 and 19)	8,320	10,055
Inventories (Note 7)	580,068	494,150
Income taxes recoverable (Note 25)	2,281	17,805
Equity securities (Notes 6 and 8)	86,252	76,532
Fair value of derivative financial instruments (Notes 6 and 21)	9,519	180
Other current assets (Note 9A)	179,218	165,824
Total current assets	1,193,560	1,072,452
Non-current assets:		
Goodwill (Notes 23 and 24)	407,792	407,792
Property, plant and mine development (Notes 10 and 13)	7,003,665	6,234,302
Other assets (Note 9B)	184,868	138,297
Total assets	$ 8,789,885	$ 7,852,843
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (Note 11)	$ 345,572	$ 310,597
Reclamation provision (Note 12)	12,455	5,411
Interest payable	16,752	16,531
Income taxes payable (Note 25)	26,166	18,671
Lease obligations (Note 13)	14,693	1,914
Current portion of long-term debt (Note 14)	360,000	–
Fair value of derivative financial instruments (Notes 6 and 21)	–	8,325
Total current liabilities	775,638	361,449
Non-current liabilities:		
Long-term debt (Note 14)	1,364,108	1,721,308
Lease obligations (Note 13)	102,135	–
Reclamation provision (Note 12)	427,346	380,747
Deferred income and mining tax liabilities (Note 25)	948,142	796,708
Other liabilities (Note 15)	61,002	42,619
Total liabilities	3,678,371	3,302,831

EQUITY		
Common shares (Note 16): Outstanding – 240,167,790 common shares issued, less 548,755 shares held in trust	5,589,352	5,362,169
Stock options (Notes 16 and 17)	180,160	197,597
Contributed surplus	37,254	37,254
Deficit	(647,330)	(988,913)
Other reserves (Note 18)	(47,922)	(58,095)
Total equity	5,111,514	4,550,012
Total liabilities and equity	$ 8,789,885	$ 7,852,843
Commitments and contingencies (Note 28)		

On behalf of the Board

Sean Boyd, CPA CA, Director

Dr. Leanne M. Baker, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(thousands of United States dollars, except per share amounts)

	Year Ended December 31,	
	2019	**2018**
REVENUES		
Revenues from mining operations (Note 19)	$ 2,494,892	$ 2,191,221
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	1,247,705	1,160,355
Exploration and corporate development	104,779	137,670
Amortization of property, plant and mine development (Note 10)	546,057	553,933
General and administrative	120,987	124,873
Finance costs (Note 14)	105,082	96,567
(Gain) loss on derivative financial instruments (Note 21)	(17,124)	6,065
Environmental remediation (Note 12)	2,804	14,420
Impairment (reversal) loss (Note 24)	(345,821)	389,693
Foreign currency translation loss	4,850	1,991
Other income (Note 22)	(13,169)	(35,294)
Income (loss) before income and mining taxes	738,742	(259,052)
Income and mining taxes expense (Note 25)	265,576	67,649
Net income (loss) for the year	$ 473,166	$ (326,701)
Net income (loss) per share – basic (Note 16)	$ 2.00	$ (1.40)
Net income (loss) per share – diluted (Note 16)	$ 1.99	$ (1.40)
Cash dividends declared per common share	$ 0.55	$ 0.44

Note:

(i) Exclusive of amortization, which is shown separately.

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(thousands of United States dollars)

	Year Ended December 31,	
	2019	**2018**
Net income (loss) for the year	$ 473,166	$ (326,701)
Other comprehensive income (loss):		
Items that may be subsequently reclassified to net income (loss):		
Derivative financial instruments (Note 21)		
Changes in fair value of cash flow hedges	–	(6,984)
Net change in costs of hedging	–	(3,092)
	–	(10,076)
Items that will not be subsequently reclassified to net income (loss):		
Pension benefit obligations:		
Remeasurement (loss) gain on pension benefit obligations (Note 15)	(4,296)	841
Income tax impact (Note 25)	572	(38)
Equity securities (Note 8):		
Net change in fair value of equity securities at FVOCI	12,238	(39,585)
	8,514	(38,782)
Other comprehensive income (loss) for the year	8,514	(48,858)
Comprehensive income (loss) for the year	$ 481,680	$ (375,559)

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

(thousands of United States dollars, except share and per share amounts)

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Other Reserves	Total Equity
Balance at January 1, 2018	232,250,441	$ 5,288,432	$ 186,754	$ 37,254	$ (559,504)	$ (5,945)	$ 4,946,991
Net loss	–	–	–	–	(326,701)	–	(326,701)
Other comprehensive income (loss)	–	–	–	–	803	(49,661)	(48,858)
Total comprehensive loss	–	–	–	–	(325,898)	(49,661)	(375,559)
Transfer of loss on disposal of equity securities at FVOCI to deficit	–	–	–	–	(1,290)	1,290	–
Hedging gains and costs of hedging transferred to property, plant and mine development	–	–	–	–	–	(3,779)	(3,779)
Transactions with owners:							
Shares issued under employee stock option plan (Notes 16 and 17A)	1,220,921	39,923	(8,961)	–	–	–	30,962
Stock options (Notes 16 and 17A)	–	–	19,804	–	–	–	19,804
Shares issued under incentive share purchase plan (Note 17B)	515,432	20,595	–	–	–	–	20,595
Shares issued under dividend reinvestment plan	495,819	18,286	–	–	–	–	18,286
Dividends declared ($0.44 per share)	–	–	–	–	(102,221)	–	(102,221)
Restricted Share Unit plan, Performance Share Unit plan, and Long Term Incentive Plan (Notes 16 and 17C,D)	(24,016)	(5,067)	–	–	–	–	(5,067)
Balance at December 31, 2018	234,458,597	$ 5,362,169	$ 197,597	$ 37,254	$ (988,913)	$ (58,095)	$ 4,550,012
Net income	–	–	–	–	473,166	–	473,166
Other comprehensive (loss) income	–	–	–	–	(3,724)	12,238	8,514
Total comprehensive income	–	–	–	–	469,442	12,238	481,680
Transfer of gain on disposal of equity securities at FVOCI to deficit	–	–	–	–	2,065	(2,065)	–
Transactions with owners:							
Shares issued under employee stock option plan (Notes 16 and 17A)	4,214,332	174,885	(34,258)	–	–	–	140,627

Stock options (Notes 16 and 17A)	–	–	16,821	–	–	–	16,821
Shares issued under incentive share purchase plan (Note 17B)	435,420	23,208	–	–	–	–	23,208
Shares issued under dividend reinvestment plan	492,531	24,555	–	–	–	–	24,555
Dividends declared ($0.55 per share)	–	–	–	–	(129,924)	–	(129,924)
Restricted Share Unit plan, Performance Share Unit plan, and Long Term Incentive Plan (Notes 16 and 17C,D)	18,155	4,535	–	–	–	–	4,535
Balance at December 31, 2019	239,619,035	$ 5,589,352	$ 180,160	$ 37,254	$ (647,330)	$ (47,922)	$ 5,111,514

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars)

	Year Ended December 31,	
	2019	**2018**
OPERATING ACTIVITIES		
Net income (loss) for the year	$ 473,166	$ (326,701)
Add (deduct) items not affecting cash:		
Amortization of property, plant and mine development (Note 10)	546,057	553,933
Deferred income and mining taxes (Note 25)	152,595	(30,961)
Stock-based compensation (Note 17)	54,261	50,658
Impairment (reversal) loss (Note 24)	(345,821)	389,693
Foreign currency translation loss	4,850	1,991
Other	(10,707)	11,610
Adjustment for settlement of reclamation provision	(7,108)	(4,685)
Changes in non-cash working capital balances:		
Trade receivables	1,735	1,945
Income taxes	22,223	(2,291)
Inventories	(91,436)	(52,316)
Other current assets	(2,742)	(18,326)
Accounts payable and accrued liabilities	84,844	29,034
Interest payable	(225)	2,066
Cash provided by operating activities	881,692	605,650
INVESTING ACTIVITIES		
Additions to property, plant and mine development (Note 10)	(882,664)	(1,089,100)
Acquisition (Note 27)	–	(162,479)
Proceeds from sale of property, plant and mine development (Note 10)	3,692	35,246
Net sales of short-term investments	75	4,839
Net proceeds from sale of equity securities and other investments (Note 8)	43,733	17,499
Purchases of equity securities and other investments (Note 8)	(33,498)	(11,163)
Payments for financial assets at amortized cost	(5,222)	–
Decrease in restricted cash	–	790
Cash used in investing activities	(873,884)	(1,204,368)
FINANCING ACTIVITIES		

Dividends paid	(105,408)	(83,961)
Repayment of lease obligations (Note 13)	(15,451)	(3,382)
Proceeds from long-term debt (Note 14)	220,000	300,000
Repayment of long-term debt (Note 14)	(220,000)	(300,000)
Notes issuance (Note 14)	–	350,000
Long-term debt financing costs (Note 14)	–	(3,215)
Repurchase of common shares for stock-based compensation plans (Notes 16 and 17C,D)	(24,669)	(30,062)
Proceeds on exercise of stock options (Note 17A)	140,627	30,962
Common shares issued (Note 16)	15,511	13,757
Cash provided by financing activities	10,610	274,099
Effect of exchange rate changes on cash and cash equivalents	1,653	(6,533)
Net increase (decrease) in cash and cash equivalents during the year	20,071	(331,152)
Cash and cash equivalents, beginning of year	301,826	632,978
Cash and cash equivalents, end of year	$ 321,897	$ 301,826
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ 101,523	$ 91,079
Income and mining taxes paid	$ 90,694	$ 106,568

See accompanying notes

AGNICO EAGLE MINES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)
December 31, 2019

1. CORPORATE INFORMATION

Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development. The Company's mining operations are located in Canada, Mexico and Finland and the Company has exploration activities in Canada, Europe, Latin America and the United States. Agnico Eagle is a public company incorporated under the laws of the Province of Ontario, Canada with its head and registered office located at 145 King Street East, Suite 400, Toronto, Ontario, M5C 2Y7. The Company's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange. Agnico Eagle sells its gold production into the world market.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on March 27, 2020.

2. BASIS OF PRESENTATION

A) Statement of Compliance

The accompanying consolidated financial statements of Agnico Eagle have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

B) Basis of Presentation

Overview

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand, except where otherwise indicated.

Subsidiaries

These consolidated financial statements include the accounts of Agnico Eagle and its consolidated subsidiaries. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation. Subsidiaries are consolidated where Agnico Eagle has the ability to exercise control. Control of an investee exists when Agnico Eagle is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Joint Arrangements

A joint arrangement is defined as an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement between two or more parties. This exists only when the decisions about the relevant activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. These consolidated financial statements include the Company's interests in the assets, liabilities, revenues and expenses of the joint operations, from the date that joint control commenced. Agnico Eagle's 50% interest in each of Canadian Malartic Corporation ("CMC") and Canadian Malartic GP ("the Partnership"), the general partnership that holds the Canadian Malartic mine located in Quebec, has been accounted for as a joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

In a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Preliminary fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those preliminary fair values effective as at the acquisition date. Acquisition related costs are expensed as incurred.

Purchase consideration may also include amounts payable if future events occur or conditions are met. Any such contingent consideration is measured at fair value and included in the purchase consideration at the acquisition date. Subsequent changes to the estimated fair value of contingent consideration are recorded through the consolidated statements of income (loss), unless the preliminary fair value of contingent consideration as at the acquisition date is finalized before the twelve month measurement period in which case the adjustment is allocated to the identifiable assets acquired and liabilities assumed retrospectively to the acquisition date.

Where the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. A gain is recorded through the consolidated statements of income (loss) if the cost of the acquisition is less than the fair values of the identifiable net assets acquired.

Non-controlling interests represent the fair value of net assets in subsidiaries that are not held by the Company as at the date of acquisition. Non-controlling interests are presented in the equity section of the consolidated balance sheets.

B) Foreign Currency Translation

The functional currency of the Company, for each subsidiary and for joint arrangements, is the currency of the primary economic environment in which it operates. The functional currency of all of the Company's operations is the US dollar.

Once the Company determines the functional currency of an entity, it is not changed unless there is a significant change in the relevant underlying transactions, events and circumstances. Any change in an entity's functional currency is accounted for prospectively from the date of the change, and the consolidated balance sheets are translated using the exchange rate at that date.

At the end of each reporting period, the Company translates foreign currency balances as follows:

- monetary items are translated at the closing rate in effect at the consolidated balance sheet date;
- non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Items measured at fair value are translated at the exchange rate in effect at the date the fair value was measured; and
- revenue and expense items are translated using the average exchange rate during the period.

C) Cash and Cash Equivalents

The Company's cash and cash equivalents include cash on hand and short-term investments in money market instruments with remaining maturities of three months or less at the date of purchase. The Company places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings. Cash and cash equivalents are classified as financial assets measured at amortized cost.

D) ***Short-term Investments***

The Company's short-term investments include financial instruments with remaining maturities of greater than three months but less than one year at the date of purchase. Short-term investments are designated as financial assets measured at amortized cost, which approximates fair value given the short-term nature of these investments.

E) ***Inventories***

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventories are carried at the lower of cost and net realizable value ("NRV"). Cost is determined using the weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories includes direct costs of materials and labour related directly to mining and processing activities, including production phase stripping costs, amortization of property, plant and mine development directly involved in the related mining and production process, amortization of any stripping costs previously capitalized and directly attributable overhead costs. When interruptions to production occur, an adjustment is made to the costs included in inventories, such that they reflect normal capacity. Abnormal costs are expensed in the period they are incurred.

The current portion of ore stockpiles, ore on leach pads and inventories is determined based on the expected amounts to be processed within the next twelve months. Ore stockpiles, ore on leach pads and inventories not expected to be processed or used within the next twelve months are classified as long-term.

NRV is estimated by calculating the net selling price less costs to be incurred in converting the relevant inventories to saleable product and delivering it to a customer. Costs to complete are based on management's best estimate as at the consolidated balance sheet date. An NRV impairment may be reversed in a subsequent period if the circumstances that triggered the impairment no longer exist.

F) ***Financial Instruments***

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, equity securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments. Financial instruments are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as cash and cash equivalents, short-term investments, accounts payable and accrued liabilities, and long-term debt are measured at amortized cost using the effective interest method. Other financial assets and liabilities are recorded at fair value subsequent to initial recognition.

Equity Securities

The Company's equity securities consist primarily of investments in common shares of entities in the mining industry recorded using trade date accounting. On initial recognition of an equity investment, the Company may irrevocably elect to measure the investment at FVOCI where changes in the fair value of equity securities are permanently recognized in other comprehensive income (loss) and will not be reclassified to profit or loss. The election is made on an investment-by-investment basis.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates, and foreign currency exchange rates and may use such means to manage exposure to certain input costs.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value and they are classified based on contractual maturity. Derivative instruments are classified as either hedges of highly probable forecast transactions (cash flow hedges) or non-hedge derivatives. Derivatives designated as a cash flow hedge that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the balance sheet unless there is a legal right to offset and intent to settle on a net basis.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income (loss). The gain or loss relating to the ineffective portion is recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss). Amounts deferred in other comprehensive income (loss) are reclassified when the hedged transaction has occurred.

Derivative instruments that do not qualify for hedge accounting are recorded at fair value at the balance sheet date, with changes in fair value recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

Expected Credit Loss Impairment Model

An assessment of the expected credit loss related to a financial asset is undertaken upon initial recognition and at the end of each reporting period based on the credit quality of the debtor and any changes that impact the risk of impairment.

G) *Goodwill*

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair values of the identifiable net assets acquired. Goodwill is then allocated to the cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are recorded in the consolidated statements of income (loss) and they are not subsequently reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

H) *Mining Properties, Plant and Equipment and Mine Development Costs*

Mining Properties

The cost of mining properties includes the fair value attributable to proven and probable mineral reserves and mineral resources acquired in a business combination or asset acquisition, underground mine development costs, deferred stripping, capitalized exploration and evaluation costs and capitalized borrowing costs.

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when commercial production commences, using the units-of-production method, based on estimated proven and probable mineral reserves and the mineral resources included in the current life of mine plan. If no mineable ore body is discovered, such costs

are expensed in the period in which it is determined that the property has no future economic value. Cost components of a specific project that are included in the capital cost of the asset include salaries and wages directly attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Upon achieving the production stage, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income (loss) when the asset is derecognized.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Amortization is charged according to either the units-of-production method or on a straight line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on the lesser of the estimated mine lives as determined by proven and probable mineral reserves and the mineral resources included in the current life of mine plan and the estimated useful life of the asset. Remaining mine lives at December 31, 2019 range from an estimated 1 to 17 years.

The following table sets out the useful lives of certain assets:

	Useful Life
Building	5 to 30 years
Leasehold Improvements	15 years
Software and IT Equipment	1 to 10 years
Furniture and Office Equipment	3 to 5 years
Machinery and Equipment	1 to 30 years

Mine Development Costs

Mine development costs incurred after the commencement of commercial production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enables the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- It is probable that the future economic benefit (e.g., improved access to the ore body) associated with the stripping activity will flow to the Company;
- The Company can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

l) Leases

The Company has adopted IFRS 16 – Leases ("IFRS 16") with the date of initial application of January 1, 2019 using the modified retrospective approach. Comparative information has not been restated and continues to be

reported under IAS 17 – Leases ("IAS 17") (the accounting standard in effect for those periods). The impact of adoption of IFRS 16 is disclosed in Note 5. Both accounting policies are described below.

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an explicitly or implicitly identified asset;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract term;
- The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease obligation at the commencement date of the lease (i.e. the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations. The cost of right-of-use assets includes the initial amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes lease obligations measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Company.

After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments, changes based on an index or rate or a change in the assessment to purchase the underlying asset.

The Company presents right-of-use assets in the property, plant and mine development line item on the consolidated balance sheets and lease obligations in the lease obligations line item on the consolidated balance sheets.

The Company has elected not to recognize right-of-use assets and lease obligations for leases that have a lease term of 12 months or less and do not contain a purchase option, for leases related to low value assets, or for leases with variable lease payments. Payments on short-term leases, leases of low value assets, and leases with variable payment amounts are recognized as an expense in the consolidated statements of income (loss).

Policy applicable prior to January 1, 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Company are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount equal to the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest rate method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statements of income (loss) as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income (loss) on a straight-line basis over the lease term.

J) ***Development Stage Expenditures***

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves or mineral resources and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

Revenue from metal sales prior to the achievement of commercial production is deducted from mine development costs in the consolidated balance sheets and is not included in revenue from mining operations.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- completion of a reasonable period of testing mine plant and equipment;
- ability to produce minerals in saleable form (within specifications); and
- ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

K) ***Impairment and Impairment Reversal of Long-lived Assets***

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets other than goodwill may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. If the CGU includes goodwill, the impairment loss related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying

amounts. Impairment losses are recorded in the consolidated statements of income (loss) in the period in which they occur.

Any impairment charge that is taken on a long-lived asset other than goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, the recoverable amount of the asset is calculated in order to determine if any impairment reversal is required. A recovery is recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. The impairment reversal is allocated on a pro-rata basis to the existing long-lived assets of the CGU based on their carrying amounts. Impairment reversals are recorded in the consolidated statements of income (loss) in the period in which they occur.

L) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between the amounts received and the redemption value of the debt is recognized in the consolidated statements of income (loss) over the period to maturity using the effective interest rate method.

M) Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in finance costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income (loss).

Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the quantities of material in mineral reserves and mineral resources and a corresponding change in the life of mine plan, changing ore characteristics that impact required environmental protection measures and related costs, changes in water quality that impact the extent of water treatment required and changes in laws and regulations governing the protection of the environment.

Each reporting period, provisions for AROs are remeasured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation

provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income (loss).

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income (loss). Upon settlement of an ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income (loss).

N) Post-employment Benefits

In Canada, the Company maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10.0% of the designated executives' income is contributed by the Company.

The Company provides a defined benefit retirement program (the "Retirement Program") for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed more than 10 years as a permanent employee and have attained a minimum age of 57. The Retirement Program is not funded.

The Company also provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided (including the cost of any benefits provided for past service), the net interest cost on the net defined liability/asset, and the effects of settlements and curtailments related to special events. Pension fund assets are measured at their current fair values. The costs of pension plan improvements are recognized immediately in expense when they occur. Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings.

Defined Contribution Plan

The Company recognizes the contributions payable to a defined contribution plan in exchange for services rendered by employees as an expense, unless another policy requires or permits the inclusion of the contribution in the cost of an asset. After deducting contributions already paid, a liability is recorded throughout each period to reflect unpaid but earned contributions. If the contribution paid exceeds the contribution due for the service before the end of the reporting period, the Company recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects

the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service costs from plan amendments that increase or decrease vested or unvested benefits are recognized immediately in net income at the earlier of when the related plan amendment occurs or when the entity recognizes related restructuring costs or termination benefits.

Gains or losses on plan settlements are measured as the difference in the present value of the defined benefit obligation and settlement price. This results in a gain or loss being recognized when the benefit obligation settles. Actuarial gains and losses are recorded on the consolidated balance sheets as part of the benefit plan's funded status. Gains and losses are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings and are not subsequently recognized in net income.

O) Contingent Liabilities and Other Provisions

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date, measured using the expected cash flows discounted for the time value of money. The increase in provision (accretion) due to the passage of time is recognized as a finance cost in the consolidated statements of income (loss).

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because it is not probable that an outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

P) Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan, restricted share unit plan and performance share unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income (loss) or in the

consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income (loss) per share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the "Participants") of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees, including senior executives, of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Performance Share Unit ("PSU") Plan

The PSU plan is open to senior executives of the Company. Common shares are purchased and held in a trust until they have vested. PSUs are subject to vesting requirements based on specific performance measurements by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest. The cost of the PSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Q) ***Revenue from Contracts with Customers***

Gold and Silver

The Company sells gold and silver to customers in the form of bullion and dore bars.

The Company recognizes revenue from these sales when control of the gold or silver has transferred to the customer. This is generally at the point in time when the gold or silver is credited to the metal account of the customer. Once the gold or silver has been credited to the customer's metal account, the customer has legal title to,

physical possession of, and the risks and rewards of ownership of the gold or silver; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold or silver.

Under certain contracts with customers the transfer of control may occur when the gold or silver is in transit from the mine to the refinery. At this point in time, the customer has legal title to and the risk and rewards of ownership of the gold or silver; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold or silver.

Revenue is measured at the transaction price agreed under the contract. Payment of the transaction price is due immediately when control of the gold or silver is transferred to the customer.

Generally, all of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

Metal Concentrates

The Company sells concentrate from certain of its mines to third-party smelter customers. These concentrates predominantly contain zinc and copper, along with quantities of gold and silver.

The Company recognizes revenue from these concentrate sales when control of the concentrate has transferred to the customer, which is the point in time that the concentrate is delivered to the customer. Upon delivery, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the concentrate. The customer is also committed to accept and pay for the concentrates once delivered; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the concentrate.

The final prices for metals contained in the concentrate are generally determined based on the prevailing spot market metal prices on a specific future date, which is established as of the date the concentrate is delivered to the customer. Upon transfer of control at delivery, the Company measures revenue under these contracts based on forward prices at the time of delivery and the most recent determination of the quantity of contained metals less smelting and refining charges charged by the customer. This reflects the best estimate of the transaction price expected to be received at final settlement. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices. These changes in the fair value of the receivable are adjusted through revenue from other sources at each subsequent financial statement date.

Under certain contracts with customers, the sale of gold contained in copper concentrate occurs once the metal has been processed into refined gold and is sold separately similar to the gold and silver dore bar terms described above. The transaction price for the sale of gold contained in concentrate is determined based on the spot market price upon delivery and provisional pricing does not apply.

R) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless it can be demonstrated that the project will generate future economic benefit. When it is determined that a project can generate future economic benefit the costs are capitalized in the property, plant and mine development line item of the consolidated balance sheets.

The exploration and evaluation phase ends when the technical feasibility and commercial viability of extracting the mineral is demonstrable.

S) Net Income Per Share

Basic net income per share is calculated by dividing net income for a given period by the weighted average number of common shares outstanding during that same period. Diluted net income per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights. The weighted average number of common shares used to determine diluted net income per share includes an adjustment, using the treasury stock method, for stock options outstanding. Under the treasury stock method:

- the exercise of options is assumed to occur at the beginning of the period (or date of issuance, if later);
- the proceeds from the exercise of options plus the future period compensation expense on options granted are assumed to be used to purchase common shares at the average market price during the period; and
- the incremental number of common shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income per share calculation.

T) Income Taxes

Current and deferred tax expenses are recognized in the consolidated statements of income (loss) except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income (loss).

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

Deferred taxes are not recognized in the following circumstances:

- where a deferred tax liability arises from the initial recognition of goodwill;
- where a deferred tax asset or liability arises on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither net income nor taxable profits; and
- for temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses and tax credits carried forward and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Impairment and Impairment Reversals

The Company evaluates each asset or CGU (excluding goodwill, which is assessed for impairment annually regardless of indicators and is not eligible for impairment reversals) in each reporting period to determine if any indicators of impairment or impairment reversal exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, amounts of recoverable reserves, mineral resources and exploration potential and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty, particularly in circumstances where there is limited operating history of the asset or CGU. Judgment is also required in determining the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where only limited or no comprehensive economic study has been completed. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reversed with the impact recognized in the consolidated statements of income (loss).

Mineral Reserve and Mineral Resource Estimates

Mineral reserves and mineral resources are estimates of the amount of ore that can be extracted from the Company's mining properties. The estimates are based on information compiled by "qualified persons" as defined under the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Such an analysis relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates requires complex geological judgments to interpret the data. The estimation of mineral reserves and mineral resources is based upon factors such as estimates of commodity prices, future capital requirements and production costs, geological and metallurgical assumptions and judgments made in estimating the size and grade of the ore body and foreign exchange rates.

As the economic assumptions used may change and as additional geological information is acquired during the operation of a mine, estimates of proven and probable mineral reserves may change. Such changes may affect the Company's consolidated balance sheets and consolidated statements of income (loss), including:

- The carrying value of the Company's property, plant and mine development and goodwill may be affected due to changes in estimated future cash flows;
- Amortization charges in the consolidated statements of income (loss) may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted;
- Reclamation provisions may change where changes to the mineral reserve and mineral resource estimates affect expectations about when such activities will occur and the associated cost of these activities; and
- Mineral reserve and mineral resource estimates are used to calculate the estimated recoverable amounts of CGUs for impairment tests of goodwill and non-current assets.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely to arise and whether activities have reached a stage where the technical feasibility and commercial viability of extracting the mineral resource is demonstrable.

Production Stage of a Mine

As each mine is unique, significant judgment is required to determine the date that a mine enters the commercial production stage. The Company considers the factors outlined in Note 3(J) to these consolidated financial statements to make this determination.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Reclamation Provisions

Environmental remediation costs will be incurred by the Company at the end of the operating life of the Company's mining properties. Management assesses its reclamation provision each reporting period and when new information becomes available. The ultimate environmental remediation costs are uncertain and cost estimates can vary in response to many factors, including estimates of the extent and costs of reclamation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amount of the current provision. As a result, there could be significant adjustments to the provisions established that would affect future financial results. The reclamation provision at each reporting date represents management's best estimate of the present value of the future environmental remediation costs required.

Income and Mining Taxes

Management is required to make estimates regarding the tax basis of assets and liabilities and related deferred income and mining tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income and mining tax expense and estimates of the timing of repatriation of income. Several of these estimates require management to make assessments of future taxable profit and, if actual results are significantly different than the Company's estimates, the ability to realize the deferred income and mining tax assets recorded on the consolidated balance sheets could be affected.

Amortization

Property, plant and mine development comprise a large portion of the Company's total assets and as such the amortization of these assets has a significant effect on the Company's consolidated financial statements. Amortization is charged according to the pattern in which an asset's future economic benefits are expected to be consumed. The determination of this pattern of future economic benefits requires management to make estimates and assumptions about useful lives and residual values at the end of the asset's useful life. Actual useful lives and residual values may differ significantly from current assumptions.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Leases

The Company applies judgment to determine the lease term for certain lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease obligations and right-of-use assets recognized.

Development Stage Expenditures

The application of the Company's accounting policy for development stage expenditures requires judgment to determine when the technical feasibility and commercial viability of extracting a mineral resource has been determined.

Some of the factors that the Company may consider in its assessment of technical feasibility and commercial viability are set out below:

- The level of geological certainty of the mineral deposit;
- Life of mine plans or economic models to support the economic extraction of reserves and mineral resources;
- A preliminary economic assessment, prefeasibility study or feasibility study that demonstrates the reserves and mineral resources will generate a positive commercial outcome;
- Reasonable expectations that operating permits will be obtained; and
- Approval by the Board of Directors of development of the project.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

Management evaluated its joint arrangement with Yamana Gold Inc. ("Yamana") to each acquire 50.0% of the shares of Osisko (now CMC) under the principles of IFRS 11 – Joint Arrangements. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- The joint operators are required to purchase all output from the investee and investee restrictions on selling the output to any third party;
- The parties to the arrangement are substantially the only source of cash flow contributing to the continuity of the arrangement; and
- If the selling price drops below cost, the joint operators are required to cover any obligations the Partnership cannot satisfy.

5. CHANGE IN ACCOUNTING POLICY

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value.

On adoption of IFRS 16, the Company recognized right-of-use assets and lease obligations in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17. The right-of-use assets were recognized based on the amount equal to the lease obligations, adjusted for any related prepaid and accrued lease payments previously recognized.

The lease obligations were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019.

The Company used the following practical expedients when applying IFRS 16:

- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining at January 1, 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease obligation at January 1, 2019 are determined at the carrying amount of the lease asset and lease obligation under IAS 17 immediately before that date.

Upon transition to IFRS 16, the Company recognized an additional $81.8 million of right-of-use assets and $81.8 million of lease obligations. When measuring lease obligations, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average incremental borrowing rate applied to the lease obligations on January 1, 2019 was 2.3%.

The lease obligations at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

Operating lease commitments as at December 31, 2018	$	92,249
Discounting using the January 1, 2019 incremental borrowing rates		(7,986)
Discounted operating lease commitments as at January 1, 2019		84,263
Less:		
Commitments relating to short-term leases		(1,423)
Commitments relating to leases of low value assets		(1,011)
Lease commitments on initial application of IFRS 16		81,829
Add:		
Commitments relating to leases previously classified as finance leases		1,914
Lease obligations recognized at January 1, 2019	$	83,743
Current lease obligation	$	15,179
Non-current lease obligation		68,564
Lease obligations recognized at January 1, 2019	$	83,743

6. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period.

During the year ended December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company's financial assets and liabilities include cash and cash equivalents, short-term investments, restricted cash, trade receivables, equity securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments.

The fair values of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2019 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 8,320	$ –	$ 8,320
Equity securities (FVOCI)	69,967	16,285	–	86,252
Other securities (FVTPL)	9,119	–	–	9,119
Fair value of derivative financial instruments	–	9,519	–	9,519
Total financial assets	$ 79,086	$ 34,124	$ –	$ 113,210

6. FAIR VALUE MEASUREMENT (Continued)

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2018 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 10,055	$ –	$ 10,055
Equity securities (FVOCI)	61,245	15,287	–	76,532
Fair value of derivative financial instruments	–	180	–	180
Total financial assets	$ 61,245	$ 25,522	$ –	$ 86,767
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 8,325	$ –	$ 8,325
Total financial liabilities	$ –	$ 8,325	$ –	$ 8,325

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

Equity and Other Securities

Equity securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Equity securities representing shares of non-publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy).

Derivative Financial Instruments

Derivative financial instruments classified within Level 2 of the fair value hierarchy are recorded at fair value using external broker-dealer quotations corroborated by option pricing models or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs.

Fair Value of Financial Assets and Liabilities Not Measured and Recognized at Fair Value

Long-term debt is recorded on the consolidated balance sheets at December 31, 2019 at amortized cost. The fair value of long-term debt is determined by applying a discount rate, reflecting the credit spread based on the Company's credit rating to future related cash flows which is categorized within Level 2 of the fair value hierarchy. As at December 31, 2019, the Company's long-term debt had a fair value of $1,878.9 million (2018 – $1,762.2 million). See Note 14.

Lease obligations are recorded on the consolidated balance sheets at December 31, 2019 at amortized cost. The fair value of lease obligations is the present value of the future lease payments discounted at the Company's current incremental borrowing rate. It is remeasured when there is a change in the lease term, future lease payments or changes in the assessment of whether the Company will exercise a purchase, extension or termination option. The fair value of lease obligations is not materially different from the carrying amounts since the incremental borrowing rates used at the initial recognition date are close to current market rates at December 31, 2019.

7. INVENTORIES

	As at December 31, 2019	As at December 31, 2018
Ore in stockpiles and on leach pads	$ 82,192	$ 65,616
Concentrates and dore bars	124,225	100,420
Supplies	373,651	328,114
Total current inventories	$ 580,068	$ 494,150
Non-current ore in stockpiles and on leach pads (Note 9B) [(i)]	145,675	116,762
Total inventories	$ 725,743	$ 610,912

Note:

(i) The inventory balance associated with the ore that is not expected to be processed within 12 months is classified as non-current and is recorded in the other assets line item in the consolidated balance sheets.

During the year ended December 31, 2019, a charge of $13.2 million (2018 – $16.0 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

8. EQUITY SECURITIES

The following table sets out the Company's equity securities which have been designated at FVOCI:

	As at December 31, 2019	As at December 31, 2018
Orla Mining Ltd.	$ 27,125	$ 13,563
White Gold Corp.	18,735	25,029
Other[(i)]	40,392	37,940
Total equity securities	$ 86,252	$ 76,532

Note:

(i) The balance is comprised of 16 equity investments that are individually immaterial.

Disposal of Equity Securities

During the year ended December 31, 2019, the Company sold its interest in certain equity securities as they no longer fit the Company's investment strategy. The fair value at the time of sale was $7.8 million (2018 – $17.5 million) and the Company recognized a cumulative net gain on disposal of $2.1 million (2018 – loss on disposal of $1.3 million) which was transferred from other reserves to deficit in the consolidated balance sheets.

9. OTHER ASSETS

A) Other Current Assets

	As at December 31, 2019	As at December 31, 2018
Federal, provincial and other sales taxes receivable	$ 78,841	$ 93,294
Prepaid expenses	70,986	55,146
Financial asset at FVTPL[(i)]	9,119	–
Other	20,272	17,384
Total other current assets	$ 179,218	$ 165,824

Note:

(i) During the year, the Company purchased a $25.0 million financial asset which is classified as FVTPL. A realized gain on partial disposition of the asset and a mark-to-market adjustment on the remaining asset totaling $19.9 million was recognized in the other income line item in the consolidated statements of income (loss) for the year (see Note 22).

B) Other Assets

	As at December 31, 2019	As at December 31, 2018
Non-current ore in stockpiles and on leach pads	$ 145,675	$ 116,762
Non-current prepaid expenses	18,035	13,736
Non-current other receivables	18,918	5,101
Other	2,240	2,698
Total other assets	$ 184,868	$ 138,297

10. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2017	$ 1,665,527	$ 1,991,121	$ 1,969,904	$ 5,626,552
Additions	335,938	247,655	681,882	1,265,475
Impairment loss (Note 24)	(100,676)	–	–	(100,676)
Disposals	(8,554)	(5,590)	–	(14,144)
Amortization	(146,793)	(268,028)	(128,084)	(542,905)
Transfers between categories	29,621	19,709	(49,330)	–
As at December 31, 2018	$ 1,775,063	$ 1,984,867	$ 2,474,372	$ 6,234,302
Additions	63,305	314,469	635,030	1,012,804
Impairment reversal (Note 24)	172,484	–	173,337	345,821
Disposals	(937)	(19,434)	–	(20,371)
Amortization	(152,160)	(300,027)	(116,704)	(568,891)
Transfers between categories	150,796	1,207,920	(1,358,716)	–
As at December 31, 2019	$ 2,008,551	$ 3,187,795	$ 1,807,319	$ 7,003,665
As at December 31, 2018				
Cost	$ 3,135,284	$ 4,839,166	$ 3,281,066	$ 11,255,516
Accumulated amortization and impairments	(1,360,221)	(2,854,299)	(806,694)	(5,021,214)
Carrying value – December 31, 2018	$ 1,775,063	$ 1,984,867	$ 2,474,372	$ 6,234,302
As at December 31, 2019				
Cost	$ 3,348,912	$ 6,182,372	$ 2,540,534	$ 12,071,818
Accumulated amortization and impairments	(1,340,361)	(2,994,577)	(733,215)	(5,068,153)
Carrying value – December 31, 2019	$ 2,008,551	$ 3,187,795	$ 1,807,319	$ 7,003,665

Additions to Plant and Equipment include $81.8 million of transitional adjustments for the recognition of leased right-of-use assets upon the Company's adoption of IFRS 16 on January 1, 2019 (see Note 5), and $46.8 million of right-of-use assets for lease arrangements entered into during the year ended December 31, 2019.

As at December 31, 2019, major assets under construction, and therefore not yet being depreciated, included in the carrying value of property, plant and mine development amounted to $244.9 million (2018 – $1,424.2 million).

During the year ended December 31, 2019, the Company produced and sold pre-commercial production ounces from the Meliadine mine, Amaruq satellite deposit at the Meadowbank Complex, and Barnat deposit at the Canadian Malartic mine. The Company deducts revenues from mining operations earned prior to commercial production from the cost of the related

property, plant and mine development. During the year ended December 31, 2019, the Company earned $91.1 million of pre-commercial production revenue.

During the year ended December 31, 2019, the Company disposed of property, plant and mine development with a carrying value of $20.4 million (2018 – $14.1 million). The loss of $11.9 million on disposal (2018 – gain of $22.8 million) was recorded in the other income line item in the consolidated statements of income (loss).

Geographic Information:

	As at December 31, 2019	As at December 31, 2018
Northern Business:		
Canada	$ 5,000,544	$ 4,386,051
Finland	1,205,935	996,946
Sweden	13,812	13,812
Southern Business:		
Mexico	780,877	835,797
United States	2,497	1,696
Total property, plant and mine development	$ 7,003,665	$ 6,234,302

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2019	As at December 31, 2018
Trade payables	$ 158,317	$ 163,032
Wages payable	51,588	51,378
Accrued liabilities	102,957	75,287
Other liabilities	32,710	20,900
Total accounts payable and accrued liabilities	$ 345,572	$ 310,597

In 2019 and 2018, the other liabilities balance consisted primarily of various employee benefits, employee payroll tax withholdings and other payroll taxes.

12. RECLAMATION PROVISION

Agnico Eagle's reclamation provision includes both asset retirement obligations and environmental remediation liabilities. Reclamation provision estimates are based on current legislation, third party estimates, management's estimates and feasibility study calculations. Assumptions based on current economic conditions, which the Company believes are reasonable, have been used to estimate the reclamation provision. However, actual reclamation costs will ultimately depend on future economic conditions and costs for the necessary reclamation work. Changes in reclamation provision estimates during the period reflect changes in cash flow estimates as well as assumptions including discount and inflation rates. The discount rates used in the calculation of the reclamation provision at December 31, 2019 ranged between 0.75% and 1.86% (2018 – between 0.79% and 2.64%).

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations. The settlement of the obligation is estimated to occur through to 2063.

	As at December 31, 2019	As at December 31, 2018
Asset retirement obligations – long-term, beginning of year	$ 371,132	$ 341,077
Asset retirement obligations – current, beginning of year	3,856	8,609
Current year additions and changes in estimate, net	36,032	45,470
Current year accretion	5,791	7,500
Liabilities settled	(3,839)	(2,315)
Foreign exchange revaluation	15,822	(25,353)
Reclassification from long-term to current, end of year	(9,377)	(3,856)
Asset retirement obligations – long-term, end of year	$ 419,417	$ 371,132

The following table reconciles the beginning and ending carrying amounts of the Company's environmental remediation liability. The settlement of the obligation is estimated to occur through to 2026.

	As at December 31, 2019	As at December 31, 2018
Environmental remediation liability – long-term, beginning of year	$ 9,615	$ 4,191
Environmental remediation liability – current, beginning of year	1,555	1,429
Current year additions and changes in estimate, net	2,600	8,285
Liabilities settled	(3,269)	(2,370)
Foreign exchange revaluation	506	(365)
Reclassification from long-term to current, end of year	(3,078)	(1,555)
Environmental remediation liability – long-term, end of year	$ 7,929	$ 9,615

13. LEASES

The Company is party to a number of contracts that contain a lease, most of which include office facilities, storage facilities, and various plant and equipment. Leases of low value assets, short term leases and leases with variable payments proportional to the rate of use of the underlying asset do not give rise to a lease obligation and a right-of-use asset, and expenses are included in operating costs in the consolidated statements of income (loss).

Leases under IFRS 16 (from January 1, 2019)

The following table sets out the carrying amounts of right-of-use assets included in property, plant and mine development in the consolidated balance sheets and the movements during the period:

		As at December 31, 2019
As at January 1, 2019	$	83,743
Additions and modifications, net of disposals		46,822
Amortization		(12,984)
As at December 31, 2019	$	117,581

The following table sets out the lease obligations included in the consolidated balance sheets:

		As at December 31, 2019
Current	$	14,693
Non-current		102,135
Total lease obligations	$	116,828

Future minimum lease payments required to meet obligations that have initial or remaining non-cancellable lease terms are set out in the table below. Because leases with variable lease payments do not give rise to fixed minimum lease payments, no amounts are included below for these leases.

		As at December 31, 2019
Within 1 year	$	16,641
Between 1 – 3 years		31,220
Between 3 – 5 years		19,189
Thereafter		62,587
Total undiscounted lease obligations	$	129,637

The Company recognized the following amounts in the consolidated statements of income (loss) with respect to leases:

	Year Ended December 31, 2019
Amortization of right-of-use assets	$ 12,984
Interest expense on lease obligations	$ 1,909
Variable lease payments not included in the measurement of lease obligations	$ 106,909
Expenses relating to short-term leases	$ 3,595
Expenses relating to leases of low value assets, excluding short-term leases of low value assets	$ 1,071

During the year ended December 31, 2019, the Company recognized $215.7 million in the consolidated statements of cash flows with respect to leases.

Operating leases under IAS 17 (prior to January 1, 2019)

During the year ended December 31, 2018, $14.1 million of operating lease payments were recognized in the production, exploration and corporate development, and general and administrative line items in the consolidated statements of income (loss).

14. LONG-TERM DEBT

	As at December 31, 2019	As at December 31, 2018
Credit Facility[(i)(ii)]	$ (4,238)	$ (5,708)
2018 Notes[(i)(iii)]	347,974	347,803
2017 Notes[(i)(iii)]	298,238	298,022
2016 Notes[(i)(iii)]	348,527	348,265
2015 Note[(i)(iii)]	49,625	49,560
2012 Notes[(i)(iii)]	199,404	199,233
2010 Notes[(i)(iii)]	484,578	484,133
Total debt	$ 1,724,108	$ 1,721,308
Less: current portion	360,000	–
Total long-term debt	$ 1,364,108	$ 1,721,308

Notes:

(i) Inclusive of unamortized deferred financing costs.

(ii) There were no amounts outstanding under the Credit Facility (as defined below) as at December 31, 2019 and December 31, 2018. The December 31, 2019 and December 31, 2018 balances relate to deferred financing costs which are being amortized on a straight-line basis until the maturity date of June 22, 2023. Credit Facility availability is reduced by outstanding letters of credit, amounting to nil as at December 31, 2019.

(iii) The terms 2018 Notes, 2017 Notes, 2016 Notes, 2015 Note, 2012 Notes and 2010 Notes are defined below.

Scheduled Debt Principal Repayments

	2020	2021	2022	2023	2024	2025 and Thereafter	Total
2018 Notes	$ –	$ –	$ –	$ –	$ –	$ 350,000	$ 350,000
2017 Notes	–	–	–	–	–	300,000	300,000
2016 Notes	–	–	–	100,000	–	250,000	350,000
2015 Note	–	–	–	–	–	50,000	50,000
2012 Notes	–	–	100,000	–	100,000	–	200,000
2010 Notes	360,000	–	125,000	–	–	–	485,000
Total	$ 360,000	$ –	$ 225,000	$ 100,000	$ 100,000	$ 950,000	$ 1,735,000

Credit Facility

On December 14, 2018, the Company amended its $1.2 billion unsecured revolving bank credit facility (the "Credit Facility") to, among other things, extend the maturity date from June 22, 2022 to June 22, 2023 and amend pricing terms.

As at December 31, 2019 and December 31, 2018, no amounts were outstanding under the Credit Facility. Credit Facility availability is reduced by outstanding letters of credit. As at December 31, 2019, $1.2 billion was available for future drawdown under the Credit Facility (December 31, 2018 – $1.2 billion). During the year ended December 31, 2019, Credit Facility drawdowns totaled $220.0 million and repayments totaled $220.0 million. During the year ended December 31, 2018, Credit Facility drawdowns totaled $300.0 million and repayments totaled $300.0 million.

The Credit Facility is available in multiple currencies through prime rate and base rate advances, priced at the applicable rate plus a margin that ranges from 0.20% to 1.75%, through LIBOR advances, bankers' acceptances and financial letters of credit, priced at the applicable rate plus a margin that ranges from 1.20% to 2.75% and through performance letters of credit, priced at the applicable rate plus a margin that ranges from 0.80% to 1.83%. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.24% to 0.55% of the undrawn portion of the facility. In each case, the applicable margin or standby fees vary depending on the Company's credit rating and the Company's total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio.

2018 Notes

On February 27, 2018, the Company agreed to a $350.0 million private placement of guaranteed senior unsecured notes (the "2018 Notes") which were issued on April 5, 2018. Upon issuance, the 2018 Notes had a weighted average maturity of 13.9 years and weighted average yield of 4.57%.

The following table sets out details of the individual series of the 2018 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	45,000	4.38%	4/5/2028
Series B		55,000	4.48%	4/5/2030
Series C		250,000	4.63%	4/5/2033
Total	$	350,000		

2017 Notes

On June 29, 2017, the Company closed a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes").

The following table sets out details of the individual series of the 2017 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	40,000	4.42%	6/29/2025
Series B		100,000	4.64%	6/29/2027
Series C		150,000	4.74%	6/29/2029
Series D		10,000	4.89%	6/29/2032
Total	$	300,000		

2016 Notes

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes").

The following table sets out details of the individual series of the 2016 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	4.54%	6/30/2023
Series B		200,000	4.84%	6/30/2026
Series C		50,000	4.94%	6/30/2028
Total	$	350,000		

2015 Note

On September 30, 2015, the Company closed a private placement of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15%.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes").

The following table sets out details of the individual series of the 2012 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	4.87%	7/23/2022
Series B		100,000	5.02%	7/23/2024
Total	$	200,000		

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes" and, together with the 2018 Notes, the 2017 Notes, the 2016 Notes, the 2015 Note and the 2012 Notes, the "Notes").

The following table sets out details of the individual series of the 2010 Notes that remain outstanding:

		Principal	Interest Rate	Maturity Date
Series B	$	360,000	6.67%	4/7/2020
Series C		125,000	6.77%	4/7/2022
Total	$	485,000		

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes are guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances and sell material assets.

The note purchase agreements pursuant to which the Notes were issued (the "Note Purchase Agreements") contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets, carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to EBITDA ratio below a specified maximum value and the Note Purchase Agreements (other than the 2018 Notes) require the Company to maintain a minimum tangible net worth.

14. LONG-TERM DEBT (Continued)

The Company was in compliance with all covenants contained in the Credit Facility and Note Purchase Agreements throughout the years-ended and as at December 31, 2019 and 2018.

Finance Costs

Total finance costs consist of the following:

	Year Ended December 31,	
	2019	**2018**
Interest on Notes	$ 91,147	$ 87,100
Stand-by fees on credit facilities	5,862	5,811
Amortization of credit facilities, financing and note issuance costs	2,800	2,671
Interest on Credit Facility	1,270	310
Accretion expense on reclamation provisions	5,715	7,107
Interest on lease obligations, other interest and penalties	2,336	1,521
Interest capitalized to assets under construction	(4,048)	(7,953)
Total finance costs	$ 105,082	$ 96,567

Total borrowing costs capitalized to assets under construction during the year ended December 31, 2019 were at a capitalization rate of 1.31% (2018 – 1.33%).

15. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2019	**As at December 31, 2018**
Pension benefit obligations	$ 40,490	$ 32,881
Other	20,512	9,738
Total other liabilities	$ 61,002	$ 42,619

Pension Benefit Obligations

The Company provides the Executives Plan for certain current and former senior officers and the Retirement Program for eligible employees, which are both considered defined benefit plans under IAS 19 – Employee Benefits. The funded status of the plans are based on actuarial valuations performed as at December 31, 2019. The plans operate under similar regulatory frameworks and generally face similar risks.

The Executives Plan pension formula is based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan.

The Company provides a Retirement Program for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed at least 10 years of service as a permanent employee and are 57 years of age or older. The Retirement Program is not funded.

The funded status of the Company's defined benefit obligations relating to the Company's Executives Plan and Retirement Program for 2019 and 2018, is as follows:

	Year Ended December 31,	
	2019	**2018**
Reconciliation of plan assets:		
Plan assets, beginning of year	$ 2,363	$ 2,457
Employer contributions	862	1,037
Benefit payments	(643)	(819)
Administrative expenses	(109)	(109)
Interest on assets	93	79
Net return on assets excluding interest	(93)	(79)
Effect of exchange rate changes	121	(203)
Plan assets, end of year	$ 2,594	$ 2,363
Reconciliation of defined benefit obligation:		
Defined benefit obligation, beginning of year	$ 23,032	24,243
Current service cost	1,020	975
Benefit payments	(672)	(819)
Interest cost	889	758
Actuarial losses (gains) arising from changes in economic assumptions	1,989	(1,188)
Actuarial losses arising from changes in demographic assumptions	2,033	1,277
Actuarial gains arising from Plan experience	(251)	(226)
Effect of exchange rate changes	1,296	(1,988)
Defined benefit obligation, end of year	29,336	23,032
Net defined benefit liability, end of year	$ 26,742	$ 20,669

The components of Agnico Eagle's pension expense recognized in the consolidated statements of net income (loss) relating to the Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2019	**2018**
Current service cost	$ 1,020	$ 975
Administrative expenses	109	109
Interest cost on defined benefit obligation	889	758
Interest on assets	(93)	(79)
Pension expense	$ 1,925	$ 1,763

The remeasurements of the net defined benefit liability recognized in other comprehensive income (loss) relating to the Company's Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2019	**2018**
Actuarial losses (gains) relating to the defined benefit obligation	$ 3,771	$ (137)
Net return on assets excluding interest	93	79
Total remeasurements of the net defined benefit liability	$ 3,864	$ (58)

In 2020, the Company expects to make contributions of $1.5 million and benefit payments of $1.4 million, in aggregate, related to the Executives Plan and the Retirement Program. The weighted average duration of the Company's defined benefit obligation is 12.4 years at December 31, 2019 (2018 – 5.8 years).

The following table sets out significant assumptions used in measuring the Company's Executives Plan defined benefit obligations:

	As at December 31, 2019	**As at December 31, 2018**
Assumptions:		
Discount rate – beginning of year	3.8%	3.3%
Discount rate – end of year	3.0%	3.8%

The following table sets out significant assumptions used in measuring the Company's Retirement Program defined benefit obligations:

	As at December 31, 2019	As at December 31, 2018
Assumptions:		
Discount rate – beginning of year	3.5%	3.0%
Discount rate – end of year	2.8%	3.5%
Range of mine closure dates	2026 – 2032	2019 – 2032
Termination of employment per annum	0.50% – 3.25%	0.53% – 2.58%

Other significant actuarial assumptions used in measuring the Company's Retirement Program defined benefit obligations as at December 31, 2019 and December 31, 2018 include assumptions of the expected retirement age of participants.

The following table sets out the effect of changes in significant actuarial assumptions on the Company's Executives Plan and Retirement Program defined benefit obligations:

	As at December 31, 2019
Change in assumption:	
0.5% increase in discount rate	$ (1,352)
0.5% decrease in discount rate	$ 1,470

The summary of the effect of changes in significant actuarial assumptions was prepared using the same methods and actuarial assumptions as those used for the calculation of the Company's defined benefit obligation related to the Executives Plan and the Retirement Program as at the end of the fiscal year, except for the change in the single actuarial assumption being evaluated. The modification of several actuarial assumptions at the same time could lead to different results.

Other Plans

In addition to its defined benefit pension plans, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5.0% of certain employees' base employment compensation to a defined contribution plan. In 2019, $13.3 million (2018 – $12.6 million) was contributed to the Basic Plan, $0.2 million of which related to contributions for key management personnel (2018 – $0.2 million). The Company also maintains the Supplemental Plan for designated executives at the level of Vice-President or above. The Supplemental Plan is funded by the Company through notional contributions equal to 10.0% of the designated executive's earnings for the year (including salary and short-term bonus). In 2019, the Company made $1.5 million (2018 – $1.6 million) in notional contributions to the Supplemental Plan, $1.0 million (2018 – $1.0 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $11.5 million at December 31, 2019 (2018 – $8.8 million). At retirement date, the notional account balance is converted to a pension payable in five annual installments.

16. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2019, Agnico Eagle's issued common shares totaled 240,167,790 (December 31, 2018 – 235,025,507), of which 548,755 common shares are held in trusts as described below (2018 – 566,910).

The common shares held in trusts relate to the Company's RSU plan, PSU plan and a Long Term Incentive Plan ("LTIP") for certain employees of the Partnership and CMC. The trusts have been evaluated under IFRS 10 – *Consolidated Financial Statements* and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in trusts are excluded from the basic net income per share calculations until they have vested. All of the non-vested common shares held in trusts are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding as at December 31, 2019 were exercised:

Common shares outstanding at December 31, 2019	239,619,035
Employee stock options	4,122,300
Common shares held in trusts in connection with the RSU plan (Note 17(C)), PSU plan (Note 17(D)) and LTIP	548,755
Total	244,290,090

Net Income (Loss) Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income (loss) per share:

	Year Ended December 31,	
	2019	**2018**
Net income (loss) for the year	$ 473,166	$ (326,701)
Weighted average number of common shares outstanding – basic (in thousands)	236,934	233,251
Add: Dilutive impact of common shares related to the RSU plan, PSU plan and LTIP	805	–
Add: Dilutive impact of employee stock options	491	–
Weighted average number of common shares outstanding – diluted (in thousands)	238,230	233,251
Net income (loss) per share – basic	$ 2.00	$ (1.40)
Net income (loss) per share – diluted	$ 1.99	$ (1.40)

Diluted net income per share has been calculated using the treasury stock method. In applying the treasury stock method, outstanding employee stock options with an exercise price greater than the average quoted market price of the common shares for the period outstanding are not included in the calculation of diluted net income per share as the impact would be anti-dilutive.

For the year ended December 31, 2019, 3,750 employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive. For the year ended December 31, 2018, the impact of any additional shares issued under the employee stock option plan or related to the RSU plan, PSU plan or LTIP would have been anti-dilutive as a result of the net loss recorded for the year. Consequently, diluted net loss per share was calculated in the same manner as basic net loss per share in 2018.

17. STOCK-BASED COMPENSATION

A) Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the grant of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5.0% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2018, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 35,700,000 common shares.

Of the 2,118,850 stock options granted under the ESOP in 2019, 527,975 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2024, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 1,990,850 stock options granted under the ESOP in 2018, 496,973 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2023, vest in equal installments on each anniversary date of the grant over a three-year period. Upon the exercise of stock options under the ESOP, the Company issues common shares from treasury to settle the obligation.

The following table sets out activity with respect to Agnico Eagle's outstanding stock options:

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	6,361,265	C$ 47.65	5,857,504	C$ 41.18
Granted	2,118,850	55.10	1,990,850	58.04
Exercised	(4,214,332)	44.05	(1,220,921)	32.46
Forfeited	(143,093)	56.47	(59,168)	53.91
Expired	(390)	28.03	(207,000)	52.13
Outstanding, end of year	4,122,300	C$ 54.86	6,361,265	C$ 47.65
Options exercisable, end of year	1,195,730	C$ 51.39	3,429,813	C$ 42.28

The average share price of Agnico Eagle's common shares during the year ended December 31, 2019 was C$66.49 (2018 – C$52.81).

The weighted average grant date fair value of stock options granted in 2019 was C$10.44 (2018 – C$12.66). The following table sets out information about Agnico Eagle's stock options outstanding and exercisable as at December 31, 2019:

	Stock Options Outstanding			Stock Options Exercisable		
Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**
C$28.92 – C$36.37	311,550	0.99 years	C$ 36.20	311,550	0.99 years	C$ 36.20
C$55.10 – C$66.57	3,810,750	3.24 years	56.38	884,180	2.78 years	56.74
C$28.92 – C$66.57	4,122,300	3.07 years	C$ 54.86	1,195,730	2.32 years	C$ 51.39

The Company has reserved for issuance 4,122,300 common shares in the event that these stock options are exercised.

The number of common shares available for the grant of stock options under the ESOP as at December 31, 2019 was 5,071,614.

Agnico Eagle estimated the fair value of stock options under the Black-Scholes option pricing model using the following weighted average assumptions:

	Year Ended December 31,	
	2019	**2018**
Risk-free interest rate	2.23%	2.10%
Expected life of stock options (in years)	2.4	2.4
Expected volatility of Agnico Eagle's share price	30.0%	35.0%
Expected dividend yield	1.2%	1.0%

The Company uses historical volatility to estimate the expected volatility of Agnico Eagle's share price. The expected term of stock options granted is derived from historical data on employee exercise and post-vesting employment termination experience.

Compensation expense related to the ESOP amounted to $16.8 million (2018 – $19.8 million). Of the total compensation expense for the ESOP, $0.7 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in the year ended December 31, 2019 (2018 – $0.5 million).

Subsequent to the year ended December 31, 2019, 1,561,150 stock options were granted under the ESOP, of which 390,289 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2025, vest in equal installments on each anniversary date of the grant over a three-year period.

B) Incentive Share Purchase Plan ("ISPP")

On June 26, 1997, the Company's shareholders approved the ISPP to encourage Participants to purchase Agnico Eagle's common shares at market value. In 2009, the ISPP was amended to remove non-executive directors as eligible Participants.

Under the ISPP, Participants may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company. The total compensation cost recognized in 2019 related to the ISPP was $7.7 million (2018 – $6.9 million).

In 2019, 435,420 common shares were subscribed for under the ISPP (2018 – 515,432) for a value of $23.2 million (2018 – $20.6 million). In May 2019, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the ISPP to 8,100,000 from 7,100,000. As at December 31, 2019, Agnico Eagle has reserved for issuance 1,221,455 common shares (2018 – 656,875) under the ISPP.

C) Restricted Share Unit ("RSU") Plan

In 2009, the Company implemented the RSU plan for certain employees. Effective January 1, 2012, the RSU plan was amended to include directors and senior executives of the Company as eligible participants.

A deferred compensation balance is recorded for the total grant date value on the date of each RSU plan grant. The deferred compensation balance is recorded as a reduction of equity and is amortized as compensation expense over the vesting period of up to three years.

In 2019, 409,100 (2018 – 379,324) RSUs were granted with a grant date fair value of $40.41 (2018 – $47.91). In 2019, the Company funded the RSU plan by transferring $16.5 million (2018 – $17.6 million) to an employee benefit trust that then purchased common shares of the Company in the open market. The grant date fair value of the RSUs generally approximates the cost of purchasing the shares in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the RSU plan was $17.9 million in 2019 (2018 – $15.2 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item of the consolidated statements of income (loss).

Subsequent to the year ended December 31, 2019, 303,037 RSUs were granted under the RSU plan.

D) Performance Share Unit ("PSU") Plan

Beginning in 2016, the Company adopted a PSU plan for senior executives of the Company. PSUs are subject to vesting requirements over a three-year period based on specific performance measurements established by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest.

17. STOCK-BASED COMPENSATION (Continued)

In 2019, 196,500 (2018 – 180,000) PSUs were granted with a grant date fair value of $47.43 (2018 – $58.47). The Company funded the PSU plan by transferring $8.0 million (2018 – $8.4 million) to an employee benefit trust that then purchased common shares of the Company in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding. In 2020, the Company purchased an additional 117,648 shares to fulfill the payout of its 2017 PSU grant. The Company funded the purchase by transferring $9.1 million to an employee benefit trust that then purchased common shares of the Company in the open market. The purchase was treated as a treasury transaction and recognized directly in equity.

Compensation expense related to the PSU plan was $12.0 million in 2019 (2018 – $9.3 million). Compensation expense related to the PSU plan is included as part of the general and administrative line item of the consolidated statements of income (loss).

Subsequent to the year ended December 31, 2019, 167,500 PSUs were granted under the PSU plan.

18. OTHER RESERVES

The following table sets out the movements in other reserves during the years ended December 31, 2019 and December 31, 2018:

	Equity securities reserve	Cash flow hedge reserve	Costs of hedging reserve	Total
Balance at January 1, 2018	$ (19,800)	$ 10,763	$ 3,092	$ (5,945)
Net change in fair value	(39,585)	(6,984)	(3,092)	(49,661)
Transfer of loss on disposal of equity securities at FVOCI to deficit	1,290	–	–	1,290
Hedging gains transferred to property, plant and mine development	–	(3,779)	–	(3,779)
Balance at December 31, 2018	$ (58,095)	$ –	$ –	$ (58,095)
Net change in fair value	12,238	–	–	12,238
Transfer of gain on disposal of equity securities at FVOCI to deficit	(2,065)	–	–	(2,065)
Balance at December 31, 2019	$ (47,922)	$ –	$ –	$ (47,922)

19. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals. The revenue from by-product metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc and copper. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

During the year ended December 31, 2019, five customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 84.8% of revenues from mining operations in the Northern and Southern business units. However, because gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

The following table sets out sales to individual customers that exceeded 10% of revenues from mining operations:

	Year Ended December 31,	
	2019	**2018**
Customer 1	$ 600,171	$ 453,561
Customer 2	504,763	419,907
Customer 3	344,534	390,745
Customer 4	335,755	358,087
Customer 5	329,804	–
Total sales to customers exceeding 10% of revenues from mining operations	$ 2,115,027	$ 1,622,300
Percentage of total revenues from mining operations	84.8%	74.0%

Trade receivables are recognized once the transfer of control for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales of concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties. As at December 31, 2019, the Company had $8.3 million (2018 – $10.1 million) in receivables relating to provisionally priced concentrate sales.

The Company has recognized the following amounts relating to revenue in the consolidated statements of income (loss):

	Year Ended December 31,	
	2019	**2018**
Revenue from contracts with customers	$ 2,496,878	$ 2,192,044
Provisional pricing adjustments on concentrate sales	(1,986)	(823)
Total revenues from mining operations	$ 2,494,892	$ 2,191,221

The following table sets out the disaggregation of revenue by metal:

	Year Ended December 31,	
	2019	**2018**
Revenues from contracts with customers:		
Gold	$ 2,392,739	$ 2,080,270
Silver	73,297	75,676
Zinc	18,128	15,293
Copper	12,714	20,805
Total revenues from contracts with customers	$ 2,496,878	$ 2,192,044

In 2019, precious metals (gold and silver) accounted for 98.9% of Agnico Eagle's revenues from mining operations (2018 – 98.4%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

20. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

A) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

There is no impact on income before income and mining taxes or equity of a 1.0% increase or decrease in interest rates, based in financial instruments in place as at December 31, 2019.

ii. Commodity Price Risk

a. Metal Prices

Agnico Eagle's revenues from mining operations and net income are sensitive to metal prices. Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of

by-product metals (silver, zinc and copper) may be attributed to factors such as demand and global mine production levels.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no long-term forward gold sales. However, the policy does allow the Company to use other economic hedging strategies, where appropriate, to mitigate by-product metal pricing risks. The Company's policy does not allow speculative trading. As at December 31, 2019, there were no metal derivative positions.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (see Note 21 for further details on the Company's derivative financial instruments).

iii. Foreign Currency Risk

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant foreign currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), which does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes (but is not limited to) the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (refer to Note 21 for further details on the Company's derivative financial instruments).

The following table sets out the translation impact, based on financial instruments in place as at December 31, 2019, on income before income and mining taxes and equity for the year ended December 31, 2019 of a 10.0% change in the exchange rate of the US dollar relative to the Canadian dollar, Euro and Mexican peso, with all other variables held constant.

	Impact on Income Before Income and Mining Taxes and Equity	
	10.0% Strengthening of the US Dollar	**10.0% Weakening of the US Dollar**
Canadian dollar	$ (12,415)	$ 12,415
Euro	$ (12,676)	$ 12,676
Mexican peso	$ 4,882	$ (4,882)

B) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, trade receivables, loan receivable and

derivative financial instruments. The Company holds its cash and cash equivalents and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit-worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The loan receivable is collateralized by pledged assets which mitigates the level of credit risk. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2019	As at December 31, 2018
Cash and cash equivalents	$ 321,897	$ 301,826
Short-term investments	6,005	6,080
Trade receivables	8,320	10,055
Derivative financial instrument assets	9,519	180
Loan receivable	4,526	–
Total	$ 350,267	$ 318,141

C) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its credit rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to lease obligations are set out in Note 13 and contractual maturities relating to long-term debt are set out in Note 14. Other financial liabilities, including accounts payable and accrued liabilities and derivative financial instruments, have maturities within one year of December 31, 2019.

D) Capital Risk Management

The Company's primary capital management objective is to maintain an optimal capital structure to support current and long-term business activities and to provide financial flexibility in order to maximize value for equity holders.

Agnico Eagle's capital structure comprises a mix of lease financing, long-term debt, and total equity as follows:

	As at December 31, 2019	As at December 31, 2018
Lease obligations	$ 116,828	$ 1,914
Long-term debt	1,724,108	1,721,308
Total equity	5,111,514	4,550,012
Total	$ 6,952,450	$ 6,273,234

The Company manages its capital structure and makes adjustments to it based on changes in economic conditions and the requirements of financial covenants. To effectively manage its capital requirements, Agnico Eagle has in place a rigorous planning, budgeting and forecasting process to ensure it has the appropriate liquidity to meet its operating and growth objectives. The Company has the ability to adjust its capital structure by various means.

See Note 14 for details related to Agnico Eagle's compliance with its long-term debt covenants.

E) Changes in liabilities arising from financing activities

	As at December 31, 2018	Changes from Financing Cash Flows	Foreign Exchange	Other[(i)]	As at December 31, 2019
Long-term debt	$ 1,721,308	–	–	2,800	$ 1,724,108
Lease obligations	1,914	(15,451)	(195)	130,560	116,828
Total liabilities from financing activities	$ 1,723,222	(15,451)	(195)	133,360	$ 1,840,936

Notes:

(i) Includes the amortization of deferred financing costs on long-term debt, initial application of IFRS 16, lease obligation additions and interest paid on lease obligations reflected in finance costs.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Currency Risk Management

The Company uses foreign exchange economic hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The Company is primarily exposed to currency fluctuations relative to the US dollar as a significant portion of the Company's operating costs and capital expenditures are denominated in foreign currencies; primarily the Canadian dollar, the Euro and the Mexican peso. These potential currency fluctuations increase the volatility of, and could have a significant impact on, the Company's production costs and capital expenditures. The economic hedges relate to a portion of the foreign currency denominated cash outflows arising from foreign currency denominated expenditures.

As at December 31, 2019, the Company had outstanding derivative contracts related to $252.0 million of 2020 expenditures. The Company recognized mark-to-market adjustments in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss). The Company did not apply hedge accounting to these arrangements in its derivative programs for the 2019 and 2020 fiscal years.

Mark-to-market gains and losses related to foreign exchange derivative financial instruments are recorded at fair value based on broker-dealer quotations corroborated by option pricing models that utilize period-end forward pricing of the applicable foreign currency to calculate fair value.

The Company's other foreign currency derivative strategies in 2019 and 2018 consisted mainly of writing US dollar call options with short maturities to generate premiums that would, in essence, enhance the spot transaction rate received when exchanging US dollars for Canadian dollars and Mexican pesos. All of these derivative transactions expired prior to year-end such that no derivatives were outstanding as at December 31, 2019 or December 31, 2018. The call option premiums were recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss).

21. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated primarily with its Nunavut's diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding as at December 31, 2019 relating to 12.0 million gallons of heating oil (December 31, 2018 – 12.0 million). The related mark-to-market adjustments prior to settlement were recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss). The Company did not apply hedge accounting to these arrangements.

Mark-to-market gains and losses related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period end forward pricing to calculate fair value.

The following table sets out a summary of the amounts recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss):

	Year Ended December 31,	
	2019	**2018**
Premiums realized on written foreign exchange call options	$ (1,693)	$ (3,110)
Realized loss on warrants	88	–
Unrealized (gain) loss on warrants [(i)]	(2,325)	452
Realized gain on currency and commodity derivatives	(450)	(2,790)
Unrealized (gain) loss on currency and commodity derivatives [(i)]	(12,744)	11,513
(Gain) loss on derivative financial instruments	$ (17,124)	$ 6,065

Note:

(i) Unrealized gains and losses on financial instruments that are not designated and accounted for as hedges are recognized through the (gain) loss on derivative financial instruments line item in the consolidated statements of income (loss) and through the other line item of the consolidated statements of cash flows.

22. OTHER INCOME

The following table sets out a summary of the amounts recognized in the other income line item of the consolidated statements of income (loss):

	Year Ended December 31,	
	2019	**2018**
Loss (gain) on disposal of property, plant and mine development (Note 10)	$ 11,907	$ (22,764)
Interest income	(6,688)	(10,245)
Other	(18,388)	(2,285)
Other income	$ (13,169)	$ (35,294)

Sale of West Pequop Joint Venture, Summit and PQX Properties

On June 11, 2018, the Company completed the sale of its 51% interest in the West Pequop Joint Venture and its 100% interest in the Summit and PQX properties located in northeastern Nevada (collectively, the "Nevada Properties") to a subsidiary of Newmont Mining Corp.

Under the purchase and sale agreement, the Company received a cash payment of $35.0 million and was granted a 0.8% net smelter return ("NSR") royalty on the Nevada Properties held by the West Pequop Joint Venture and a 1.6% NSR on the Summit and PQX properties. Upon closing of the sale, the Company recognized a net gain on disposal of $26.5 million in the other income line item of the consolidated statements of income (loss) and through the other line item of the consolidated statements of cash flows.

The Nevada Properties were included in the Company's Exploration segment.

23. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed where the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses and reversals) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, LaRonde Zone 5 mine, Lapa mine, Goldex mine, Meadowbank Complex, Meliadine mine, Canadian Malartic joint operation and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota mine and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

	Year Ended December 31, 2019				
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Impairment Reversal	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 552,204	$ (215,012)	$ –	$ –	$ 337,192
LaRonde Zone 5 mine	80,365	(41,212)	–	–	39,153
Lapa mine	4,877	(2,844)	–	–	2,033
Goldex mine	197,020	(82,533)	–	–	114,487
Meadowbank Complex	221,652	(180,848)	(3,528)	–	37,276
Meliadine mine	270,258	(142,932)	–	345,821	473,147
Canadian Malartic joint operation	466,317	(208,178)	(189)	–	257,950
Kittila mine	260,323	(142,517)	–	–	117,806
Total Northern Business	2,053,016	(1,016,076)	(3,717)	345,821	1,379,044
Southern Business:					
Pinos Altos mine	249,577	(130,190)	–	–	119,387
Creston Mascota mine	78,023	(35,801)	–	–	42,222
La India mine	114,276	(65,638)	–	–	48,638
Total Southern Business	441,876	(231,629)	–	–	210,247
Exploration	–	–	(101,062)	–	(101,062)
Segments totals	$ 2,494,892	$ (1,247,705)	$ (104,779)	$ 345,821	$ 1,488,229
Total segments income					$ 1,488,229
Corporate and other:					
Amortization of property, plant and mine development					(546,057)
General and administrative					(120,987)
Finance costs					(105,082)
Gain on derivative financial instruments					17,124
Environmental remediation					(2,804)
Foreign currency translation loss					(4,850)
Other income					13,169
Income before income and mining taxes					$ 738,742

	Year Ended December 31, 2018				
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Impairment Loss	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 516,673	$ (228,294)	$ –	$ –	$ 288,379
LaRonde Zone 5 mine	21,327	(12,991)	–	–	8,336
Lapa mine	39,797	(27,870)	–	–	11,927
Goldex mine	152,426	(78,533)	–	–	73,893
Meadowbank Complex	323,142	(211,147)	(25,128)	–	86,867
Canadian Malartic joint operation	448,526	(199,761)	(488)	(250,000)	(1,723)
Kittila mine	237,284	(157,032)	–	–	80,252
Total Northern Business	1,739,175	(915,628)	(25,616)	(250,000)	547,931
Southern Business:					
Pinos Altos mine	270,855	(138,362)	–	–	132,493
Creston Mascota mine	54,673	(37,270)	–	–	17,403
La India mine	126,518	(69,095)	–	(39,017)	18,406
Total Southern Business	452,046	(244,727)	–	(39,017)	168,302
Exploration	–	–	(112,054)	(100,676)	(212,730)
Segments totals	$ 2,191,221	$ (1,160,355)	$ (137,670)	$ (389,693)	$ 503,503
Total segments income					$ 503,503
Corporate and other:					
Amortization of property, plant and mine development					(553,933)
General and administrative					(124,873)
Finance costs					(96,567)
Loss on derivative financial instruments					(6,065)
Environmental remediation					(14,420)
Foreign currency translation loss					(1,991)
Other income					35,294
Loss before income and mining taxes					$ (259,052)

The following table sets out total assets by segment:

	Total Assets as at	
	December 31, 2019	**December 31, 2018**
Northern Business:		
LaRonde mine	$ 794,503	$ 794,155
LaRonde Zone 5 mine	66,553	59,420
Lapa mine	4,128	11,654
Goldex mine	295,139	289,393
Meadowbank Complex	883,422	681,761
Meliadine mine	2,139,845	1,645,360
Canadian Malartic joint operation	1,548,564	1,550,565
Kittila mine	1,317,322	1,082,017
Total Northern Business	7,049,476	6,114,325
Southern Business:		
Pinos Altos mine	521,713	551,179
Creston Mascota mine	28,833	47,960
La India mine	264,498	315,411
Total Southern Business	815,044	914,550
Exploration	462,789	489,270
Corporate and other	462,576	334,698
Total assets	$ 8,789,885	$ 7,852,843

The following table sets out the carrying amount of goodwill by segment for the years ended December 31, 2019 and December 31, 2018:

	Canadian Malartic Joint Operation	**Exploration**	**Total**
Cost	$ 597,792	$ 60,000	$ 657,792
Accumulated impairment	(250,000)	–	(250,000)
Carrying amount	$ 347,792	$ 60,000	$ 407,792

The following table sets out capital expenditures by segment:

	Capital Expenditures Year Ended December 31,	
	2019	**2018**
Northern Business:		
LaRonde mine	$ 81,831	$ 77,488
LaRonde Zone 5 mine	8,441	25,896
Goldex mine	41,356	52,857
Meadowbank Complex	267,319	202,353
Meliadine mine	165,389	398,090
Canadian Malartic joint operation	83,051	82,833
Kittila mine	171,908	173,704
Total Northern Business	819,295	1,013,221
Southern Business:		
Pinos Altos mine	39,421	40,297
Creston Mascota mine	–	19,500
La India mine	13,881	9,197
Total Southern Business	53,302	68,994
Corporate and other	10,067	6,885
Total capital expenditures	$ 882,664	$ 1,089,100

The following table sets out revenues from mining operations by geographic area [(i)]:

	Year Ended December 31,	
	2019	**2018**
Canada	$ 1,792,693	$ 1,501,891
Mexico	441,876	452,046
Finland	260,323	237,284
Total revenues from mining operations	$ 2,494,892	$ 2,191,221

Note:

(i) Presented based on the location of the mine from which the product originated.

The following table sets out non-current assets by geographic area:

	Non-current Assets as at	
	December 31, 2019	**December 31, 2018**
Canada	$ 5,571,885	$ 4,893,840
Mexico	787,943	863,672
Finland	1,220,188	1,007,370
Sweden	13,812	13,812
United States	2,497	1,697
Total non-current assets	$ 7,596,325	$ 6,780,391

24. IMPAIRMENT AND IMPAIRMENT REVERSAL

Goodwill impairment tests

Canadian Malartic Joint Operation

The estimated recoverable amount of the Canadian Malartic joint operation CGU as at December 31, 2019 and 2018 was determined on the basis of fair value less costs to dispose of the Canadian Malartic mine. The estimated recoverable amount of the Canadian Malartic mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 5.00% (2018 – 5.50%). The recoverable amount calculation was based on an estimate of future production levels applying short-term gold prices of $1,400 to $1,500 per ounce and long-term gold prices of $1,350 per ounce (in real terms) (2018 – short-term and long term gold prices of $1,300), foreign exchange rates of US$0.76:C$1.00 to US$0.80:C$1.00 (2018 – US$0.76:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0% (2018 – 2.0%), and capital, operating and reclamation costs based on applicable life of mine plans. Certain mineralization was valued by a cashflow extension approach where the mineralization is expected to have sufficiently similar economics to the mineralization of the Canadian Malartic mine and adjusted for known differences, if necessary.

At December 31, 2019, the Canadian Malartic joint operation segment estimated recoverable amount exceeded its carrying amount. At December 31, 2018, as the Canadian Malartic joint operation segment's carrying amount exceeded its estimated recoverable amount, an impairment loss of $250.0 million was recognized in the impairment (reversal) loss line item in the consolidated statements of income (loss) at December 31, 2018 to decrease the carrying amount of goodwill. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

CMC Exploration Assets

As a result of the acquisition of the additional 50.0% of the CMC Exploration Assets on March 28, 2018 (see Note 27), the Company separated the CMC Exploration Assets from the Canadian Malartic joint operation into a distinct goodwill test performed for the Exploration segment as at December 31, 2019 and 2018. The estimated recoverable amount of the CMC Exploration Assets CGU was calculated by reference to comparable market transactions or by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 7.80% (2018 – 8.25%). The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,350 per ounce (in real terms) (2018 – $1,300), foreign exchange rates of US$0.76:C$1.00 to US$0.80:C$1.00 (2018 – US$0.76:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0% (2018 – 2.0%), and capital, operating and

reclamation costs based on applicable life of mine plans. At December 31, 2019 and 2018, the CMC Exploration Assets CGU estimated recoverable amount exceeded its carrying amount.

La India Mine

As of December 31, 2019, the carrying value of goodwill attributable to the La India CGU was nil as a result of an impairment recorded in the year ended December 31, 2018.

The estimated recoverable amount of the La India mine CGU as at December 31, 2018 was determined on the basis of fair value less costs to dispose of the La India mine. The estimated recoverable amount of the La India mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 6.25% commensurate with the estimated level of risk. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,300 per ounce (in real terms), an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. Other mineral resources within the CGU were valued by reference to comparable recent transactions. As the La India mine CGU's carrying amount exceeded its estimated recoverable amount at December 31, 2018, an impairment loss of $39.0 million was recognized in the impairment (reversal) loss line item in the consolidated statements of income (loss) at December 31, 2018 to reduce the carrying amount of goodwill to nil. The goodwill impairment was primarily due to the expected loss of value from production while the carrying value was not equally reduced through amortization. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Impairment reversal

Meliadine Mine

In 2013, the Company performed an annual goodwill test of the Meliadine project CGU. As the Meliadine project CGU carrying amount exceeded its estimated recoverable amount, an impairment loss of $639.3 million was recognized, of which $200.1 million was allocated to reduce goodwill to nil with the balance allocated to other long-lived assets. In 2016, the Company identified indicators of impairment reversal and calculated the recoverable amount of the Meliadine project CGU. As the Meliadine mine CGU's estimated recoverable amount exceeded the previous carrying amount less amortization that would have been recognized had the assets not been impaired, an impairment reversal of $83.0 million ($53.6 million net of tax) was recognized in the impairment (reversal) loss line item in the consolidated statements of income (loss).

In 2019, the Meliadine mine achieved commercial production upon the completion of a two-year construction period that was characterized by higher risk due to uncertainty of completing the project according to plan, on time and within allocated capital plan. Subsequent to the commercial production which was achieved ahead of schedule, the Company continued to ramp up the mine for a period of time and observed that the asset performed within expectations, resulting in a reduction of the specific risk premium embedded in the calculation of the discount rate previously applied in the calculation of the recoverable amount. The reduced risk premium in conjunction with other factors that steadily improved over time, including the updated life of mine plans, long-term gold prices and increased geological confidence with respect to certain mineralization, represent an observable indication that the recoverable amount of the CGU has significantly increased. There is significant judgement involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meliadine mine CGU as at December 31, 2019 was determined on the basis of fair value less costs to dispose and calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 5.10%. The recoverable amount calculation was based on an estimate of future production levels applying short-term gold prices of $1,400 to $1,500 per ounce and long-term gold prices of $1,350 per ounce (in real terms), an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. As the Meliadine mine CGU's estimated recoverable amount exceeded the previous carrying amount less amortization

that would have been recognized had the assets not been impaired, an impairment reversal of $345.8 million ($223.4 million net of tax) was recognized in the impairment (reversal) loss line item in the consolidated statements of income (loss). This impairment reversal, in combination with an impairment reversal recognized in 2016, represents the full reversal of prior impairment allocated to long-lived assets, as adjusted for amortization. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

In 2018, the Company did not identify any indicators of impairment reversal on long-lived assets.

Impairment loss

In 2019, the Company did not identify any indicators of impairment on long-lived assets.

El Barqueño project

In 2018, 28,000 meters of drilling was completed at the El Barqueño project in the state of Jalisco, Mexico, with a principal focus on testing new target areas. Progress on current development studies at the end of 2018 indicated that the project did not meet the Company's internal investment criteria. The Company identified this as a circumstance that suggested that the carrying amount of the El Barqueño exploration asset may exceed its recoverable amount and an impairment test was performed as at December 31, 2018. In estimating the fair value of the El Barqueño project, the Company applied a market approach using a price per gold equivalent ounce metric by reference to comparable recent transactions. As the El Barqueño project's carrying amount exceeded its estimated fair value, an impairment loss of $101.6 million was recognized in the impairment (reversal) loss line item in the consolidated statements of income (loss) at December 31, 2018 to decrease the carrying amount of the mining property. The El Barqueño project is part of the Company's Exploration segment.

Key Assumptions

The determination of the recoverable amount with level 3 input of the fair value hierarchy, includes the following key applicable assumptions:

- Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on local government marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a size premium and Company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to each asset group's jurisdiction;

- Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date;

- Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions;

- Estimated production levels, and future operating and capital costs are based on detailed life of mine plans and also take into account management's expected development plans.

- Estimates of the fair value attributable to mineralization in excess of life of mine plans are based on various assumptions, including determination of the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where only limited or no comprehensive economic study has been completed.

25. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2019	2018
Current income and mining taxes	$ 112,981	$ 98,610
Deferred income and mining taxes:		
Origination and reversal of temporary differences	152,595	(30,961)
Total income and mining taxes expense	$ 265,576	$ 67,649

The income and mining taxes expense is different from the amount that would have been calculated by applying the Canadian statutory income tax rate as a result of the following:

	Year Ended December 31,	
	2019	2018
Combined federal and composite provincial tax rates	26%	26%
Expected income tax expense (recovery) at statutory income tax rate	$ 192,073	$ (67,354)
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	92,200	42,991
Impact of foreign tax rates	(14,915)	(11,308)
Permanent differences	(2,450)	(3,599)
Impairment loss not tax deductible	–	100,736
Impact of foreign exchange on deferred income tax balances	(1,332)	6,183
Total income and mining taxes expense	$ 265,576	$ 67,649

The following table sets out the components of Agnico Eagle's net deferred income and mining tax liabilities:

	As at December 31, 2019	As at December 31, 2018
Mining properties	$ 1,293,863	$ 1,056,185
Net operating and capital loss carry forwards	(167,139)	(87,025)
Mining taxes	(71,507)	(72,637)
Reclamation provisions and other liabilities	(107,075)	(99,815)
Total deferred income and mining tax liabilities	$ 948,142	$ 796,708

	As at December 31, 2019	As at December 31, 2018
Deferred income and mining tax liabilities – beginning of year	$ 796,708	$ 827,341
Income and mining tax impact recognized in net income	152,006	(30,671)
Income tax impact recognized in other comprehensive income (loss) and equity	(572)	38
Deferred income and mining tax liabilities – end of year	$ 948,142	$ 796,708

The Company operates in different jurisdictions and, accordingly, it is subject to income and other taxes under the various tax regimes in the countries in which it operates. The tax rules and regulations in many countries are highly complex and subject to interpretation. The Company may be subject, in the future, to a review of its historic income and other tax filings and, in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain tax rules and regulations to the Company's business conducted within the country involved.

The deductible temporary differences and unused tax losses in respect of which a deferred tax asset has not been recognized in the consolidated balance sheets are as follows:

	As at December 31, 2019	As at December 31, 2018
Net capital loss carry forwards	$ 56,003	$ 74,364
Other deductible temporary differences	296,425	270,590
Unrecognized deductible temporary differences and unused tax losses	$ 352,428	$ 344,954

The Company also has unused tax credits of $12.7 million as at December 31, 2019 (December 31, 2018 – $12.7 million) for which a deferred tax asset has not been recognized.

Capital loss carry forwards and other deductible temporary differences have no expiry date while the unused tax credits expire in 2020.

The Company has $276.8 million (2018 – $285.7 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. Prior taxation years generally remain subject to examination by applicable taxation authorities.

26. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2019, employee benefits expense recognised in the statements of income (loss) was $636.8 million (2018 – $596.7 million). In 2019, there were no related party transactions other than compensation of key management personnel. In 2018, related party transactions consisted of the Company's acquisition of the CMC Exploration Assets (Note 27) and compensation of key management personnel. Key management personnel include the members of the Board and the senior leadership team.

The following table sets out the compensation of key management personnel:

	Year Ended December 31,	
	2019	2018
Salaries, short-term incentives and other benefits	$ 14,553	$ 14,701
Post-employment benefits	1,579	1,984
Share-based payments	24,130	20,440
Total	$ 40,262	$ 37,125

27. ACQUISITIONS

CMC Exploration Assets

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets of CMC, including the Kirkland Lake and Hammond Reef gold projects (the "CMC Exploration Assets") by way of an asset purchase agreement (the "CMC Purchase Agreement") dated December 21, 2017. On the closing of the transactions relating to the CMC Purchase Agreement, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership of the CMC Exploration Assets.

Pursuant to the CMC Purchase Agreement, the effective consideration for the CMC Exploration Assets after the distribution of the sale proceeds by CMC to its shareholders totaled $162.5 million in cash paid at closing.

The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $2.9 million were capitalized to the mining properties acquired in addition to the purchase price allocation set out below.

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:

Cash paid for acquisition	$ 162,479
Total purchase price to allocate	$ 162,479

Fair value of assets acquired and liabilities assumed:

Mining properties	$ 161,242
Plant and equipment	2,423
Reclamation provision	(1,186)
Net assets acquired	$ 162,479

28. COMMITMENTS AND CONTINGENCIES

As part of its ongoing business and operations, the Company has been required to provide assurance in the form of letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes. As at December 31, 2019, the total amount of these guarantees was $420.6 million.

Certain of the Company's properties are subject to royalty arrangements. Set out below are the Company's most significant royalty arrangements related to operating mines:

- The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after the Kittila mine's operations commenced, the Company has been required to pay 2.0% net smelter return royalty, defined as revenue less processing costs. The royalty is paid on an annual basis in the following year.
- The Partnership is committed to pay a royalty on production or metal sales from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 1.5% to 5.0%.
- The Company is committed to pay 2.0% net smelter return royalty on the metal sales from the LaRonde Zone 5 mine in Quebec, Canada.
- The Company is committed to pay a 12.0% net profits interest royalty on production from the Vault pit at the Meadowbank mine in Nunavut, Canada.
- The Company is committed to pay a 1.2% net smelter return royalty on sales from the Meliadine mine in Nunavut, Canada.
- The Company is committed to two royalty arrangements on production from the Amaruq satellite deposit at the Meadowbank Complex in Nunavut, Canada. These royalty arrangements include a 1.4% net smelter return royalty and 12.0% net profits interest royalty.
- The Company is committed to pay a royalty on production from certain properties in Mexico. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 2.5% to 3.5% at the Pinos Altos and Creston Mascota mines and 0.5% at the La India mine.

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following contractual commitments as at December 31, 2019, of which $62.5 million related to capital expenditures:

		Contractual Commitments
2020	$	166,492
2021		8,356
2022		3,271
2023		3,270
2024		1,722
Thereafter		5,339
Total	$	188,450

29. ONGOING LITIGATION

On August 2, 2016, the Partnership, a general partnership jointly owned by the Company and Yamana, was served with a class action lawsuit filed in the Superior Court of Quebec with respect to allegations involving the Canadian Malartic mine. The complaint is in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs sought damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing the residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Quebec Court of Appeal and the class members continued to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The plaintiff did not seek leave to appeal this decision and rather added new allegations in an attempt to recapture the pre-transaction period. On July 19, 2019, the Court refused to add back the pre-transaction period based on these new allegations. An application for leave to appeal was filed by the plaintiff.

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed under the Environment Quality Act (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree. The Partnership was an impleaded party in the proceedings. The applicant sought to obtain the annulment of a decree authorizing the expansion of the Canadian Malartic mine. Following a hearing on the merits in October 2018, the Superior Court dismissed the judicial review on May 13, 2019 and an application for leave to appeal was filed by the plaintiff on June 20, 2019 and allowed on September 19, 2019.

On October 15, 2019, an agreement in principle was announced by the parties with respect to the class action, the permanent injunction and the judicial review proceedings. A formal settlement agreement was executed on November 11, 2019 and approved by the Court on December 13, 2019. This agreement includes: (i) the reopening of the 2013 to 2018 compensation periods of the Guide for the benefit of the residents who did not individually settle for these periods under the Guide; (ii) the implementation of a new renovation program for the benefit of property owners in the South sector, whether they are class members or not; (iii) the full and final release of the Partnership for the class action period; (iv) the current compensations under the Guide as a threshold for the three upcoming compensation years (2019 to 2021); and (v) the plaintiff's withdrawal from the injunction and the judicial review proceedings. The Court also approved certain other non-material considerations agreed by the parties before and during the settlement approval hearing held on December 11, 2019. As no appeal was filed, the judgement approving the settlement is definitive and the plaintiff consequently withdrew from the injunction and the judicial review proceedings on January 20, 2020.

30. SUBSEQUENT EVENTS

Dividends Declared

On February 13, 2020, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.20 per common share (a total value of approximately $47.5 million), payable on March 16, 2020 to holders of record of the common shares of the Company on February 28, 2020.

Impact of COVID-19 on the Company's operations

In response to the order by the Government of Quebec, issued on March 23, 2020 (the "Order") to close all non-essential businesses in response to the COVID-19 pandemic, the Company took steps to ramp down its operations in the Abitibi region of Quebec (the LaRonde, LaRonde Zone 5, Goldex and Canadian Malartic mines) in an orderly fashion while ensuring the safety of employees and the sustainability of the infrastructure. Each of these operations are in process of being placed on care and maintenance until April 13, 2020, and, as instructed, minimal work will take place during that time. The Company is also reducing activities at the Meliadine mine and Meadowbank Complex in Nunavut, which are currently serviced out of Quebec. Further, the Company announced that exploration activities in Canada will be suspended until April 13, 2020. The duration of the suspension of operations under the Order may be extended.

There are significant uncertainties with respect to future developments and impact to the Company related to the COVID-19 pandemic, including the duration, severity and scope of the outbreak and the measures taken by governments and businesses to contain the pandemic. As a cautionary measure given the current uncertainty, in March 2020 the Company drew down $1.0 billion on its $1.2 billion Credit Facility.

QuickLinks

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
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AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (thousands of United States dollars, except per share amounts)
AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (thousands of United States dollars)
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AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF CASH FLOWS (thousands of United States dollars)

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Exhibit 99.3

Management's Discussion and Analysis

For the year ended December 31, 2019

(Prepared in accordance with International Financial Reporting Standards)

AGNICO EAGLE

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This Management's Discussion and Analysis ("MD&A") dated March 27, 2020 of Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019 that were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") (the "Annual Financial Statements"). The annual consolidated financial statements and this MD&A are presented in United States dollars ("US dollars", "$" or "US$") and all units of measurement are expressed using the metric system unless otherwise specified. Certain information in this MD&A is presented in Canadian dollars ("C$"), Mexican pesos or European Union euros ("Euros" or "€"). Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2019 (the "AIF"), is available on the Canadian Securities Administrators' (the "CSA") SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's (the "SEC") website at www.sec.gov.

NOTE TO INVESTORS CONCERNING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A, referred to herein as "forward-looking statements", constitute "forward-looking information" under the provisions of Canadian provincial securities laws and constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this MD&A include, but are not limited to, the following:

- the Company's outlook for 2020 and future periods;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;
- other anticipated trends with respect to the Company's capital resources and results of operations;
- statements regarding the Company's plans to suspend all mining activities at its operations in the Abitibi region of Quebec and the expected duration of such suspension;
- statements regarding the Company's plans to reduce activities at the Meliadine mine and the Meadowbank Complex and the operations that are expected to be carried out during, and the duration of, the period of such reduced activities;
- statements regarding the Company's plans to suspend exploration activities in Canada;
- statements regarding the timeline for resuming normal operating levels at each of the Company's operations;
- statements regarding the Company's plans with respect to the use of the $1.0 billion drawn on its US$1.2 billion unsecured revolving bank credit facility; and
- other statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of COVID-19 on the Company's operations and overall business.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico Eagle upon which the forward-looking statements in this MD&A are based, and which may prove to be incorrect, include the assumptions set out elsewhere in this MD&A as well as: that the duration or scope of the order by the Government of Quebec issued on March 23, 2020 to close all non-essential businesses in response to the COVID-19 outbreak is not extended or modified; that governments, the Company

or others do not take other measures in response to the COVID-19 pandemic or otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business and that there are no other significant disruptions affecting Agnico Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, disruptions related to the COVID-19 pandemic or other health and safety issues, or the responses of governments, communities, Agnico Eagle and others to such pandemic or other issues, mining or milling issues, political changes, title issues, community protests, including by First Nations groups, or otherwise; that permitting, development, expansion and the ramp up of operations at each of Agnico Eagle's mines, mine development projects and exploration projects proceed on a basis consistent with expectations and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the US dollar will be approximately consistent with current levels or as set out in this MD&A; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets current expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this MD&A reflect the Company's views as at the date of this MD&A and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, the risk factors set out in "Risk Factors" in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

Unless otherwise expressly stated, milestones set out in this MD&A have not been based on a technical report under NI 43-101 (as defined below).

Meaning of "including" and "such as": When used in this MD&A, the terms "including" and "such as" mean including and such as, without limitation.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this MD&A have been prepared in accordance with the CSA National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). These standards are similar to those used by SEC Industry Guide No. 7, as interpreted by Staff at the SEC ("Guide 7"). However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Accordingly, mineral reserve and mineral resource information contained in this MD&A may not be comparable to similar information disclosed by United States companies. Under Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

For United States reporting purposes, the SEC has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), which became effective February 25, 2019. The SEC Modernization Rules more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Guide 7. Issuers must begin to comply with the SEC Modernization Rules in their first fiscal year beginning on or after January 1, 2021, though Canadian issuers that report in the United States using the Multijurisdictional Disclosure System ("MJDS") may still use NI 43-101 rather than the SEC Modernization Rules when using the SEC's MJDS registration statement and annual report forms. Guide 7 will remain effective until all issuers are required to comply with the SEC Modernization Rules, at which time Guide 7 will be rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101.

United States investors are cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great amount of uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports in this management's discussion and analysis are or will be economically or legally mineable.

Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is or will ever be economically or legally mineable.**

The mineral reserve and mineral resource data set out in this MD&A are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for by-product metals contained in mineral reserves in its calculation of contained ounces and mineral reserves are not reported as a subset of mineral resources. See "Mineral Reserves and Mineral Resources" in the AIF for additional information.

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This MD&A discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce", "minesite costs per tonne" and "adjusted net income" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the Annual Financial Statements prepared in accordance with IFRS, and for an explanation of how management uses these measures, see Non-GAAP Financial Performance Measures in this MD&A.

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Unless otherwise specified, all references to total cash costs per ounce in this MD&A are to total cash costs per ounce reported on a by-product basis.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other gold mining companies that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future. Unless otherwise specified, all references to all-in sustaining costs per ounce in this MD&A are to all-in sustaining costs per ounce reported on a by-product basis.

Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. The World Gold Council ("WGC") is a non-regulatory market development

organization for the gold industry. Although the WGC is not a mining industry regulatory organization, it has worked closely with its member companies to develop relevant non-GAAP measures. The Company follows the guidance on all-in sustaining costs released by the WGC in November 2018. Adoption of the all-in sustaining costs metric is voluntary and, notwithstanding the Company's adoption of the WGC's guidance, all-in sustaining costs per ounce of gold produced reported by the Company may not be comparable to data reported by other gold mining companies. The Company believes that this measure provides helpful information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

Adjusted net income is calculated by adjusting the net income as recorded in the consolidated statements of income for foreign currency translation gains and losses, mark-to-market adjustments, non-recurring gains and losses and unrealized gains and losses on financial instruments. Management uses adjusted net income to evaluate the underlying operating performance of the Company and to assist with the planning and forecasting of future operating results. Management believes that adjusted net income is a useful measure of performance because foreign currency translation gains and losses, mark-to-market adjustments, non-recurring gains and losses and unrealized gains and losses on financial instruments do not reflect the underlying operating performance of the Company and may not be indicative of future operating results.

Management also performs sensitivity analyses in order to quantify the effects of fluctuating exchange rates and metal prices. The Company, from time to time, also provides information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. Such estimates are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its mines and projects and, consistent with the reconciliation of these actual costs referred to above, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable IFRS measure.

Unless otherwise indicated herein all references to total cash costs per ounce and all-in sustaining costs per ounce refer to such measures as calculated on a by-product basis. For information regarding these measures as calculated on a co-product basis, please see "Non-GAAP Financial Performance Measures".

Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that have been or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

Executive Summary

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since its formation in 1972. The Company's mines are located in Canada, Mexico and Finland, with exploration and development activities in Canada, Europe, Latin America and the United States. The Company and its shareholders have full exposure to gold prices due to its long-standing policy of no forward gold sales. Agnico Eagle has declared a cash dividend every year since 1983.

Agnico Eagle earns a significant proportion of its revenue and cash flow from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals, primarily silver, zinc and copper. In 2019, Agnico Eagle recorded production costs per ounce of gold of $735[(i)] and total cash costs per ounce of gold produced of $673 [(i)] on a by-product basis and $745[(i)] on a co-product basis on payable gold production of 1,782,147 ounces. The average realized price of gold increased by 11.1% from $1,266 per ounce in 2018 to $1,406 per ounce in 2019.

Agnico Eagle's operating mines and development projects are located in what the Company believes to be politically stable countries that are supportive of the mining industry. The political stability of the regions in which Agnico Eagle operates helps to provide confidence in its current and future prospects and profitability. This is important for Agnico Eagle as it believes that many of its new mines and recently acquired mining projects have long-term mining potential.

Highlights

- Continued strong operational performance with payable gold production of 1,782,147 ounces and production costs per ounce of gold of $735[(i)] during 2019.
- Total cash costs per ounce of gold produced of $673 [(i)] on a by-product basis and $745 [(i)] on a co-product basis in 2019.
- All-in sustaining costs per ounce of gold produced of $938 [(i)] on a by-product basis and $1,010 [(i)] on a co-product basis in 2019.
- Proven and probable gold reserves totaled 21.6 million ounces at December 31, 2019, a 2.1% decrease compared with 22.0 million ounces at December 31, 2018 while the gold reserve grade increased by 4.8%.
- As at December 31, 2019, Agnico Eagle had strong liquidity with $327.9 million in cash and cash equivalents and short-term investments along with approximately $1.2 billion in undrawn credit lines.
- The Company's operations are located in mining-friendly regions that the Company believes have low political risk and long-term mining potential.
- The Company continues to maintain its investment grade credit rating and has adequate financial flexibility to finance capital requirements at its mines and development projects from operating cash flow, cash and cash equivalents, short-term investments and undrawn credit lines.
- The Company has strong senior management continuity as its Chief Executive Officer has over 30 years of service with the Company.
- In February 2020, the Company declared a quarterly cash dividend of $0.20 per common share, an increase of $0.025 per share or approximately 14%. Agnico Eagle has now declared a cash dividend every year since 1983.

Strategy

Agnico Eagle's ability to consistently execute its business strategy has provided a solid foundation for growth.

The Company's goals are to:

- Deliver high quality growth while meeting market expectations and maintaining high *performance* standards in health, safety, environment and community development;
- Build a strong *pipeline* of projects to drive future production; and

Note:

(i) Excludes 85,699 ounces of payable gold production associated with the Meliadine mine, the Amaruq satellite deposit at the Meadowbank Complex and the Barnat deposit at the Canadian Malartic mine which were produced prior to the achievement of commercial production at such sites, and 5 ounces of payable gold production credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the Lapa mine.

- Employ the best *people* and motivate them to reach their potential.

These three pillars – *performance, pipeline and people* – form the basis of Agnico Eagle's success and competitive advantage. By delivering on them, the Company strives to continue to build its production base and generate increased value for shareholders, while making meaningful contributions to its employees and communities.

Portfolio Overview

Northern Business

Canada – LaRonde Complex

The 100% owned LaRonde Complex in northwestern Quebec, includes the LaRonde mine, the Company's oldest mine, which achieved commercial production in 1988 and the LaRonde Zone 5 mine ("LZ5"). In 2019, the Company was granted a revision to the Certificate of Authorization at the LaRonde Complex, which allowed for the processing of ore from LZ5 through the LaRonde mill circuit. As a result, the Company now reports the operational parameters from both the LaRonde mine and the LZ5 mine on a combined basis as of the first quarter of 2020.

LaRonde Mine

The LaRonde mine extension, the portion of the mine below the 245 level, achieved commercial production in December 2011, and under current mine plans is expected to be in production through 2029.

In early December 2019, the Company saw an increase in seismicity in the West mine area outside of normal protocols, which resulted in lower anticipated gold production. In addition, as development has progressed in the West mine area, additional geological structures (faulting and fracturing) have been recognized. This information has now been incorporated into a revised ground support plan for the West mine area.

This revised plan has been developed to ensure the safety of the Company's employees, secure the higher-grade orebody to the west and preserve existing mine infrastructure in the area. To implement this plan, mining activity in the West mine area was temporarily suspended in mid-December 2019 and refocused in the East mine area.

In the West mine area, the Company is currently reinforcing ground support including installation of additional support (shotcrete, bolts and cables) in the main ramp and access points on various levels. Seismicity is expected to continue but ground support will be better adapted to manage stress levels.

The LaRonde mine's proven and probable mineral reserves were approximately 2.9 million ounces at December 31, 2019.

LaRonde Zone 5 Mine

In 2003, the Company acquired the Bousquet gold property, which adjoins the LaRonde complex to the west and hosts the Bousquet Zone 5, which the Company has renamed LZ5 due to the proximity to the LaRonde mine. Commercial production at LZ5 was achieved in June 2018 and under current mine plans, is expected to be in production through 2027.

Given the success in mining the upper portions of the LZ5 deposit (from surface to 330 metres), mining activities will be extended to 480 metres depth. The Company is also evaluating the potential to develop deeper portions of LZ5 (480 metres to 700 metres) and potentially mine portions of the neighboring Ellison property from the LZ5 underground infrastructure.

The LZ5 mine's proven and probable mineral reserves were approximately 0.7 million ounces at December 31, 2019.

Canada – Goldex Mine

The 100% owned Goldex mine in northwestern Quebec achieved commercial production from the M and E satellite zones in October 2013. The Deep 1 Zone achieved commercial production in July 2017. Production from the Deep 1 Zone is expected to extend the Goldex mine life through 2027 under current mine plans.

In 2019, mining in the South Zone continued with a total of 11 stopes mined. Stopes mined to date have shown better grades than anticipated and have confirmed dilution and recovery assumptions. The South Zone consists of quartz veins that have higher grades than those in the primary mineralized zones at Goldex. The Company continues to evaluate the potential for increased throughput from Deep 1 and the potential for additional development of Deep 2 and also the potential for increased gold production from the South Zone.

Following a successful test stope in 2018, the eastern part of the South Zone was added to the mine plan. Additional stopes were added to the mine plan for 2020 to 2026 based on the successful conversion drilling in 2019.

The Goldex mine's proven and probable mineral reserves were approximately 1.1 million ounces at December 31, 2019.

Canada – Meadowbank Complex (Including the Meadowbank Mine and Amaruq Satellite Deposit)

In 2007, the Company acquired Cumberland Resources Ltd., which held a 100% interest in the Meadowbank gold project in Nunavut, Canada. Commercial production was achieved at the Meadowbank mine in March 2010. Mining operations at the Meadowbank site ceased in 2019.

The 100% owned Amaruq satellite deposit is located approximately 50 kilometres northwest of the Meadowbank mine and was identified by the Company in 2013. In 2016, the Company approved the project for development. Commercial production was achieved at the Amaruq satellite deposit in September 2019.

At December 31, 2019, the Company reported an initial underground probable mineral reserve in the Whale Tail deposit of approximately 0.6 million ounces of gold (3.3 million tonnes grading 5.43 g/t gold). Work is continuing at Amaruq to evaluate the potential for an underground operation, which could run concurrently with mining the open pit deposits.

Preliminary work suggests that there is an opportunity to selectively mine portions of the higher-grade underground deposits at Amaruq in permafrost only. This approach is expected to reduce operating and capital costs (limited heating requirements) and lower water management risk, while preserving the optionality to mine additional underground mineral reserves and/or mineral resources. The Company will continue to use a phased approach to the underground development program at Amaruq.

The Meadowbank Complex's proven and probable mineral reserves were approximately 3.3 million ounces at December 31, 2019.

Canada – Meliadine Mine

In 2010, Agnico Eagle acquired its 100% interest in the Meliadine mine project in Nunavut, Canada through its acquisition of Comaplex Minerals Corp.

In 2016, the Company's Board of Directors ("Board") approved the construction of the Meliadine mine project. Commercial production was achieved at the Meliadine mine in May 2019. In 2020, the Company approved the Phase 2 expansion which accelerates the Tiriganiaq open pits from year five of the mine life.

In the fourth quarter of 2019, the processing plant averaged approximately 3,543 tpd, with average recoveries of 94.6%. Bottlenecks at the front end of the crushing circuit and wear issues with the apron feeder hampered maximization of throughput in the mill.

In order to optimize production and lower operating costs at Meliadine, an action plan has been put in place with a primary focus on improvements to the process plant area, improving mining flexibility and water management. The plan includes:

- apron feeder and chute re-engineering to correct wear issues;
- filter press corrosion mitigation;
- paste backfill capacity optimization;
- underground maintenance continuous improvement, focus on trucks and scoops;
- phase 2 expansion acceleration, development of Tiriganiaq open pits; and
- saline water line discharge to sea.

The current Meliadine water management plan includes segregation of underground dewatering and surface runoff waters in specific ponds, treatment and year-round discharge to Meliadine Lake or seasonal discharge to Hudsons Bay, depending on the type of water. One of the objectives of the water management plan is to minimize the volume of water in the water containment infrastructures prior to the freshet (spring melt). In 2019, the total dissolved solids ("TDS") in the runoff water pond was higher than predicted and the volume of water that could be discharged within the prescribed TDS limit was reduced. This water was subjected to a series of tests and was deemed non-toxic. The Company is in discussion with the regulatory agencies to modify the discharge criteria and allow flexibility for the mine to manage precipitation variations and the freshet while preserving the integrity of water containment infrastructures and protecting aquatic life.

While discharge to Hudsons Bay is currently performed by trucks, the Company is investigating the possibility of installing a permanent pipeline. This is expected to reduce costs and the environmental impact of trucking. Consultations are currently underway with local stakeholders and regulatory agencies.

The Meliadine mine project had proven and probable mineral reserves of approximately 4.1 million ounces at December 31, 2019.

Canada – Canadian Malartic Mine

Agnico Eagle and Yamana Gold Inc. ("Yamana") jointly acquired 100% of Osisko Mining Corporation now Canadian Malartic Corporation ("CMC"). In 2014 pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* (the "Osisko Arrangement"). As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50% of CMC and Canadian Malartic General Partnership ("CMGP"), a general partnership (the "Partnership"), which now holds the Canadian Malartic mine in northwestern Quebec.

Deep drilling east of the open pit in late 2018 resulted in the discovery of a new gold mineralized zone, located south of the East Malartic and Odyssey zones, named the East Gouldie Zone. The East Gouldie Zone has a strike length of 1,300 metres in an east-west direction, dips 60 degrees north, and extends from 700 metres to 1,900 metres depth below surface. East Gouldie is a silicified and carbonatized mineralized zone with fine disseminated pyrite developed in sheared greywacke units. There was a total of 82,379 metres (100% basis) drilled in 2019 aimed to reduce drill spacing in the central portion of the East Gouldie Zone. This drilling allowed for the estimation of initial inferred mineral resources at East Gouldie of 1.4 million ounces of gold (12.8 million tonnes grading 3.34 g/t gold) (reflecting the Company's 50% interest), as of December 31, 2019.

At the Odyssey project, the Partnership is evaluating the underground potential of several other gold deposits close to the Canadian Malartic/Barnat open pit. These include the East Malartic, Sladen, South Sladen, Sheehan, Odyssey North and Odyssey South Zones, located under and immediately east of the pit, extending approximately 2.5 kilometres to the east.

At the East Malartic Zone, the inclusion of deeper mineral resources (between 1,000 metres and 1,800 metres depth) has increased inferred mineral resources by 85% or 1.2 million ounces of gold (reflecting the Company's 50% interest), bringing total inferred mineral resources at East Malartic to 2.6 million ounces of gold (39.0 million tonnes grading 2.05 g/t gold). In addition, the East Malartic Zone has indicated mineral resources of 0.3 million ounces of gold (5.0 million tonnes grading 2.18 g/t gold) (50% interest), as of December 31, 2019.

Mineral resources at the nearby Odyssey deposit were basically unchanged between 2018 and 2019, with indicated mineral resources of 0.1 million ounces of gold (1.0 million tonnes grading 2.10 g/t gold) and inferred mineral resources of 0.8 million ounces of gold (11.7 million tonnes grading 2.22 g/t gold) (50% basis), as of December 31, 2019.

In the fourth quarter of 2019, pre-commercial production began at the Barnat extension project. Mining activities at the Barnat pit are expected to continue to ramp up during 2020.

Agnico Eagle's attributable share of proven and probable mineral reserves at the Canadian Malartic mine were approximately 2.4 million ounces at December 31, 2019.

Canada – Kirkland Lake Assets

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets (the "CMC Exploration Assets") of Canadian Malartic Corporation ("CMC"), including the Kirkland Lake and Hammond Reef gold projects for an effective purchase price of $162.5 million. On the closing of the transaction, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership. The transaction did not affect the ownership of the Canadian Malartic mine and related assets including Odyssey, East Malartic, Midway and East Amphi properties, which will continue to be jointly owned and operated by the Company and Yamana through CMC and the Partnership.

In 2019, the total exploration drilling at the Kirkland Lake project in 2019 was 40,693 metres (103 holes) comprised of 27,010 metres (73 holes) at the Upper Beaver deposit and 13,683 metres (30 holes) at the Upper Canada deposit.

The Company is still investigating various opportunities and potential synergies in terms of engineering concepts for future development of the Upper Beaver and Upper Canada deposits.

The Company is undertaking work at Upper Beaver that is expected to lead to an updated mineral resource estimate for the deposit. An increase in the mineral resources in the shallow basalts would have a significant positive impact on project economics, and could provide added flexibility for a future underground operation.

The Upper Canada deposit lies approximately six kilometres southwest of the Upper Beaver deposit, within a 300- to 400-metre wide strongly altered deformation corridor. Gold mineralization is associated with intensely altered shear zones with fine pyrite and ancillary sulphide mineralization.

Upper Beaver deposit's proven and probable mineral reserves were approximately 1.4 million ounces at December 31, 2019. No proven and probable mineral reserves have been declared for the Upper Canada or the Hammond Reef projects.

Finland – Kittila Mine

The 100% owned Kittila mine in northern Finland was added to the Company's portfolio through the acquisition of Riddarhyttan Resources AB in 2005. Construction at the Kittila mine was completed in 2008 and commercial production was achieved in May 2009.

In February 2018, the Company's Board of Directors approved an expansion to increase throughput rates at Kittila to 2.0 million tonnes per annum ("mtpa") from the current rate of 1.6 mtpa. Permitting is ongoing for the increase in throughput. This expansion includes the construction of a 1,044-metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades.

The expansion project is expected to increase the efficiency of the mine and maintain or decrease operating costs while providing access to the deeper mining horizons. In addition, the shaft is expected to provide access to the mineral resources located below 1,150 metres depth, where recent exploration programs have shown promising results. The shaft and mill expansion are continuing to advance.

In the fourth quarter of 2019, Kittila expansion work continued on underground excavations for the new rock handling system and the construction of the headframe. The ultimate height of the headframe was reached on November 1, 2019, and since then work is on-going to install the required steel structures. Shaft sinking is expected to begin once final support and steel sets are installed in the first segment.

As a result of higher than expected costs in shaft sinking and in the rock handling system, the Kittila expansion project is now forecast to cost between 160 to 170 million euros (previous forecast was 160 million euros).

Exploration at the Kittila mine is focused on extending the Main and Sisar zones northward, southward and at depth in the Roura and Rimpi areas to increase the mineral reserves in the large orebody. Sisar is subparallel to and 50 to 300 metres east of the main Kittila mineralization.

Proven and probable mineral reserves at the Kittila mine were approximately 4.1 million ounces at December 31, 2019.

Southern Business

Mexico – Pinos Altos Mine

In 2006, the Company completed the acquisition of the Pinos Altos property, which was then an advanced stage exploration property in northern Mexico. Commercial production was achieved at the Pinos Altos mine in November 2009. A shaft sinking project was completed in June 2016 at the Pinos Altos mine and during 2018, the site transitioned into being a predominantly underground mining operation.

In 2019, the Company began testing samples from the Pinos Altos and La India mines relating to an ore sorting project. To-date, sorting of open pit ore from the Sinter deposit has yielded favourable preliminary results. Similar ore sorting pilot testing is being considered at the Company's other operating sites. In the fourth quarter of 2019, ore from various assets of the Company were tested at the ore sorting pilot plant at the Pinos Altos mine.

At the Cerro Colorado underground operations, mining activities in 2019 encountered an area with challenging ground conditions. To address this, the Company adjusted the mining sequence, and as a result, the mining capacity at Cerro Colorado was reduced by 75% in the third quarter of 2019. Despite efforts to mitigate the challenging ground conditions, the change in mining sequence at Cerro Colorado continued to have adverse effect on fourth quarter production as this zone was expected to provide higher grade ore feed. The Company is continuing to take measures to mitigate the challenging ground conditions at Cerro Colorado and increase the amount of ore extracted. These measures include:

- decreasing the speed of the mining sequence; and
- reducing stope size by 25%,
- potential to add additional stopes at the Santo Nino underground;
- potential to add higher grades at the Sinter deposit.

Exploration at Pinos Altos is focused on the Reyna East Zone (formerly called Reyna de Plata East) in the southeast of the property and at the Cubiro deposit in the property's northwest, where the exploration ramp development is providing additional access for drilling exploration targets from underground.

The Pinos Altos mine's proven and probable mineral reserves (including satellite deposits) were approximately 1.0 million ounces at December 31, 2019.

Mexico – Creston Mascota Mine

The 100% owned Creston Mascota mine is located approximately 7.0 kilometres northwest of the Pinos Altos mine in northern Mexico. First mining activity commenced at the Creston Mascota deposit in 2010 and commercial production was achieved at the mine in March 2011. During 2017, the Bravo zone located south of the Creston Mascota facilities was added to the mine plan. Construction activities continued through 2018 and mining at the main Bravo zone began in the third quarter of 2018.

Creston Mascota open pit mineral reserves are now expected to be depleted by the end of the first half of 2020, largely due to the discovery of additional ore outside of the mineral reserve model. Gold leaching is expected to continue through the end of 2020.

The Creston Mascota mine's proven and probable mineral reserves were approximately 0.1 million ounces at December 31, 2019.

Mexico – La India Mine

Agnico Eagle acquired 100% of Grayd Resource Corporation ("Grayd") in January 2012. Grayd owned the La India project, which is located approximately 70 kilometres northwest of the Pinos Altos mine in northern Mexico. In September 2012, development and construction of the La India mine were approved by the Board and commercial production was achieved in February 2014.

In 2019, production was affected by the high clay content of the ore, which negatively affected recoveries. To mitigate this effect in the short term, belt agglomeration (adding cement to the ore delivered by conveyor from the crusher to the heap leach pad) was initiated in the third quarter of 2019, adjustments were made to the stacking sequence and irrigation rates were decreased on the leach pads to help improve percolation.

During the second half of 2019, modifications were also made to the screens and transfer chutes on the conveyors. An automatic radial stacker was acquired to improve transfer of ore to the leach pads and two agglomeration units were ordered to improve percolation and are expected to be commissioned once all the civil work has been completed.

Additional drilling is also being carried out to better define areas with higher clay content in the geological model. These improvements are expected to result in more normal production rates going forward.

The regional exploration program continues to return encouraging results at the Chipriona polymetallic sulphide target, located approximately one kilometre north of the North Zone at the La India mine. The positive drill results have led to a new indicated mineral resource and a 48% year-over-year increase of gold contained in inferred mineral resources at the Chipriona project, all at open pit depth. As of December 31, 2019, the Chipriona deposit has indicated mineral resources of 0.05 million ounces of gold, 2.1 million ounces of silver, 359 tonnes of copper and 17,000 tonnes of zinc (1.3 million tonnes grading 1.11 g/t gold, 50.99 g/t silver, 0.03% copper and 1.36% zinc) and inferred mineral resources of 0.2 million ounces of gold, 29.5 million ounces of silver, 15,400 tonnes of copper and 86,900 tonnes of zinc (10.7 million tonnes grading 0.69 g/t gold, 85.44 g/t silver, 0.14% copper and 0.81% zinc).

The La India mine's proven and probable mineral reserves (including satellite deposits) were approximately 0.5 million ounces at December 31, 2019.

Mexico – Santa Gertrudis Project

In November 2017, the Company acquired its 100% interest in the Santa Gertrudis property which is located approximately 180 kilometers north of Hermosillo in Sonora, Mexico.

The property was the site of historic heap leach operations that produced approximately 0.6 million ounces of gold at a grade of 2.10 g/t gold between 1991 and 2000. The project also has a substantial surface infrastructure already in place including pre-stripped pits, haul roads, water sources and buildings.

Extensive drilling in 2019 has led to initial indicated mineral resources of 0.1 million ounces of gold (5.1 million tonnes grading 0.64 g/t gold) at open pit depth, and an increased inferred mineral resource of 1.2 million ounces of gold (22.1 million tonnes grading 1.64 g/t gold) mainly at open pit depth, as of December 31, 2019.

The full-year 2019 exploration program at Santa Gertrudis totaled 143 holes (19,352 metres in Amelia and 23,426 metres in the rest of the project), compared with an initial budget of 29,000 metres of drilling. The focus of the program was on mineral resource expansion and refining the understanding of new targets within the Trinidad Zone.

Amelia is one of three deposits that comprise the Trinidad Zone and is the site of a previously operating open-pit gold mine. High-grade gold mineralization can be found in multiple parallel structures that commonly correspond to lithological contacts. The Amelia deposit has been extended 100 metres to an east-west strike length of approximately 900 metres and dips steeply to the north; it includes an ore shoot on the west side that plunges steeply to the east. Most of the open pit (oxide) material lies between surface and 100 metres depth, while the underground material reaches below the open pit mineral resources to a depth of approximately 350 metres, but recent drilling has intersected an extension of the mineralization at 677 metres below surface. The Amelia deposit remains open along strike and at depth. The Company has updated the inferred mineral resources at Amelia to 1.6 million tonnes grading 1.38 g/t gold (0.1 million ounces of gold) at open pit depth, as well as an initial underground inferred mineral resource of 3.1 million tonnes grading 4.58 g/t gold (0.5 million ounces of gold) in the high-grade sulphide material. The Amelia mineral resources are part of the Santa Gertrudis project estimate as of December 31, 2019.

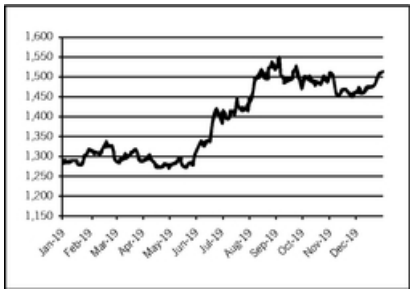
Key Performance Drivers

The key drivers of financial performance for Agnico Eagle include:

- the spot price of gold, silver, zinc and copper;
- production volumes;
- production costs; and
- US dollar/Canadian dollar, US dollar/Mexican peso and US dollar/Euro exchange rates.

Spot Price of Gold, Silver, Zinc and Copper

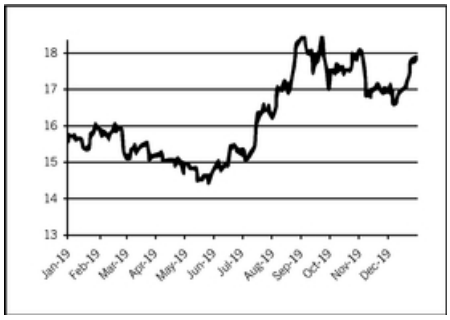
GOLD ($ per ounce)



	2019	2018	% Change
High price	$1,557	$1,366	14.0%
Low price	$1,266	$1,160	9.1%
Average market price	$1,393	$1,269	9.8%
Average realized price	$1,406	$1,266	11.1%

In 2019, the average market price per ounce of gold was 9.8% higher than in 2018. The Company's average realized price per ounce of gold in 2019 was 11.1% higher than in 2018.

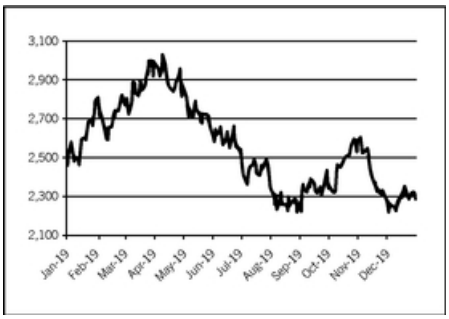
SILVER ($ per ounce)



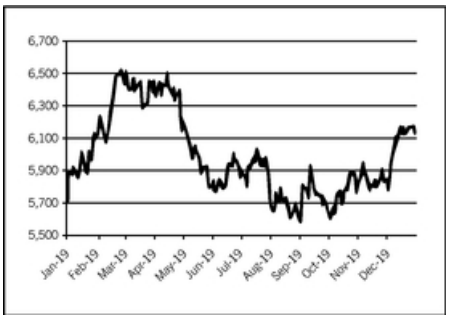
	2019	2018	% Change
High price	$19.65	$17.71	11.0%
Low price	$14.29	$13.89	2.9%
Average market price	$16.21	$15.71	3.2%
Average realized price	$16.38	$15.51	5.6%

In 2019, the average market price per ounce of silver was 3.2% higher than in 2018. The Company's average realized price per ounce of silver in 2019 was 5.6% higher than in 2018.

ZINC ($ per tonne)



COPPER ($ per tonne)



Agnico Eagle's average realized sales price year-over-year for zinc decreased by 14.1% and the average realized sales price for copper year-over-year decreased by 9.9%. Significant quantities of by-product metals are produced by the LaRonde mine (silver, zinc and copper) and the Pinos Altos mine (silver).

Net by-product (primarily silver, zinc and copper) revenue is treated as a reduction of production costs in calculating total cash costs per ounce of gold produced on a by-product basis and all-in sustaining costs per ounce of gold produced on a by-product basis.

The Company has never sold gold forward, allowing the Company to take full advantage of rising gold prices. Management believes that low cost production is the best protection against a decrease in gold prices.

Production Volumes and Costs

Changes in production volumes have a direct impact on the Company's financial results. Total payable gold production was 1,782,147 ounces in 2019, an increase of 9.6% compared with 1,626,669 ounces in 2018. The increase was primarily due to the achievement of commercial production at the Meliadine mine during the second quarter of 2019. Partially offsetting the overall increase in gold production was a decrease in tonnes processed at the Meadowbank Complex as the site transitioned to the Amaruq satellite deposit which achieved commercial production at the end of the third quarter of 2019.

Production costs are discussed in detail in the Results of Operations section below.

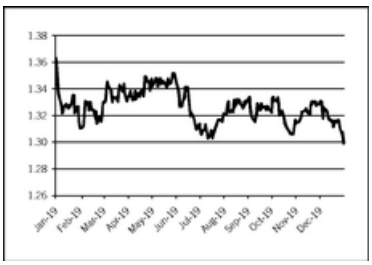
Foreign Exchange Rates (Ratio to US$)

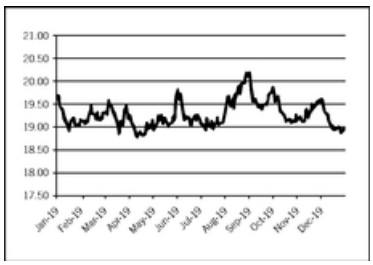
The exchange rate of the Canadian dollar, Mexican peso and Euro relative to the US dollar is an important financial driver for the Company for the following reasons:

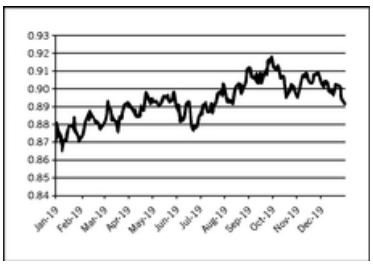
- all revenues are earned in US dollars;
- a significant portion of operating costs at the Meadowbank Complex, LaRonde, LaRonde Zone 5, Goldex, Canadian Malartic, and Meliadine mines are incurred in Canadian dollars;
- a significant portion of operating costs at the Pinos Altos, Creston Mascota and La India mines are incurred in Mexican pesos; and
- a significant portion of operating costs at the Kittila mine are incurred in Euros.

The Company mitigates part of its foreign currency exposure by using currency hedging strategies.

CANADIAN DOLLAR **MEXICAN PESO** **EURO**







On average, the Canadian dollar, Euro and Mexican peso weakened relative to the US dollar in 2019 compared with 2018, decreasing costs denominated in the local currency when translated into US dollars for reporting purposes.

Balance Sheet Review

Total assets at December 31, 2019 of $8,789.9 million increased compared to December 31, 2018 total assets of $7,852.8 million. The $937.1 million increase in total assets between periods was primarily comprised of a $769.4 million increase in property, plant and mine development and an $85.9 million increase in inventories. The December 31, 2017 balance of $7,865.6 million was largely consistent with the total assets as at December 31, 2018.

Cash and cash equivalents were $321.9 million at December 31, 2019, an increase of $20.1 million compared with December 31, 2018 primarily due to an increase in cash provided by operating activities of $881.7 million and proceeds on the exercise of stock options of $140.6 million, partially offset by $882.7 million in capital expenditures and $105.4 million in dividends paid during 2019.

Current inventory balances increased by $85.9 million from $494.2 million at December 31, 2018 to $580.1 million at December 31, 2019 primarily due to a $45.5 million increase in supplies inventories and a $23.8 million increase in concentrate inventories from the ramp up at the Meliadine mine and the Amaruq satellite deposit at the Meadowbank Complex which both achieved commercial production during 2019. Non-current ore in stockpiles and on leach pads increased by $28.9 million from $116.8 million at December 31, 2018 to $145.7 million at December 31, 2019 primarily due to the the increase in the stockpiles balance not expected to be processed within 12 months at the Canadian Malartic mine, partially offset by the reclassification from current inventory at the La India mine.

Equity securities increased from $76.5 million at December 31, 2018 to $86.3 million at December 31, 2019 primarily due to $9.6 million in unrealized fair value gains and $6.0 million in new investments, partially offset by $5.7 million in disposals during 2019.

Property, plant and mine development increased by $769.4 million to $7,003.7 million at December 31, 2019 compared with December 31, 2018 due to $882.7 million in capital expenditures, primarily at the Meadowbank Complex, Kittila and Meliadine mines, and an impairment reversal at the Meliadine mine of $345.8 million in 2019. This increase was partially offset by amortization expense of $546.1 million incurred during 2019.

Total liabilities increased to $3,678.4 million at December 31, 2019 from $3,302.8 million at December 31, 2018 primarily due to the net capitalization of $114.9 million of lease obligations during 2019 in accordance with the adoption of IFRS 16 – Leases ("IFRS 16") effective January 1, 2019. Total liabilities increased to $3,302.8 million at December 31, 2018 from

$2,918.6 million at December 31, 2017 primarily due to $350.0 million related to the issuance of guaranteed senior unsecured notes on April 5, 2018.

Accounts payable and accrued liabilities increased by $35.0 million between December 31, 2018 and December 31, 2019 primarily due to the timing of expenditures.

Net income taxes payable increased by $23.0 million between December 31, 2018 and December 31, 2019 primarily due to the current tax expense exceeding payments to tax authorities.

Long-term debt decreased by $357.2 million between December 31, 2018 and December 31, 2019 primarily due to $360.0 million of the Company's long-term debt that was reclassified to current liabilities.

Reclamation provision increased by $53.6 million between December 31, 2018 and December 31, 2019 primarily due to the re-measurement of the Company's reclamation provisions by applying updated expected cash flows and assumptions at the Meadowbank Complex as well as Meliadine and Kittila mines as at December 31, 2019.

Deferred income and mining tax liabilities increased by $151.4 million between December 31, 2018 and December 31, 2019 primarily due to the origination and reversal of net taxable temporary differences, including the tax effect of the Meliadine impairment reversal.

Fair Value of Derivative Financial Instruments

The Company occasionally enters into contracts to limit the risk associated with decreased by-product metal prices, increased foreign currency costs (including capital expenditures) and input costs. The contracts act as economic hedges of underlying exposures and are not held for speculative purposes. Agnico Eagle does not use complex derivative contracts to hedge exposures. The fair value of the Company's derivative financial instruments is outlined in the financial instruments note to the Company's annual consolidated financial statements.

Results of Operations

Agnico Eagle reported net income of $473.2 million, or $2.00 per share, in 2019 compared with a net loss of $326.7 million, or $1.40 per share, in 2018. In 2017, the Company reported net income of $240.8 million, or $1.05 per share. Agnico Eagle reported adjusted net income[(i)] of $229.4 million, or $0.97 per share, in 2019 compared with adjusted net income of $71.9 million, or $0.31 per share, in 2018. In 2017, the Company reported adjusted net income of $233.8 million, or $1.02 per share. In 2019, operating margin (revenues from mining operations less production costs) increased to $1,247.2 million from $1,030.9 million in 2018. In 2017, operating margin was $1,184.8 million.

Revenues from Mining Operations

Revenues from mining operations increased by $303.7 million, or 13.9%, to $2,494.9 million in 2019 from $2,191.2 million in 2018 primarily due to an 11.1% increase in the average realized price of gold between periods. Revenues from mining operations were $2,242.6 million in 2017.

Revenues from the Northern Business increased by $313.8 million, or 18.0%, to $2,053.0 million in 2019 from $1,739.2 million in 2018 primarily due to a higher average realized price of gold and an increase in the sales volume of gold ounces[(ii)]. Revenues from the Southern Business decreased by $10.1 million, or 2.2%, to $441.9 million in 2019 from $452.0 million in 2018, primarily due to a decrease in the sales volume of gold ounces, partially offset by a higher average realized price of gold. Revenues from the Northern Business were $1,790.9 million and revenues from the Southern Business were $451.7 million in 2017.

Sales of precious metals (gold and silver) accounted for 98.9% of revenues from mining operations in 2019, an increase from 98.4% in 2018 and a decrease from 99.3% in 2017. The slight increase in the percentage of revenues from precious metals in 2019 compared with 2018 was primarily due to a higher average realized price of gold.

Notes:

(i) Adjusted net income is a non-GAAP measure. For a discussion of the Company's use of non-GAAP measures and a reconciliation to the nearest GAAP measure, see *Non-GAAP Financial Performance Measures* in this MD&A.

(ii) Excludes 64,034 ounces of payable gold production sold associated with the Meliadine mine, the Amaruq satellite deposit at the Meadowbank Complex and the Barnat deposit at the Canadian Malartic mine which were sold prior to the achievement of commercial production.

The table below sets out revenues from mining operations, production volumes and sales volumes by metal:

	2019	2018	2017
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$ 2,393,869	$ 2,080,545	$ 2,140,890
Silver	73,312	75,310	86,262
Zinc	14,711	14,397	9,177
Copper	13,000	20,969	6,275
Total revenues from mining operations	$ 2,494,892	$ 2,191,221	$ 2,242,604
Payable production [(i)]:			
Gold (ounces)	1,782,147	1,626,669	1,713,533
Silver (thousands of ounces)	4,310	4,524	5,016
Zinc (tonnes)	13,161	7,864	6,510
Copper (tonnes)	3,397	4,193	4,501
Payable metal sold:			
Gold (ounces)	1,755,334	1,629,785	1,693,774
Silver (thousands of ounces)	4,273	4,545	4,852
Zinc (tonnes)	12,292	8,523	6,316
Copper (tonnes)	3,390	4,195	4,599

Revenues from gold increased by $313.3 million or 15.1% in 2019 compared with 2018 primarily due to an 11.1% increase in the average realized price of gold and a 3.8% increase in the sales volume of gold[(ii)]. The Company's average realized price of gold increased to $1,406 in 2019 compared to $1,266 in 2018, and the sales volume of gold increased to 1,691,300 ounces[(ii)] in 2019 compared to 1,629,785 gold ounces in 2018

Revenues from silver decreased by $2.0 million or 2.7% in 2019 compared with 2018 primarily due to a 6.0% decrease in the sales volume of silver which was partially offset by a 5.6% increase in average realized price of silver to $16.38 in 2019 from $15.51 in 2018. Revenues from zinc increased by $0.3 million or 2.2% to $14.7 million in 2019 compared with $14.4 million in 2018 primarily due to a 44.2% increase in the sales volume of zinc, partially offset by a 14.1% decrease in the average realized price of zinc between periods. Revenues from copper decreased by $8.0 million or 38.0% in 2019 compared with 2018 primarily due to a 19.2% decrease in the sales volume of copper and a 9.9% decrease in the average realized price of copper.

Production Costs

Production costs increased to $1,247.7 million in 2019 compared with $1,160.4 million in 2018 primarily due to the ramp up of the Meliadine mine which achieved commercial production in the second quarter of 2019. Partially offsetting the overall increase was an expected decrease in the mining and milling costs at the Meadowbank Complex as production at Meadowbank transitioned to the Amaruq satellite deposit, which achieved commercial production at the end of the third quarter of 2019. Production costs were $1,057.8 million in 2017.

Notes:

(i) Payable production is a non-GAAP, non-financial performance measure. See "Notes to Investors Concerning Certain Measures of Performance".

(ii) Excludes 64,034 ounces of payable gold production sold associated with the Meliadine mine, the Amaruq satellite deposit at the Meadowbank Complex and the Barnat deposit at the Canadian Malartic mine which were sold prior to the achievement of commercial production.

The table below sets out production costs by mine:

	2019	2018	2017
	(thousands of United States dollars)		
LaRonde mine	$ 215,012	$ 228,294	$ 185,488
LaRonde Zone 5 mine	41,212	12,991	–
Lapa mine	2,844	27,870	38,786
Goldex mine	82,533	78,533	71,015
Meadowbank Complex	180,848	211,147	224,364
Meliadine mine	142,932	–	–
Canadian Malartic mine (attributable 50%)	208,178	199,761	188,568
Kittila mine	142,517	157,032	148,272
Pinos Altos mine	130,190	138,362	108,726
Creston Mascota mine	35,801	37,270	31,490
La India mine	65,638	69,095	61,133
Total production costs	$ 1,247,705	$ 1,160,355	$ 1,057,842

Production costs at the LaRonde mine were $215.0 million in 2019, a 5.8% decrease compared with 2018 production costs of $228.3 million primarily due to the timing of inventory sales and the weakening of the Canadian dollar relative to the US dollar between periods. During 2019, the LaRonde mine processed an average of 5,636 tonnes of ore per day compared with 5,775 tonnes of ore per day during 2018. Production costs per tonne of C$139 were the same between 2019 and 2018. Minesite costs per tonne increased to C$125 in 2019 compared with C$119 in 2018 primarily due to increased underground costs and slightly lower throughput.

Production costs at the LZ5 mine were $41.2 million in 2019, compared to $13.0 million in 2018. The LZ5 mine achieved commercial production in June 2018; therefore, the financial results for the year ended December 31, 2019 represented the first full year of production. During 2019, the LZ5 mine processed an average of 2,384 tonnes of ore per day compared with 1,940 tonnes of ore per day during 2018. The increase in throughput between periods was primarily due to mill optimization and the partial utilization of milling facilities at the LaRonde mine. Production costs per tonne decreased to C$63 in 2019 compared with C$76 in 2018 due to higher throughput and the timing of inventory sales, partially offset by higher re-handling costs. Minesite costs per tonne decreased to C$66 in 2019 compared with C$80 in 2018 primarily due to higher throughput, partially offset by higher re-handling costs.

Production costs at the Lapa mine were $2.8 million in 2019, an 89.8% decrease compared with 2018 production costs of $27.9 million due to the cessation of mining and processing operations at the site. In 2019, only residual gold ounces that remained in inventory at the end of 2018 were recovered from the mill facility and subsequently sold.

Production costs at the Goldex mine were $82.5 million in 2019, a 5.1% increase compared with 2018 production costs of $78.5 million primarily due to an increase in underground production and maintenance costs. During 2019, the Goldex mine processed an average of 7,630 tonnes of ore per day compared with 7,192 tonnes of ore per day processed during 2018. The increase in throughput between periods was primarily due to optimization of the Rail-Veyor system during the year. Production costs and minesite costs per tonne of C$39 were the same between 2019 and 2018.

Production costs at the Meadowbank Complex were $180.8 million in 2019, a 14.3% decrease compared with 2018 production costs of $211.1 million primarily due to lower open pit mining and processing costs as the mining transitioned to the Amaruq satellite deposit, the timing of inventory sales and the weakening of the Canadian dollar relative to the US dollar, partially offset by higher re-handling costs. During 2019, the Meadowbank Complex processed an average of 7,731 tonnes of ore per day compared with 8,937 tonnes of ore per day during 2018. The decrease in throughput between periods was expected as the mine transitioned to the Amaruq satellite deposit throughout the year. Production costs per tonne increased to C$101 in 2019 compared with C$83 in 2018 primarily due to lower throughput and higher contractor, mine maintenance, re-handling and long-haul costs associated with the transportation of ore from the Amaruq satellite deposit to the

Meadowbank mill. The increase in production costs per tonne was partially offset by the timing of inventory sales. Minesite costs per tonne increased to C$103 in 2019 compared with C$82 in 2018 primarily due to the factors noted above.

The Meliadine mine achieved commercial production on May 14, 2019. During 2019, the Meliadine mine processed an average of 3,346 tonnes of ore per day and incurred production costs of $142.9 million. Production costs per tonne were C$244 and minesite costs per tonne were C$246 in 2019. As 2019 was Meliadine mine's first year of production, there is no comparable period in 2018.

Attributable production costs at the Canadian Malartic mine were $208.2 million in 2019, a 4.2% increase compared with 2018 production costs of $199.8 million, primarily due to higher open pit production costs and a lower amount of stripping costs being capitalized, partially offset by lower re-handling costs and the weakening of the Canadian dollar relative to the US dollar between periods. During 2019, the Canadian Malartic mine processed an average of 57,669 tonnes of ore per day on a 100% basis compared with 56,121 tonnes of ore per day in 2018. The increase in throughput between periods was primarily due to mill optimization and the availability of additional crushed ore from the portable crusher. Production costs per tonne and minesite costs per tonne increased to C$26 in 2019 compared with C$25 in 2018 primarily due to the factors noted above, other than the impact of foreign exchange.

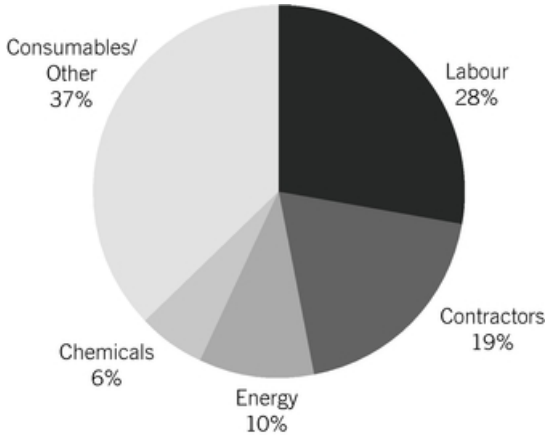
Production costs at the Kittila mine were $142.5 million in 2019, a 9.2% decrease compared with 2018 production costs of $157.0 million primarily due to the planned 58-day mill shutdown for autoclave relining during the year, lower re-handling costs and the weakening of the Euro relative to the US dollar, partially offset by higher contractor costs related to underground development. During 2019, the Kittila mine processed an average of 4,359 tonnes of ore per day compared with the 5,005 tonnes of ore per day during 2018. The decrease in throughput was primarily due to the planned mill shutdown as noted above. Production costs per tonne decreased to €80 in 2019 compared with €73 in 2018 primarily due to lower throughput and higher underground development costs, partially offset by lower re-handling costs. Minesite costs per tonne increased to €76 in 2019 compared with €75 in 2018 due to the factors noted above.

Production costs at the Pinos Altos mine were $130.2 million in 2019, a 5.9% decrease compared with 2018 production costs of $138.4 million primarily due to lower re-handling costs and the timing of inventory sales. During 2019, the Pinos Altos mine mill processed an average of 5,214 tonnes of ore per day compared with the 5,329 tonnes of ore per day during 2018. In 2019, approximately 103,500 tonnes of ore were stacked on the Pinos Altos mine leach pad, compared with approximately 273,000 tonnes of ore stacked in 2018. The lower number of tonnes processed at the mill and leach pad was primarily due to mine sequencing. Production costs per tonne increased to $65 in 2019 compared with $62 in 2018 due to lower throughput and slightly higher underground mining costs as the mine transitioned into a predominantly underground operation, partially offset by lower re-handling costs and the timing of inventory sales. Minesite costs per tonne increased to $66 in 2019 compared with $61 in 2018 primarily due to the factors noted above, other than the timing of inventory sales.

Production costs at the Creston Mascota mine were $35.8 million in 2019, a 3.9% decrease compared with 2018 production costs of $37.3 million primarily due to the timing of inventory sales, partially offset by an increase in open pit mining costs associated with the extension of the Bravo pit. During 2019, approximately 1,066,900 tonnes of ore were processed at the Creston Mascota mine compared with approximately 1,422,400 tonnes of ore stacked in 2018. The decrease in tonnes stacked was the result of the mine approaching the end of operations. Production costs per tonne increased to $34 in 2019 compared with $26 in 2018 primarily due to lower tonnes stacked and higher open pit mining costs, partially offset by the timing of inventory sales. Minesite costs per tonne increased to $33 in 2019 compared with $27 in 2018 primarily due to the factors noted above, other than the timing of inventory sales.

Production costs at the La India mine were $65.6 million in 2019, a 5.0% decrease compared with 2018 production costs of $69.1 million primarily due to the timing of inventory sales, partially offset by increased heap leach costs, resulting from the higher consumption of reagents and higher contractor costs to facilitate recovery of gold ounces due to higher clay content contained in the ore. During 2019, the La India mine stacked approximately 5,402,400 tonnes of ore on the leach pad compared with approximately 6,127,500 tonnes of ore stacked in 2018. The decrease in tonnes stacked was primarily due to lower crushing capacity as a result of additional maintenance required to process ore with higher clay content. Production costs per tonne increased to $12 in 2019 compared with $11 in 2018 primarily due to the factors noted above. Minesite costs per tonne increased to $13 in 2019 compared with $12 in 2018 primarily due to increased heap leach costs and lower tonnes stacked.

Total Production Costs by Category 2019



Total production costs per ounce of gold production, representing the weighted average of all of the Company's producing mines, increased to $735 in 2019 compared with $713 in 2018 and $621 in 2017. Total cash costs per ounce of gold produced on a by-product basis increased to $673 in 2019 compared with $637 in 2018 and $558 in 2017. Total cash costs per ounce of gold produced on a co-product basis increased to $745 in 2019 compared with $710 in 2018 and $637 in 2017. Set out below is an analysis of the change in total production costs per ounce and cash costs per ounce at each of the Company's mining operations.

- At the LaRonde mine, total production costs per ounce of gold produced decreased to $627 in 2019 compared with $664 in 2018 primarily due to the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $464 in 2019 compared with $445 in 2018 primarily due to an increase in treatment and refining fees associated with the processing of zinc concentrate. Total cash costs per ounce of gold produced on a co-product basis increased to $660 in 2019 compared with $634 in 2018 due to the factors noted above.

- At the LZ5 mine, total production costs per ounce of gold produced decreased to $689 in 2019 compared with $698 in 2018 primarily due to an increase in gold production and the timing of inventory sales, partially offset by higher re-handling costs. Total cash costs per ounce of gold produced on a by-product basis decreased to $722 in 2019 compared with $732 in 2018 due to an increase in gold production, partially offset by higher re-handling costs. Total cash costs per ounce of gold produced on a co-product basis decreased to $725 in 2019 compared with $733 in 2018 due to the factors noted above.

- At the Lapa mine, there was no production of gold in 2019 due to the cessation of mining and processing operations at the site. Therefore, no production or cash costs per ounce were reported during the year.

- At the Goldex mine, total production costs per ounce of gold produced decreased to $586 in 2019 compared with $648 in 2018 primarily due to a 16.3% increase in gold production, partially offset by an increase in underground production and maintenance costs. Total cash costs per ounce of gold produced on a by-product basis decreased to $584 in 2019 compared with $646 in 2018 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis decreased to $584 in 2019 compared with $646 in 2018 due to the factors noted above.

- At the Meadowbank Complex, total production costs per ounce of gold produced increased to $1,143 in 2019 compared with $848 in 2018 primarily due to higher contractor, mine maintenance, re-handling and long-haul costs associated with the transportation of ore from the Amaruq satellite deposit to the Meadowbank mill and a 36.5% decrease in gold production, partially offset by the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $1,152 in 2019 compared with $814 in 2018 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $1,161 in 2019 compared with $825 in 2018 due to the factors noted above.

- The Meliadine mine achieved commercial production on May 14, 2019. Total production costs per ounce of gold produced were $748 in 2019. Total cash costs per ounce of gold produced on a by-product basis were $748 and total cash costs per ounce of gold produced on a co-product basis were $750. As 2019 was Meliadine mine's first year of production, there is no comparable period in 2018.

- At the Canadian Malartic mine, total production costs per ounce of gold produced increased to $628 in 2019 compared with $573 in 2018 primarily due to a 4.9% decrease in the production of gold, higher open pit production costs and a lower amount of stripping costs being capitalized, partially offset by lower re-handling costs and the weakening of the Canadian dollar relative to the US dollar between periods. Total cash costs per ounce of gold produced on a by-product basis increased to $606 in 2019 compared with $559 during 2018 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $626 in 2019 compared with $579 during 2018 due to the factors noted above.

- At the Kittila mine, total production costs per ounce of gold produced decreased to $766 in 2019 compared with $831 in 2018 primarily due to lower processing costs as a result of a planned 58-day mill shutdown for autoclave relining, lower re-handling costs and the weakening of the Euro relative to the US dollar, partially offset by higher underground development costs. Total cash costs per ounce of gold produced on a by-product basis decreased to $736 in 2019 compared with $853 in 2018 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis decreased to $737 in 2019 compared with $854 in 2018 due to the factors noted above.

- At the Pinos Altos mine, total production costs per ounce of gold produced increased to $839 in 2019 compared with $764 in 2018 primarily due to a 14.3% decrease in gold production, slightly higher underground mining costs as the mine transitioned into a predominantly underground operation, partially offset by lower re-handling costs and the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $639 in 2019 compared with $548 in 2018 primarily due to the factors noted above, other than the timing of inventory sales. Total cash costs per ounce of gold produced on a co-product basis increased to $867 in 2019 compared with $749 in 2018 due to lower by-product revenues and the factors noted above, other than the timing of inventory sales.

- At the Creston Mascota mine, total production costs per ounce of gold produced decreased to $740 in 2019 compared to $928 in 2018 primarily due to a 20.4% increase in gold production and the timing of inventory sales, partially offset by an increase in open pit mining costs associated with the extension of the Bravo pit. Total cash costs per ounce of gold produced on a by-product basis decreased to $554 in 2019 compared with $841 in 2018 due to higher by-product revenues and the factors noted above, other than the timing of inventory sales. Total cash costs per ounce of gold produced on a co-product basis decreased to $754 in 2019 compared with $961 in 2018 due to the factors noted above, other than the timing of inventory sales.

- At the La India mine, total production costs per ounce of gold produced increased to $799 in 2019 compared with $682 in 2018 due to an 18.9% decrease in gold production and increased heap leach costs, resulting from the higher consumption of reagents and higher contractor costs to facilitate recovery of gold ounces due to higher clay content contained in the ore, partially offset by the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $823 in 2019 compared with $685 in 2018 due the factors noted above, other than the timing of inventory sales. Total cash costs per ounce of gold produced on a co-product basis increased to $849 in 2019 compared with $712 in 2018 due to the factors noted above, other than the timing of inventory sales.

Exploration and Corporate Development Expense

Exploration and corporate development expense decreased by 23.9% to $104.8 million in 2019 from $137.7 million in 2018. Exploration and corporate development expense was $141.5 million in 2017.

A summary of the Company's significant 2019 exploration and corporate development activities is set out below:

- Exploration expenses at various mine sites decreased by 41.5% to $12.0 million in 2019 compared with 2018 primarily due to lower expensed exploration drilling at various satellite projects at the Kittila, Goldex and Pinos Altos mines.

- Exploration expenses in Canada decreased by 45.2% to $25.5 million in 2019 compared with 2018 primarily due to lower expensed exploration drilling at the Amaruq satellite deposit.

- Exploration expenses in Latin America decreased by 10.9% to $24.0 million in 2019 compared with 2018 primarily due to decreased exploration at the El Barqueño project, partially offset by increased exploration at the Santa Gertrudis project in Mexico.

- Exploration expenses in the United States increased by 36.7% to $8.3 million in 2019 compared with 2018 primarily due to increased exploration at the Gilt Edge project in South Dakota.

- Exploration expenses in Europe decreased by 49.6% to $6.2 million in 2019 compared with 2018 primarily due to decreased exploration at the Barsele project.

- Corporate development and project evaluation expenses increased by 13.5% to $28.8 million in 2019 compared with 2018 primarily due to increased project evaluation expenses at the Cubiro project near the Pinos Altos mine.

The table below sets out exploration expense by region and total corporate development expense:

	2019	2018	2017
	(thousands of United States dollars)		
Mine sites	$ 12,018	$ 20,542	$ 20,494
Canada	25,458	46,420	58,434
Latin America	23,960	26,897	21,402
United States	8,317	6,082	3,796
Europe	6,238	12,368	14,785
Corporate development and project evaluation expenses	28,788	25,361	22,539
Total exploration and corporate development expense	$ 104,779	$ 137,670	$ 141,450

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense decreased to $546.1 million in 2019 compared with $553.9 million in 2018 and $508.7 million in 2017. The decrease in amortization of property, plant and mine development between 2019 and 2018 was primarily due to lower tonnes of ore processed at the Meadowbank Complex as the site transitioned to the Amaruq satellite deposit, lower throughput at the Kittila mine from a planned 58-day mill shutdown for autoclave relining, lower throughput at the Pinos Altos mine from a change in the mining sequence, and an increase in the proven and probable reserves at the LaRonde mine. Partially offsetting the decrease in amortization was the ramp up of the Meliadine mine, which achieved commercial production in the second quarter of 2019.

General and Administrative Expense

General and administrative expenses decreased to $121.0 million in 2019 compared with $124.9 million in 2018 and $115.1 million in 2017 primarily due to decreased employee compensation costs.

Finance Costs

Finance costs increased to $105.1 million in 2019 compared with $96.6 million in 2018 and $78.9 million in 2017 primarily due to increased interest expense on the Company's guaranteed senior unsecured notes (the "Notes") resulting from the $350.0 million private placement of guaranteed senior unsecured notes which were issued on April 5, 2018. The outstanding principal on the Notes was $1,735.0 million at December 31, 2019 and December 31, 2018.

The table below sets out the components of finance costs:

	2019	2018	2017
	(thousands of United States dollars)		
Interest on Notes	$ 91,147	$ 87,100	$ 69,935
Stand-by fees on credit facilities	5,862	5,811	5,611
Amortization of credit facilities, financing and note issuance costs	2,800	2,671	2,566
Interest on Credit Facility	1,270	310	42
Accretion expense on reclamation provisions	5,715	7,107	5,234
Other interest and penalties, including interest on lease obligations	2,336	1,521	1,920
Interest capitalized to assets under construction	(4,048)	(7,953)	(6,377)
Total finance costs	$ 105,082	$ 96,567	$ 78,931

See Note 14 in the annual consolidated financial statements for details on the Company's $1.2 billion unsecured revolving bank credit facility (the "Credit Facility") and Notes referenced above.

Impairment and Impairment Reversal

As at December 31, 2019, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's cash generating units ("CGUs") and no impairments or indicators of potential impairments were identified. As at December 31, 2018, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's CGUs. As a result, the Company estimated the recoverable amounts of the Canadian Malartic mine, the La India mine and the El Barqueño project and concluded the carrying amounts exceeded the recoverable amounts. The Company recorded an impairment loss of $389.7 million comprised of $250.0 million at the Canadian Malartic mine, $39.0 million at the La India mine and $100.7 million at the El Barqueño project (see Note 24 in the annual consolidated financial statements for details). No indicators of impairment were identified for the other CGUs. As at December 31, 2017, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's CGUs and no impairments or indicators of potential impairments were identified.

As at December 31, 2019, the Company identified indicators of potential impairment reversal for the Company's Meliadine mine. As a result of the identification of these indicators, the Company estimated the recoverable amounts of the Meliadine mine CGU and concluded the recoverable amounts exceeded the carrying amounts. The Company recorded an impairment reversal of $345.8 million ($223.4 million net of tax) at the Meliadine mine (see Note 24 in the annual consolidated financial statements for details). Based on assessments completed by the Company, no impairment reversals were required in 2018 or 2017.

Management's estimates of recoverable amounts are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets and goodwill. This may have a material effect on the Company's future consolidated financial statements.

Foreign Currency Translation Loss

The Company's operating results and cash flow are significantly affected by changes in the closing exchange rate between the US dollar and each of the Canadian dollar, Mexican peso and Euro as all of the Company's revenues are earned in US dollars while a significant portion of its operating and capital costs are incurred in such other currencies. During the period from January 1, 2018 through December 31, 2019, the daily US dollar closing exchange rate fluctuated between C$1.30 and C$1.36 as reported by the Bank of Canada, 18.77 Mexican pesos and 20.13 Mexican pesos as reported by the Central Bank of Mexico and €0.87 and €0.92 per US$1.00 as reported by the European Central Bank.

A foreign currency translation loss of $4.9 million was recorded in 2019 compared with a foreign currency translation loss of $2.0 million in 2018 and $13.3 million in 2017. On average, the US dollar strengthened relative to the Canadian dollar, Mexican peso and Euro in 2019 compared with 2018. The US dollar also strengthened against the Euro and weakened against the Canadian dollar and Mexican peso as at December 31, 2019, compared to December 31, 2018. The net foreign currency translation loss in 2019 was primarily due to the translation impact of the Company's net monetary liabilities denominated in Canadian dollars and Mexican pesos.

Income and Mining Taxes Expense

In 2019, the Company recorded income and mining taxes expense of $265.6 million on income before income and mining taxes of $738.7 million at an effective tax rate of 36.0%. The Company's 2019 effective tax rate was higher than the applicable statutory tax rate of 26.0% primarily due to the impact of mining taxes. In 2018, the Company recorded income and mining taxes expense of $67.6 million on a loss before income and mining taxes of $259.1 million at an effective tax rate of (26.1)%. The Company's 2018 effective tax rate was lower than the applicable statutory tax rate of 26.0% primarily due to the impact of mining taxes and the non-deductible impairment loss recorded in the consolidated statements of income (loss). In 2017, the Company recorded income and mining taxes expense of $98.5 million on income before income and mining taxes of $339.3 million at an effective tax rate of 29.0%.

Liquidity and Capital Resources

As at December 31, 2019, the Company's cash and cash equivalents and short-term investments totaled $327.9 million compared with $307.9 million as at December 31, 2018. The Company's policy is to invest excess cash in highly liquid investments of the highest credit quality to reduce risks associated with these investments. Such investments with remaining maturities of greater than three months and less than one year at the time of purchase are classified as short-term investments. Decisions regarding the length of maturities are based on cash flow requirements, rates of return and various other factors.

Working capital (current assets less current liabilities) decreased to $417.9 million as at December 31, 2019 compared with $711.0 million as at December 31, 2018 primarily due to the reclassification of the $360.0 million of the Company's long-term debt to current liabilities.

Subject to various risks and uncertainties, the Company believes it will generate sufficient cash flow from operations and has adequate cash and debt facilities available to finance its current operations, contractual obligations and planned capital expenditure and exploration programs.

Operating Activities

Cash provided by operating activities increased by $276.0 million to $881.7 million in 2019 compared with 2018. The increase in cash provided by operating activities was primarily due to an 11.1% increase in the Company's average realized price of gold, a 3.8% increase in the sales volume of gold[(i)] and more favourable working capital changes between periods. Partially offsetting the increase in cash provided by operating activities was an increase in production costs between periods. Cash provided by operating activities was $605.7 million in 2018, $161.9 million lower than in 2017 primarily due to a decrease in the sales volume of gold and an increase in production costs between periods. Note:

(i) Excludes 64,034 ounces of payable gold production sold associated with the Meliadine mine, the Amaruq satellite deposit at the Meadowbank Complex and the Barnat deposit at the Canadian Malartic mine which were sold prior to the achievement of commercial production.

Investing Activities

Cash used in investing activities decreased to $873.9 million in 2019 from $1,204.4 million in 2018. The decrease in cash used in investing activities between periods was primarily due to a $206.4 million decrease in capital expenditures and a $162.5 million decrease in acquisitions, partially offset by a $31.6 million decrease in proceeds from the sale of property, plant and mine development. Cash used in investing activities was $1,000.1 million in 2017, which included capital expenditures of $874.2 million.

In 2019, the Company invested cash of $882.7 million in projects and sustaining capital expenditures compared with $1,089.1 million in 2018. Capital expenditures in 2019 included $81.8 million at the LaRonde mine, $8.4 million at the LaRonde Zone 5 mine, $41.4 million at the Goldex mine, $267.3 million at the Meadowbank Complex, $165.4 million at the Meliadine mine, $83.1 million at the Canadian Malartic mine (the Company's attributable 50% share), $171.9 million at the Kittila mine, $39.4 million at the Pinos Altos mine, $13.9 million at the La India mine and $10.1 million at the Company's other projects. The $206.4 million decrease in capital expenditures between 2019 and 2018 was primarily due to significant expenditures that were incurred in 2018 relating to the development of the Meliadine mine in advance of commercial production which was achieved in 2019.

In 2019, the Company received net proceeds of $43.7 million from the sale of equity securities and other investments compared with $17.5 million in 2018 and $0.3 million in 2017. In 2019, the Company purchased $33.5 million of equity securities and other investments compared with $11.2 million in 2018 and $51.7 million in 2017. The Company's investments in equity securities consist primarily of investments in common shares of entities in the mining industry.

On December 18, 2019, the Company was issued (the "Issuance") 10,400,000 common share purchase warrants (the "2026 Warrants") of Orla Mining Ltd. ("Orla") in connection with, and as consideration for the funding commitments provided by the Company under a loan agreement dated December 18, 2019 between, among others, Orla and Agnico Eagle. The loan agreement relates to a five-year credit facility to provide Orla financing in a principal amount of $125.0 million. The Company's aggregate financing commitment under the credit facility is $40.0 million, of which $8.0 million was drawn down by Orla as at December 31, 2019. Each 2026 Warrant entitles the holder to acquire one Common Share at a price of $3.00 at any time prior to December 18, 2026. Following the Issuance, the Company owned 17,613,835 Common Shares, 870,250 units of 2021 Warrants and 10,400,000 units of 2026 Warrants, representing approximately 9.47% of the issued and outstanding Common Shares on a non-diluted basis and 14.64% of the issued and outstanding Common Shares on a partially-diluted basis assuming exercise of the 2021 Warrants and the 2026 Warrants held by the Company.

On June 11, 2018, the Company closed a transaction with a subsidiary of Newmont Mining Corp ("Newmont"), whereby Newmont purchased Agnico Eagle's 51% interest in the West Pequop Joint Venture and the Company's 100% interest in the Summit and PQX properties in northeastern Nevada (collectively, the "Nevada Properties"). Under the purchase and sale agreement, the Company received a cash payment of $35.0 million and was granted a 0.8% net smelter return ("NSR") royalty on the Nevada Properties held by the West Pequop Joint Venture and a 1.6% NSR on the Summit and PQX properties.

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets of CMC (the "CMC Exploration Assets"), including the Kirkland Lake and Hammond Reef gold projects, by way of an asset purchase agreement (the "CMC

Purchase Agreement") dated December 21, 2017. On the closing of the transactions relating to the CMC Purchase Agreement, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership of CMC's interest in the CMC Exploration Assets. Pursuant to the CMC Purchase Agreement, the effective consideration for the CMC Exploration Assets after the distribution of the sale proceeds by CMC to its shareholders totaled $162.5 million in cash paid on closing. The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $2.9 million were capitalized to the mining properties acquired.

On February 15, 2018, the Company completed the purchase of 1,740,500 units ("Units") of Orla Mining Ltd at a price of C$1.75 per Unit for total cash consideration of C$3.0 million. Each Unit is comprised of one common share of Orla (a "Common Share") and one-half of one common share purchase warrant of Orla (each full common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of C$2.35 prior to February 15, 2021. Upon closing of the transaction, the Company held 17,613,835 Common Shares and 870,250 Warrants, representing approximately 9.86% of the issued and outstanding Common Shares on a non-diluted basis and approximately 10.3% of the issued and outstanding Common Shares on a partially-diluted basis assuming exercise of the Warrants held by the Company.

Financing Activities

Cash provided by financing activities of $10.6 million in 2019 decreased compared with cash provided by financing activities of $274.1 million in 2018 primarily due to a $350.0 million decrease in issuances of notes and a $21.4 million increase in dividends paid, partially offset by a $109.7 million increase in proceeds on the exercise of stock options between periods. Cash provided by financing activities was $329.2 million in 2017.

Net proceeds from the issuance of common shares increased to $156.1 million in 2019 from $44.7 million in 2018 which was attributable to employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan. Net proceeds from the issuance of common shares were $269.1 million in 2017 which was attributable to employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan.

In 2019, the Company paid dividends of $105.4 million ($0.55 per share) compared with $84.0 million ($0.44 per share) in 2018 and $76.1 million ($0.41 per share) in 2017. Agnico Eagle has declared a cash dividend every year since 1983. Although the Company expects to continue paying dividends, future dividends will be at the discretion of the Board and will be subject to factors such as income, financial condition and capital requirements.

Repayment of lease obligations of $15.5 million in 2019 increased compared to $3.4 million in 2018 due to the adoption of IFRS 16 on January 1, 2019 (see Note 5 in the consolidated financial statements for details). Prior to the adoption of IFRS 16, leases were classified as either finance or operating leases. Payments made under operating leases were recognized as an expense in the consolidated statements of income (loss) and through operating activities in the consolidated statements of cash flows. Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, where certain leases give rise to a right-of-use asset and a corresponding liability. The principal amount of lease payments in each period is recorded in financing activities in the consolidated statements of cash flows.

On April 5, 2018, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2018 Notes"). The 2018 Notes consist of $45.0 million 4.38% Series A senior notes due 2028, $55.0 million 4.48% Series B senior notes due 2030 and $250.0 million 4.63% Series C senior notes due 2033. Upon issuance, the 2018 Notes had a weighted average maturity of 13.9 years and weighted average yield of 4.57%.

On December 14, 2018, the Company amended the Credit Facility to extend the maturity date from June 22, 2022 to June 22, 2023. As at December 31, 2019, the Company's outstanding balance under the Credit Facility was nil. Credit Facility availability is reduced by outstanding letters of credit, amounting to nil as at December 31, 2019. As at December 31, 2019, $1,200.0 million was available for future drawdown under the Credit Facility.

On May 5, 2017, the Company agreed to a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes") which issuance closed on June 29, 2017. Upon issuance, the 2017 Notes had a weighted average maturity of 10.9 years and weighted average yield of 4.67%. Proceeds from the 2017 Notes were used for working capital and general corporate purposes.

On April 7, 2017, the Company repaid $115.0 million of the $600.0 million guaranteed senior unsecured notes that were issued on April 7, 2010 (the "2010 Notes"). As at December 31, 2019, the principal amount of the 2010 Notes that remained outstanding was $485.0 million.

On June 29, 2016, the Company entered into a standby letter of credit facility with a financial institution providing for a C$100.0 million uncommitted letter of credit facility (the "Third LC Facility"). Letters of credit issued under The Third LC

Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. The obligations of the Company under the Third LC Facility are guaranteed by certain of its subsidiaries. As at December 31, 2019, the aggregate undrawn face amount of letters of credit under the Third LC Facility was $61.9 million.

On September 23, 2015, the Company entered into a standby letter of credit facility with a financial institution providing for a C$150.0 million uncommitted letter of credit facility (as amended, the "Second LC Facility"). The Second LC Facility may be used by the Company to support the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations. Payment and performance of the Company's obligations under the Second LC Facility are supported by an account performance security guarantee issued by Export Development Canada in favour of the lender. As at December 31, 2019, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $104.1 million.

On July 31, 2015, the Company amended its credit agreement with a financial institution relating to its uncommitted letter of credit facility (as amended, the "First LC Facility" and together with the Second LC Facility and the Third LC Facility, the "LC Facilities"). Effective November 5, 2013, the amount available under the First LC Facility increased from C$175.0 million to C$200.0 million. Effective September 28, 2015, the amount available under the First LC Facility was increased to C$250.0 million. Effective September 27, 2016, the amount available under the First LC Facility was increased to C$350.0 million.The obligations of the Company under the First LC Facility are guaranteed by certain of its subsidiaries. The First LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. As at December 31, 2019, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $194.4 million.

The Company was in compliance with all covenants contained in the Credit Facility, the LC Facilities and the Notes as at December 31, 2019.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements as at December 31, 2019 include outstanding letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes of $420.6 million under the Credit Facility and the LC Facilities (see Note 28 to the consolidated financial statements). If the Company were to terminate these off-balance sheet arrangements, the Company's liquidity position (as outlined in the table below) is sufficient to satisfy any related penalties or obligations.

Contractual Obligations

Agnico Eagle's contractual obligations as at December 31, 2019 are set out below:

	Total	2020	2021-2022	2023-2024	Thereafter
	(millions of United States dollars)				
Reclamation provisions[(i)]	$ 503.3	$ 12.5	$ 23.1	$ 26.4	$ 441.3
Contractual commitments[(ii)]	188.4	166.5	11.6	5.0	5.3
Pension obligations[(iii)]	39.8	1.4	4.4	4.2	29.8
Lease obligations	129.6	16.6	31.2	19.2	62.6
Long-term debt – principal[(iv)]	1,735.0	360.0	225.0	200.0	950.0
Long-term debt – interest[(iv)]	485.5	73.1	125.9	98.7	187.8
Total[(v)]	$ 3,081.6	$ 630.1	$ 421.2	$ 353.5	$ 1,676.8

Notes:

(i) Mining operations are subject to environmental regulations that require companies to reclaim and remediate land disturbed by mining operations. The Company has submitted closure plans to the appropriate governmental agencies which estimate the nature, extent and costs of reclamation for each of its mining properties. Expected reclamation cash flows are presented above on an undiscounted basis. Reclamation provisions recorded in the Company's consolidated financial statements are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate.

(ii) Purchase commitments include contractual commitments for the acquisition of property, plant and mine development. Agnico Eagle's attributable interest in the purchase commitments associated with its joint operations totaled $4.4 million as at December 31, 2019.

(iii) Agnico Eagle provides defined benefit plans for certain current and former senior officers and certain employees. The benefits are generally based on the employee's years of service, age and level of compensation. The data included in this table have been actuarially determined.

(iv) The Company has assumed that repayment of its long-term debt obligations will occur on each instrument's respective maturity date.

(v) The Company's future operating cash flows are expected to be sufficient to satisfy its contractual obligations.

2020 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2020 mandatory expenditure commitments (including the contractual obligations set out above) and discretionary expenditure commitments. The following table sets out expected capital requirements and resources for 2020:

		Amount
		(millions of United States dollars)
2020 Mandatory Commitments:		
Contractual obligations, including capital expenditures (see table above)	$	630.1
Accounts payable and accrued liabilities (as at December 31, 2019)		345.6
Net income taxes payable (as at December 31, 2019)		23.9
Total 2020 mandatory expenditure commitments	$	999.6
2020 Discretionary Commitments:		
Expected capital expenditures	$	678.5
Expected exploration and corporate development expenses		129.9
Total 2020 discretionary expenditure commitments		808.4
Total 2020 mandatory and discretionary expenditure commitments	$	1,808.0

As of December 31, 2019, the Company had adequate capital resources available to satisfy its commitments, which include cash, cash equivalents and short-term investments of $327.9 million, working capital (excluding cash, cash equivalents and short-term investments) of $90.0 million and an undrawn $1.2 billion Credit Facility. In addition, the Company anticipated funding its commitments through cash provided by operating activities.

While the Company believes its capital resources will be sufficient to satisfy all 2020 commitments (mandatory and discretionary), the Company may choose to decrease certain of its discretionary expenditure commitments, which include certain capital expenditures and exploration and corporate development expenses, should unexpected financial circumstances arise in the future. The Company believes that it will continue to have sufficient capital resources available to satisfy its planned development and growth activities. See *Outlook* and *Risk Profile – Impact of COVID-19* in this MD&A.

In March 2020, the Company marketed a $200.0 million private placement of guaranteed senior unsecured notes (the "2020 Notes") to a group of institutional investors. The Company expects to issue the 2020 Notes with a weighted average maturity of 11.0 years and a weighted average yield of 2.83% in April 2020. The other terms of 2020 Notes are expected to be substantially the same as the terms of the existing outstanding Notes of the Company. The Company intends to use the proceeds from 2020 Notes to repay a portion of Series B of the 2010 Notes with principal of $360.0 million due in 2020 and for general corporate purposes.

In March 2020, the Company drew down $1.0 billion on its $1.2 billion Credit Facility. The Company drew down these funds as a cautionary measure given the current uncertainty with respect to the COVID-19 pandemic and has no current plans to use the funds, although funds may be used to repay a portion of Series B of the 2010 Notes with principal of $360.0 million due in 2020.

Quarterly Results Review

For the Company's detailed 2019 and 2018 quarterly financial and operating results see *Summarized Quarterly Data* in this MD&A.

Revenues from mining operations increased by 40.0% to $753.1 million in the fourth quarter of 2019 compared with $537.8 million in the fourth quarter of 2018, which was primarily due to a 20.6% higher average realized price on gold and an 18.5% increase in the sales volume of gold between periods, which was attributable to production from the Meliadine mine and the Amaruq satellite deposit at the Meadowbank Complex that achieved commercial production in May 2019 and September 2019, respectively.

Production costs increased by 31.8% to $375.0 million in the fourth quarter of 2019 compared with $284.5 million in the fourth quarter of 2018 primarily due to the ramp up of the Meliadine mine and the impact of a stronger Canadian dollar relative to the US dollar between periods. In addition, production costs increased at the Meadowbank Complex due to higher contractor, mine maintenance, re-handling and long-haul trucking costs associated with the transportation of ore from the Amaruq satellite deposit.

Exploration and corporate development expenses decreased by 13.9% to $23.8 million in the fourth quarter of 2019 compared with $27.6 million in the fourth quarter of 2018 primarily due to decreased exploration drilling at Upper Beaver and Barsele projects.

Amortization of property, plant and mine development increased by 9.5% to $150.3 million in the fourth quarter of 2019 compared with $137.2 million in the fourth quarter of 2018 primarily due to the ramp up of the Meliadine mine, partially offset by lower throughput at the Meadowbank Complex due to the acceleration of planned maintenance to the milling and crushing circuits which was scheduled for 2020. Net income of $331.7 million was recorded in the fourth quarter of 2019 after income and mining taxes expense of $172.3 million compared with a net loss of $393.7 million in the fourth quarter of 2018 after income and mining taxes expense of $6.4 million.

Cash provided by operating activities increased by 83.5% to $257.5 million in the fourth quarter of 2019 compared with $140.3 million in the fourth quarter of 2018. The increase in cash provided by operating activities was primarily due to a $215.3 million increase in revenues from mining operations due to higher average realized prices of gold and silver and an increase in the sales volume of gold ounces, partially offset by a $90.5 million increase in production costs between periods.

Outlook

The following section contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. **The Company continues to monitor to implications of the worldwide pandemic caused by the novel strain of coronavirus known as COVID-19. The manner and extent that the pandemic, and measures taken as a result of the pandemic, will affect the Company cannot be predicted with certainty.** See *Note to Investors Concerning Forward-Looking Information* and *Risk Profile – Impact of COVID-19*, respectively, in this MD&A for a discussion of assumptions and risks relating to such statements and information and a discussion of the certain risks facing the Company relating to the pandemic.

On March 24, 2020, the Company announced that, in response to an order by the Government of Quebec issued on March 23, 2020 (the "Order") to close all non-essential businesses, the Company will take steps to ramp down its operations in the Abitibi region of Quebec (the LaRonde Complex, the Goldex mine and the Canadian Malartic mine). The Order was part of the Quebec government's response to the COVID-19 pandemic. Each of these operations are to be placed on care and maintenance until April 13, 2020, and as requested by the Order, minimal work will take place during that time. In addition, the Company will reduce activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations, currently serviced out of Mirabel and Val d'Or, Quebec. Further, the Company announced that exploration activities in Canada would also be suspended. The Company cannot provide any assurances that the Order will not be extended.

As a result of the Order, on March 24, 2020 the Company decided to withdraw its guidance for 2020 regarding expected production volumes and costs.

Operations Outlook

LaRonde Complex

In 2019, the Company was granted a revision to the Certificate of Authorization at the LaRonde Complex, which allowed for the processing of ore from LZ5 through the LaRonde mill circuit. As a result, the Company now reports the operational parameters from the LaRonde mine and the LZ5 mine on a combined basis as of the first quarter of 2020.

In early December 2019, the Company saw an increase in seismicity in the West mine area outside of normal protocols. In addition, as development has progressed in the West mine area, additional geological structures (faulting and fracturing) have been recognized. This information has now been incorporated into a revised ground support plan for the West mine area. The Company is currently reinforcing ground support including installing additional support (shotcrete, bolts and cables) in the main ramp and access points on various levels. Seismicity is expected to continue but ground support will likely be better adapted to manage stress levels.

In 2020, approximately 12% of the tonnage mined at the LaRonde mine is expected from the West mine area. This tonnage increases to approximately 20% in 2021. The capital cost for additional ground support in the West mine area in 2020 is approximately $1.5 million. The increase in operating cost related to the additional support in 2020 is still being evaluated but is expected to be minimal (less than C$1.00 per tonne).

Normal mining activities in the West mine area have been delayed since December 2019. This delay is expected to result in lower gold production as gold grades are lower in the East mine area. Production and unit costs are expected to return to more normalized levels as higher grade ore is extracted from the West mine area.

Infrastructure continues to be developed to provide further access to mine the LaRonde 3 project and construction on level 308 of the East mine cooling plant is ongoing. At Zone 11-3, which is at depth in the past producing Bousquet 2 mine, development continues on the access ramp.

A development drift has been initiated west from LaRonde's level 146 to the LaRonde 11-3 project at level 149 and will have the additional benefit of allowing for underground exploration drilling into previously unexplored targets in Zone 6 and 20N. Near term exploration will include 6,000 metres of drilling targeting historic Bousquet zones, which exhibit good exploration potential between 2,000 and 3,000 metres depth, and 3,500 metres of drilling to explore Zones 6 and 20N at depth. Compilation of historic data from the whole Bousquet property will continue.

Exploration work at the LaRonde Complex is focused on conversion drilling in the LaRonde 3 project below 3,100 metres depth. The LaRonde 3 project mineral reserves and indicated mineral resources currently extend to approximately 3,380 metres depth, while the inferred mineral resources continue to down to 3,800 metres.

Goldex Mine

The Goldex Deep 1 project (the top part of the Deep Zone, between 850 and 1,200 metres depth) has been in production since July 2017. An exploration ramp that began construction in 2018 from level 120 (1,200 metres depth) continues to extend into the Deep 2 Zone (the bottom part of the Deep Zone, between 1,200 and 1,800 metres depth). The ramp reached level 130 (1,300 metres depth) at the end of 2019, and is expected to continue toward level 140 in the future.

Drilling at the Deep 2 Zone continued in the fourth quarter of 2019 and continues to focus on areas below the current mineral reserve limit of Level 130.

Meadowbank Complex

The ramp up of production activities at Amaruq continued to improve but remained slower than expected in the fourth quarter of 2019. The ramp up was impacted by delays in pit dewatering, which resulted in a smaller than expected area for mining activities. The smaller "mining footprint" limited access to certain portions of the Whale Tail deposit, resulting in lower tonnage extracted, lower grades and higher stripping costs. In addition, mining productivity was also affected by lower than expected equipment availability as well as a longer than expected transition between the new Amaruq site with regards to site installations and internal workforce movements into new positions.

An action plan has been put in place with a primary focus on improvements to water management, equipment availability, operational performance and wildlife management protocols. De-watering of Whale Tail North was completed in October 2019 following the installation of additional pumping capacity to handle the larger than expected water inflows. Construction activity as well as a grouting program to reduce water inflows at the interface between the bedrock and Whale Tail dyke were initiated to reduce the quantity of water to manage during the 2020 freshet (spring melt). These efforts have allowed access to the Whale Tail North Lake bed area and expanded the footprint of the Whale Tail pit while reducing water management risks.

Mining equipment availability and maintenance was affected by the transition of operations from Meadowbank to the Amaruq site including: camp capacity, workforce movements, parts management and garage availability. At the end of the fourth quarter of 2019, most of the issues mentioned above have been addressed. All supervisory and management positions have been filled, along with additional workforce personnel to reduce backlogs and to implement improvement initiatives to accelerate ramp up.

The new warehouse was completed at Amaruq in January 2020, and the Company has commenced transferring material from Meadowbank to improve access to parts and reduce delivery time. Internal processes are also being reviewed and optimized in order to improve maintenance performance and equipment availability. In parallel to this, additional continuous improvement capacity is currently being added. Continuous improvement initiatives will continue to focus on drilling, loading and hauling (including long hauls) in order to increase the mining rate and reduce operating costs.

In the fourth quarter of 2019, stakeholder approval was sought for the concept of "project tolerant caribou" to minimize unnecessary road closures from the migration patterns of the caribou. The concept of "project tolerant caribou" was part of the Terrestrial Environment Management Plan submitted to the authorities as part of the permitting process. This concept was discussed and agreed to at the Terrestrial Advisory Group meeting in the fall of 2019. Wildlife management (especially caribou) is an important priority and the Company continues to work with Nunavut stakeholders to find the best solutions to safeguard wildlife while minimizing production disruptions.

The current long haul truck fleet totals 22 units. In addition, three contractor units are available as back up. The Company continues to further improve mechanical and utilization availability and productivity.

The permitting process to amend the Whale Tail project certificate (Nunavut Impact Review Board ("NIRB") process) and Type A Water Licence (Nunavut Water Board ("NWB") process) to include the Amaruq Phase 2 expansion is ongoing. As part of this process, the NIRB held public hearings on the proposed expansion from August 26 to 29, 2019 in Baker Lake. In a decision issued on October 18, 2019, the NIRB concluded that if conducted in accordance with the NIRB's recommendations, this proposed amendment to the Whale Tail project could proceed to the Type A Water License amendment phase with the NWB. The Minister of Northern Affairs approved the amended Project Certificate Report from the NIRB (October 18, 2019 decision) on January 20, 2020, completing the NIRB process. The NWB water licence amendment process has been ongoing and public hearings occurred in February 2020. It is expected that the Amaruq Phase 2 permitting will be completed in the third quarter of 2020.

Additional work continues to evaluate the potential to increase mineral reserves and exploit a portion of the underground mineral resources at both Whale Tail and V Zone. A more detailed project evaluation is expected to be completed. The Company will continue to use a phased approach to the underground development program at Amaruq.

Meliadine Mine

The original Meliadine mine plan envisioned a 3,750 tpd mill with ore being sourced entirely from underground in years one to four. The mill capacity for Phase 2 is expected to increase to approximately 6,000 tpd, with ore being sourced from both underground and open pits starting in year five. The increased tonnage from the Phase 2 expansion was forecast to offset a planned decline in ore grade and keep production stable at approximately 400,000 ounces of gold per year.

The current Meliadine mill facility has demonstrated the ability to operate well in excess of the initial 3,750 tpd capacity (maximum daily rate in 2019 reached of 4,950 tpd). As a result, the Company has decided to accelerate the Phase 2 expansion by approximately two years to utilize the excess mill capacity. The initial source of open pit ore will be from two pits developed on the Tiriganiaq deposit. Development of the open pits is expected to provide additional mining flexibility and provide extra water storage capacity if needed.

The Phase 2 expansion will be carried out in three stages:

- an increase in processing rate from current levels to 4,600 tpd;
- increased processing rate of 5,000 tpd; and
- an expansion to 6,000 tpd.

The Tiriganiaq deposit contains probable mineral reserves of 0.6 million ounces of gold (3.8 million tonnes grading 4.89 g/t gold). These pits are expected to be mined through 2027, with production gradually ramping up over the 8-year reserve life.

Capital expenditures for stage 1 of the Phase 2 expansion in 2020 are estimated to be approximately $48 million. In 2022 and 2023, an additional $35 million is expected to be spent on processing plant upgrades.

Canadian Malartic Mine

Deep drilling east of the open pit in late 2018 resulted in the discovery of a new gold mineralized zone, located south of the East Malartic and Odyssey zones, named the East Gouldie Zone. At the East Gouldie Zone, the aim of the drill program is to support the declaration of new inferred mineral resources at the zone and infill the current inferred mineral resources in the zone to convert them into indicated mineral resources.

Evaluations are underway at the Odyssey project, with consideration being given to potential new development synergies between the various zones at East Gouldie, East Malartic, Odyssey and Canadian Malartic. Initial production could potentially start in 2023 if the Partnership decides to develop the project. The Partnership is evaluating scenarios to optimize the project, which include discussions with royalty holders and other stakeholders to enhance the economics of the project. Given the

Company's robust pipeline of development projects, the Company does not currently anticipate approving the project for development unless these discussions are successful and the project economics are significantly improved. The increases in mineral resources, particularly at the East Gouldie and East Malartic zones, are anticipated to eventually replace mineral reserves currently being mined at the adjacent Canadian Malartic pit.

Kittila Mine

In February 2018, the Company's Board of Directors approved an expansion to increase throughput rates at Kittila to 2.0 mtpa from the current rate of 1.6 mtpa. The expansion project is expected to result in a 50,000 to 70,000 ounce annual increase in gold production, increase the efficiency of the mine and maintain or decrease operating costs while providing access to the deeper mining horizons. In addition, the shaft is expected to provide access to the mineral resources located below 1,150 metres depth, where recent exploration programs have shown promising results. The shaft and mill expansion are continuing to advance as scheduled. The Company anticipates that final mill tie-in work will occur during a planned four to five-week mill maintenance shutdown.

Pinos Altos Mine

Development of the Sinter and Cubiro satellite deposits at Pinos Altos continued to advance in the fourth quarter of 2019. The Sinter deposit, located approximately 2.0 kilometres northwest of the Pinos Altos mine, will be mined from underground and a small open pit. At Sinter, the development of the underground continued in the fourth quarter of 2019

The Cubiro deposit is located approximately 9.2 kilometres northwest of the Pinos Altos mine and 2.0 kilometres west of the Creston Mascota deposit. Based on exploration drilling, Cubiro could potentially contribute additional ore to be processed and extend the current life of mine at Pinos Altos mine.

Creston Mascota Mine

Mining activities are now forecast to continue through the first half of 2020, with leaching activities expected to continue in 2020 and beyond. Costs are expected to decline once mining activities have ceased.

La India Mine

The Company continues to evaluate the potential to develop other satellite zones such as El Realito and Chipriona.

Production Summary

With the achievement of commercial production at the Kittila and Pinos Altos mines in 2009, the Meadowbank mine in 2010, the Creston Mascota and LaRonde mine extension in 2011, the Goldex mine M and E Zones in 2013, the La India mine in 2014, the LaRonde Zone 5 mine in 2018 and the Meliadine mine and the Amaruq satellite deposit at the Meadowbank Complex in 2019, along with the joint acquisition of the Canadian Malartic mine on June 16, 2014, Agnico Eagle has transformed from a one mine operation to a multi-mine senior gold mining company over the last 12 years. In 2019, the Company achieved payable gold production of 1,782,147 ounces. As the Company optimizes this expanded production platform, it expects to continue to deliver on its vision and strategy. The Company expects that the main contributors to achieving the targeted levels of payable gold production, mineral reserves and mineral resources in the near term will include:

- continued ramp up of the Nunavut operations;
- continued mill and mine plan optimization; and
- continued conversion of Agnico Eagle's current mineral resources to mineral reserves.

Financial Outlook

As of the date of this MD&A, the Company does not expect that the COVID-19 pandemic will affect its planned 2020 capital expenditure and exploration program, but cannot provide any assurances that proposed capital expenditure or exploration activities will not be delayed, postponed or cancelled whether as a result of the COVID-19 pandemic, measures taken associated with the pandemic or otherwise.

Exploration and Corporate Development Expenditures

In 2020, Agnico Eagle expects to incur exploration and corporate development expenses of approximately $129.9 million.

A large component of the 2020 exploration program will be focused on the Canadian Malartic and Goldex mines in the Abitibi region of northwest Quebec, the Sisar-Rimpi zones at the Kittila mine in Finland, the Kirkland Lake project in northeastern Ontario, the Santa Gertrudis project in Sonora State, Mexico and satellite targets at the Pinos Altos mine in Mexico. The goal of these exploration programs is to delineate mineral reserves and mineral resources that can help supplement the Company's existing production profile.

At the Kittila mine, the Company expects to spend $11.8 million for work that will include 58,000 metres of drilling focused on the Main Zone in the Roura and Rimpi areas as well as the Sisar Zone. The goal of this program is to further explore the Kittila mineral reserve and mineral resource potential and demonstrate the economic potential of the Sisar Zone as a new mining horizon at Kittila. The drilling includes 46,000 metres of capitalized conversion drilling at the mine as described above and 12,000 metres of expensed regional exploration drilling on targets beyond the current mineral resource area.

At the Goldex mine, the Company expects to spend $6.9 million for 79,000 metres of exploration and conversion drilling focused on the M Zone, Deep 1, Deep 2 and South zones.

At the Kirkland Lake project in Ontario, the Company expects to spend $10.3 million for 48,000 metres of exploration drilling focused on converting and expanding mineral resources at the Upper Beaver and Upper Canada deposits, which is expected to lead to an updated mineral resource estimate for the Upper Beaver deposit at year-end 2020.

At the Amaruq deposit at the Meadowbank Complex, the Company expects to spend $2.9 million for 8,400 metres of exploration drilling to test regional targets with a focus on deposits with open-pit potential. Drilling will also test the vertical extensions of near surface mineral occurrences at Mammoth Lake.

Another $2.0 million is budgeted for 5,500 metres of exploration drilling on other properties around Amaruq to test near surface open-pit targets close to existing road infrastructure between Amaruq and Baker Lake.

At the Canadian Malartic mine, the Company expects to spend $7.5 million (50% basis) for 90,000 metres (100% basis) of exploration and conversion drilling primarily focused on declaring new inferred mineral resources at the East Gouldie Zone and infilling the current inferred mineral resources in the zone to convert them into indicated mineral resources by year-end 2020. In addition to the drilling at East Gouldie, the Company is planning to spend another $5.0 million (50% basis) on 22,000 metres (100% basis) of exploration drilling to test other regional targets at Canadian Malartic and on studies.

At the Santa Gertrudis project in Sonora, Mexico, the Company expects to spend $10.4 million for approximately 25,000 metres of drilling that will be focused on expanding the mineral resource, testing the extensions of high-grade structures such as the Amelia deposit and exploring new targets.

At the Pinos Altos mine, the Company expects to spend $7.8 million for 42,000 metres of drilling, in work that will include 5,000 metres of drilling to extend the new Reyna East Zone along strike and at depth and 10,000 metres to infill and expand the mineral resource at Cubiro and Cubiro North.

Exploration programs are designed to infill and expand known deposits and test other favourable target areas that could ultimately supplement the Company's existing production profile. Exploration is success-driven and thus planned exploration could change materially based on the interim results of the various exploration programs. When it is determined that a project can generate future economic benefit, the costs of drilling and development to further delineate the ore body on such a property are capitalized. In 2020, the Company expects to capitalize approximately $25.6 million of drilling and development costs related to further delineating ore bodies and converting mineral resources into mineral reserves.

Other Expenses

General and administrative expenses are expected to be between $110.0 million and $130.0 million in 2020 compared with $121.0 million in 2019.

Capital Expenditures

Capital expenditures, including sustaining capital, construction and development costs and capitalized exploration costs, are expected to total approximately $740.0 million in 2020. The Company expects to fund its 2020 capital expenditures through operating cash flow from the sale of its gold production and the associated by-product metals. Significant components of the expected 2020 capital expenditures program include the following:

- $332.3 million in sustaining capital expenditures relating to the LaRonde Complex ($87.9 million), Canadian Malartic mine ($52.6 million – 50% portion attributable to the Company), Meadowbank Complex ($46.6 million), Kittila mine ($38.6 million), Meliadine mine ($37.8 million), Pinos Altos mine ($29.1 million), Goldex mine ($25.5 million), La India mine ($12.2 million) and other projects ($2.0 million);

- $382.1 million in capitalized development expenditures relating to the Kittila mine ($134.1 million), Meliadine mine ($64.5 million), Meadowbank Complex ($47.2 million), LaRonde Complex ($37.1 million), Amaruq underground project ($29.0 million), La India mine ($24.9 million), Canadian Malartic mine ($22.4 million – 50% portion attributable to the Company), Goldex mine ($14.7 million) and Pinos Altos mine ($8.2 million); and

- $25.6 million in capitalized drilling expenditures.

In 2020, a significant portion of the Company's capital commitments are expected to relate to the Kittila mine expansion and the advancement of the Phase two expansion at the Meliadine mine. The Kittila mine expansion capital commitment is forecast to be $134.1 million in development expenditures which represents approximately 18.1% of the expected $740.0 million in total capital expenditures in 2020.

The Company continues to examine other possible corporate development opportunities which may result in the acquisition of companies or assets using the Company's securities, cash or a combination thereof. If cash is used to fund acquisitions, Agnico Eagle may be required to issue debt or securities to satisfy cash payment requirements.

Risk Profile

The Company is subject to significant risks due to the inherent nature of the business of exploration, development and mining of properties with precious metals. The risks described below are not the only ones facing the Company. The risk factors below may include details of how the Company seeks to mitigate these risks where possible. For a more comprehensive discussion of these inherent risks, see "Risk Factors" in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities.

Impact of COVID-19

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company cannot be predicted with certainty.

COVID-19 and these measures have had and may continue to have an adverse impact on many aspects of the Company's business including, employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, ability to sell or deliver gold dore bars or concentrate, the Company's ability to maintain its controls and procedures regarding financial and disclosure matters and the availability of insurance and the costs thereof, some of which, individually or when aggregated with other impacts, may be material to the Company. Measures taken by governments, the Company or others, or a positive test for COVID-19 associated with one of the Company's mine sites, could result in the Company reducing or suspending operations at one or more of its mines. For example, on March 23, 2020 the Government of Quebec ordered that all non-essential businesses in Quebec be closed from March 25, 2020 to April 13, 2020. As a result of this Order, the Company suspended all mining operations the LaRonde Complex, the Goldex mine and the Canadian Malartic mine. The Company also reduced activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations, currently serviced out of Mirabel and Val d'Or, Quebec. As a result of the Order, on March 24, 2020 the Company determined to withdraw its guidance for 2020 regarding expected production volumes and costs. The Company cannot provide any assurances that the ordered shut down of non-essential businesses will not be extended beyond April 13, 2020, or that it can achieve a timely and safe ramp up of normal operations once all restrictions are lifted. Further, the Company cannot provide any assurances that governments in the other regions it operates will not implement measures that result in the suspension or reduction of mining operations at one or more of its mines. COVID-19

and associated responses could also have an adverse effect on the Company's ability to procure inputs required for the Company's operations and capital projects.

The Company's Meadowbank Complex (including the Amaruq satellite deposit) and Meliadine mine are both located in remote areas and operate as fly-in/fly-out camps, meaning site employees and contractors are housed in on-site accommodations during the periods in which they are working. Because of the concentration of personnel working and living in a small area, risks associated with communicable diseases are higher at these sites. As a precautionary measure, on March 19, 2020, the Company made the decision to send home all of its Nunavut-based work force at the Meadowbank Complex and the Meliadine mine for a period of four weeks to reduce the risk of transmission of COVID-19. On March 24, 2020, the Company announced it would reduce activities at its sites in Nunavut. If travel restrictions related to COVID-19 affect the movement of personnel to these sites, the Company may have to further reduce or suspend activities at such sites. The Company may in the future, based on its assessment of relevant risks at the time, elect to reduce, further reduce or suspend operations at these or other sites as a precautionary measure or as a result of or in response to government or community actions. Further, COVID-19, and measures taken to attempt to reduce the spread of COVID-19, may affect the Company's ability to ship the materials that the Company requires for the operation of the Meadowbank Complex and the Meliadine mine during Nunavut's limited annual shipping season which are fourteen and ten weeks, respectively. If the Company is unable to acquire and transport necessary supplies during the limited shipping season it may result in a slowdown or stoppage of operations at the Meadowbank Complex and the Meliadine mine and may delay construction or expansion projects planned for the sites. Any of these events or circumstances could have a material adverse effect on the Company's business and results of operations.

In addition, the actual or threatened spread of COVID-19 globally, and responses of governments and others to such actual or threatened spread, could also have a material adverse effect on the global economy, could continue to negatively affect financial markets, including the price of gold and the trading price of the Company's shares, could adversely affect the Company's ability to raise capital, and could cause continued interest rate volatility and movements that could make obtaining financing or refinancing debt obligations more challenging or more expensive. If the price of gold declines, the Company's revenues from its operations will also decline.

Financial Instruments

The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, long-term debt and derivative financial instruments. The Company uses these financial instruments to manage its cash flows used to support ongoing operations and future growth.

The Company's principal financial assets are comprised of cash and cash equivalents, short-term investments, trade receivables, equity securities and derivative financial instruments. Cash and cash equivalents, short-term investments and trade receivables are generated by the Company's operations. Equity securities are generally strategic investments made in other mining companies.

Using financial instruments exposes the Company to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, commodity price risk and foreign currency risk as discussed below).

Credit risk is the risk that the counterparties to financial contracts will fail to perform on an obligation to the Company. Credit risk is partially mitigated by dealing with high quality counterparties such as major banks and limiting concentration risk.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company mitigates liquidity risk primarily by monitoring its debt rating and the maturity dates of existing debt and other payables.

Interest Rates

The Company's current exposure to market risk for changes in interest rates relates primarily to drawdowns on its Credit Facility and its investment portfolio. Drawdowns on the Credit Facility are used primarily to fund a portion of the capital expenditures related to the Company's development projects and working capital requirements. As at December 31, 2019, there were no amounts outstanding on the Company's Credit Facility. In addition, the Company invests its cash in investments with short maturities or with frequent interest reset terms and a credit rating of R1-High or better. As a result, the Company's interest income fluctuates with short-term market conditions. As at December 31, 2019, short-term investments were $6.0 million.

Amounts drawn under the Credit Facility are subject to floating interest rates based on benchmark rates available in the United States and Canada or on LIBOR. In the past, the Company has entered into derivative instruments to hedge against

unfavourable changes in interest rates. The Company will continue to monitor its interest rate exposure and may enter into such agreements to manage its exposure to fluctuating interest rates.

Commodity Prices and Foreign Currencies

Agnico Eagle's net income is sensitive to metal prices and the US dollar/Canadian dollar, US dollar/Mexican peso and US dollar/Euro exchange rates.

Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of other metals may be attributed to factors such as demand and global mine production levels. Changes in the market price of diesel may be attributed to factors such as supply and demand. Changes in exchange rates may be attributed to factors such as supply and demand for currencies and economic conditions in each country or currency area. In 2019, the ranges of metal prices, diesel prices and exchange rates were as follows:

- Silver: $14.29 — $19.65 per ounce, averaging $16.21 per ounce;
- Zinc: $2,202 — $3,031 per tonne, averaging $2,546 per tonne;
- Copper: $5,536 — $6,572 per tonne, averaging $6,001 per tonne;
- Diesel: C$0.82 — C$0.95 per litre, averaging C$0.88 per litre;
- US dollar/Canadian dollar: C$1.30 — C$1.37 per $1.00, averaging C$1.33 per $1.00;
- US dollar/Euro: €0.86 — €0.92 per $1.00, averaging €0.89 per $1.00; and
- US dollar/Mexican peso: 18.75 — 20.26 Mexican pesos per $1.00, averaging 19.26 Mexican pesos per $1.00.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance realized by-product metal prices. The Company's policy does not allow speculative trading.

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency hedging transactions under its Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes. As at December 31, 2019, there were foreign exchange derivatives outstanding related to $252.0 million of 2020 expenditures. During the year ended December 31, 2019 the Company recognized a gain of $9.6 million on foreign exchange derivatives in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss).

Cost Inputs

The Company considers and may enter into risk management strategies to mitigate price risk on certain consumables including, but not limited to, diesel fuel. These strategies may include longer term purchasing contracts and financial and derivative instruments. As at December 31, 2019, there were derivative financial instruments outstanding relating to 12 million gallons of heating oil. During the year ended December 31, 2019 the Company recognized a gain of $3.6 million on heating oil derivatives in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss).

Operational Risk

The LaRonde Complex (including LZ5), Canadian Malartic and Meliadine mines were the Company's most significant contributors in 2019 to the Company's payable gold production at 22.6%, 18.8% and 13.4%, respectively, and are expected to account for a significant portion of the Company's payable gold production in the future.

Mining is a complex and unpredictable business and, therefore, actual payable gold production may differ from expectations. Adverse conditions affecting mining or milling may have a material adverse impact on the Company's financial performance and results of operations. The Company anticipates using revenue generated by its operations to finance the capital expenditures required at its mine projects.

Regulatory Risk

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, state and local governments in the jurisdictions in which the Company operates. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal and tailings management, toxic substances, environmental protection, greenhouse gases, mine safety, reporting of payments to governments and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating mines and other facilities. New laws or regulations, amendments to current laws and regulations governing operations and activities on mining properties or more stringent implementation or interpretation thereof could have a material adverse effect on the Company, increase costs, cause a reduction in levels of production and delay or prevent the development of new mining properties. Regulatory enforcement, in the form of compliance or infraction notices, has occurred at some of the Company's mines and, while the current risks related to such enforcement are not expected to be material, the risk of material fines or corrective action cannot be ruled out in the future.

Controls Evaluation

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P").

ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has used the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in order to assess the effectiveness of the Company's ICFR.

DC&P form a broader framework designed to provide reasonable assurance that information required to be disclosed by the Company in its annual and interim filings and other reports filed under securities legislation is recorded, processed, summarized and reported within the time frame specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Together, the ICFR and DC&P frameworks provide internal control over financial reporting and disclosure. The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed in the Company's annual and interim filings and other reports filed under securities legislation, is accumulated and communicated in a timely fashion. Due to their inherent limitations, the Company acknowledges that, no matter how well designed, ICFR and DC&P can provide only reasonable assurance of achieving the desired control objectives and as such may not prevent or detect all misstatements. Further, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may change.

The Company's management, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its ICFR and DC&P as at December 31, 2019. Based on this evaluation, management concluded that the Company's ICFR and DC&P were effective as at December 31, 2019.

Outstanding Securities

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 17, 2020 were exercised:

Common shares outstanding	239,914,359
Employee stock options	4,969,950
Common shares held in a trust in connection with the Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan	933,869
Total	245,818,178

Sustainable Development

In 2019, the Company continued the process of incorporating health, safety and environmental sustainability into all aspects and stages of its business, from the corporate objectives and executive responsibility of 'maintaining high standards in sustainability' to exploration and acquisition activities, day-to-day operating and site closure. The formal integration of this process began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. This policy was updated in 2019 to include clearer commitments to the protection of human rights and a greater emphasis on risk management. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

The Sustainable Development Policy operates through the development and implementation of a formal and integrated Health, Safety and Environmental Management System, termed the Risk Management and Monitoring System (the "RMMS"), across all divisions of the Company. The Partnership has committed to implementing a similar system at Canadian Malartic in the future. The aim of the RMMS is to promote a culture of accountability and leadership in managing health, safety, environmental and social acceptability matters. RMMS implementation is supported by software widely used in the Canadian mining industry that is consistent with the ISO 14001 Environmental Management System and the Occupational Health and Safety Assessment Series 18001 Health and Safety Management System.

The RMMS incorporates the Company's commitments as a signatory to the Cyanide Code, a voluntary program that addresses the safe production, transport, storage, handling and disposal of cyanide. The Company became a signatory to the Cyanide Code in September 2011.

The RMMS also integrates the requirements of the Mining Association of Canada's industry leading Towards Sustainable Mining Initiative (the "TSM Initiative"), as well as the Global Reporting Initiative's ("GRI") sustainability reporting guidelines for the mining industry. The GRI sustainability reporting guidelines consist of principles for defining report content and ensuring the quality of reported information. In December 2010, the Company became a member of the Mining Association of Canada and endorsed the TSM Initiative. The TSM Initiative helps mining companies evaluate the quality, comprehensiveness and robustness of their management systems under eight performance elements: crisis management; energy and greenhouse gas emissions management; tailings management; biodiversity conservation management; health and safety; and indigenous and community relations and water stewardship.

The Company has adopted and implemented the World Gold Council's Conflict Free Gold Standard. This implementation was initiated on January 1, 2013.

In 2017, the Company adopted the Voluntary Principles on Security and Human Rights, a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights. An external audit of the Voluntary Principles was performed at the La India mine in 2018 and the Pinos Altos mine in 2019.

In 2018, the Company adopted an Indigenous Engagement Policy and a Diversity and Inclusion policy. A Diversity Advisory Council was established in 2019. An internal review was completed at each site to identify best practices as well as any obstacles or barriers to the successful implementation of these policies.

In 2019, the Company committed to the application of the World Gold Council's Responsible Mining principles. These commitments will also be integrated into the RMMS.

The Company's Sustainable Development Policy is available on the Company's website at, www.agnicoeagle.com. The Canadian Malartic mine's sustainable development report is available at its website, www.canadianmalartic.com.

Employee Health and Safety

The Company's overall health and safety performance, as measured by accident frequency, improved during 2019. A combined lost time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 0.98 was achieved, a 23% decrease from the 2018 rate of 1.27 and below the target rate of 1.10. Extensive health and safety training continued to be provided to employees during 2019.

The Canadian Malartic mine's combined accident frequency rate in 2019 was 1.20, a slight decrease from the 2018 rate of 1.21 but above the target rate of 0.95.

One of the measures implemented by the Company to improve safety performance is the workplace safety card system. This system was implemented across all of the Company's operations to strengthen the risk-based training program. Developed by the Quebec Mining Association (the "AMQ"), the safety card system teaches workers and supervisors to use risk-based thinking in their duties. Workers and their supervisors must meet every day to discuss on the job health and safety matters. The safety card system also allows the Company's workers and supervisors to document daily inspections and record observations on conditions in the workplace, as well as the nature of risks, issues and other relevant information. In addition, it allows supervisors to exchange and analyze all relevant information between shifts and various technical services to improve efficiency and safety.

In 2019, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 23 of the Company's supervisors from the LaRonde and Goldex mines for keeping their workers safe. The supervisors received AMQ security trophy awards for 50,000 or more hours supervised without a lost time accident. Together, this group of 23 supervisors achieved more than 2.1 million hours supervised without a lost time accident for a member of their crew. The AMQ also recognized 14 supervisors from the Canadian Malartic mine for achieving 2.25 million hours without a lost time accident.

IN 2019, the National Mining Association of Mexico awarded the La India mine the Jorge Rangel Zamorano – Silver Helmet award as the safest mine in Mexico in the open pit category (500 employees) for the second year in a row.

Each of the Company's mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire and environmental emergencies. Each mine also maintains the appropriate response equipment. In 2014, the corporate crisis management plan was updated to align with industry best practices and the TSM Initiative requirements. Emergency response simulations are also performed at all divisions on an annual basis. The TSM Initiative also contains a Health and Safety protocol which has been implemented at all the Company's mining operations.

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workplace as possible, including management teams, directly from the local region in which the operation is located. For example, at the Company's mines in Mexico, 53% of the workforce comes from the local region. In Nunavut, 27% of the workforce is Inuit. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed. In 2018, the Amaruq IIBA was signed. In 2019, the Company continued its dialogue with First Nations around the Kirkland Lake project.

The Company has adopted a reconciliation action plan consistent with the call for action No. 92 of the *Truth and Reconciliation Commission of Canada: Calls to Action*, the first step of which was to give training on First Nations Matters to the Company's senior management which was completed in 2018. In 2019, the Company continued to make progress with this call to action by engaging in discussions with the First Nations communities in the regions of our mines and projects in Nunavut, Quebec and Ontario.

The Canadian Malartic mine continued its contribution to the economic development fund which was established prior to mine development to diversify the local economy throughout the mine life so that the town of Malartic is well equipped to face the eventual mine closure. The Canadian Malartic mine has also participated in forums initiated by the town council on the future of the town of Malartic. As part of ongoing stakeholder engagement, a draft agreement with four First Nations groups has been prepared and presented for consultation by the communities, As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

A Good Neighbour Guide was initiated at the LaRonde Mine in 2019 and will be implemented in 2020. Goldex is in the progress of initiating a similar guide.

The Company continued to support community health and educational initiatives in the region surrounding the Pinos Altos mine, including the establishment of a Goods Deeds Initiative where community members, mining leaders and government officials gathered and achieved more than 2,000 good deeds supporting the environment, local education, health as well as acts of kindness towards community members.

The Company's Code of Business Conduct and Ethics Policy is available on the Company's website at www.agnicoeagle.com.

Environmental

The Company's exploration activities and mining and processing operations are subject to the federal, state, provincial, territorial, regional and local environmental laws and regulations in the jurisdictions in which the Company's activities and facilities are located. These include requirements for planning and implementing the closure and reclamation of mining properties and related financial assurance. Each mine is subject to environmental assessment and permitting processes during development and, in operation, has an environmental management system consistent with ISO 14001 as well as an internal audit program. The Company works closely with regulatory authorities in each jurisdiction where it operates to ensure ongoing compliance.

The Company has reported greenhouse gas emissions and climate change risk factors annually to the Carbon Disclosure Project since 2007.

With respect to activities in 2019, the Canadian Malartic Partnership received four non-compliance notices, two for overpressure and two for nitrogen oxide emissions. The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

The Company's total liability for reclamation and closure cost obligations as at December 31, 2019 was $439.8 million (including the Company's share of the Canadian Malartic reclamation costs) and the Company's environmental remediation expense for the year ended December 31, 2019 was $2.8 million.

The Company's Environmental Policy is available on the Company's website at www.agnicoeagle.com.

Critical IFRS Accounting Policies and Accounting Estimates

The Company's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Agnico Eagle's significant accounting policies including a summary of current and future changes in accounting policies are disclosed in Note 3 in the consolidated annual financial statements.

The preparation of the annual consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates have a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and assumptions that are considered reasonable in the circumstances. Although the Company evaluates its accounting estimates on an ongoing basis using the most current information available, actual results may differ from these estimates. The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the year ended December 31, 2019 are disclosed in Note 4 to the annual consolidated financial statements.

Management has discussed the development and selection of critical accounting policies and estimates with the Audit Committee which has reviewed the Company's disclosure in this MD&A.

Mineral Reserve Data

The scientific and technical information contained in this MD&A relating to Quebec operations has been approved by Daniel Paré, Eng., Vice-President Operations – Eastern Canada; relating to Nunavut operations has been approved by Dominique Girard, Eng., Vice-President, Nunavut Operations; relating to the Finland operations has been approved by Francis Brunet, Eng., Corporate Director Business Strategy; relating to Southern Business operations has been approved by Marc Legault, Eng., Senior Vice-President, Operations – U.S.A. & Latin America; and relating to exploration has been approved by Guy Gosselin, Eng. and P.Geo., Senior Vice-President, Exploration, each of whom is a "Qualified Person" for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The scientific and technical information relating to Agnico Eagle's mineral reserves and mineral resources contained herein (other than the Canadian Malartic mine) has been approved by Dyane Duquette, P.Geo., Corporate Director, Reserve Development; relating to mineral reserves and mineral resources at the Canadian Malartic mine, the Odyssey, the East Malartic and the East Gouldie projects, has been approved by Sylvie Lampron, Eng., Senior Project Mine Engineer at Canadian Malartic Corporation (for enginerring) and Pascal Lehouiller, P. Geo., Senior Resource Geologist at Canadian Malartic Corporation (for geology), each of whom is a "Qualified Person" for the purposes of NI 43-101.

The assumptions used for the mineral reserve estimates at all mines and projects reported in this MD&A (except the Canadian Malartic mine, the Upper Canada project and the Upper Beaver project) as at December 31, 2019 are $1,200 per ounce gold, $15.50 per ounce silver, $1.00 per pound zinc and $2.50 per pound copper. Foreign exchange rates assumptions of C$1.25 per US$1.00, €0.87 per US$1.00 and 17.00 Mexican pesos per US$1.00 were used for all mines and projects other than the Creston Mascota mine and the Sinter satellite deposit at the Pinos Altos mine in Mexico, which used foreign exchange rate assumption of 18.00 Mexican pesos per US$1.00 (other assumptions unchanged) due to their shorter remaining mine lives.

December 31, 2019 mineral reserves at the Canadian Malartic mine, the Upper Canada project and the Upper Beaver project have been estimated using the following assumptions: $1,200 per ounce gold and $2.75 per pound copper; a cut-off grade at the Canadian Malartic mine between 0.40 g/t and 0.43 g/t gold (depending on the deposit); a C$125/tonne net smelter return (NSR) for the Upper Beaver project; and a foreign exchange rate of C$1.25 per US$1.00.

Proven and Probable Mineral Reserves by Property [(i)(ii)]	Tonnes	Gold Grade (Grams per Tonne)	Contained Gold (Ounces)[(iii)]
	(thousands)		*(thousands)*
Proven Mineral Reserves			
LaRonde mine	4,802	5.05	780
LaRonde Zone 5 mine	3,307	2.13	226
Canadian Malartic mine (attributable 50.0%)	23,847	0.83	635
Goldex mine	272	1.85	16
Meadowbank mine	37	2.24	3
Amaruq satellite deposit (part of Meadowbank Complex)	172	1.83	10
Meliadine mine	866	7.14	199
Kittila mine	1,444	4.55	211
Pinos Altos mine	3,334	2.55	273
Creston Mascota mine	1	5.55	–
La India mine	279	0.49	4
Total Proven Mineral Reserves	38,361	1.91	2,357
Probable Mineral Reserves			
LaRonde mine	10,117	6.48	2,108
LaRonde Zone 5 mine	5,980	2.39	460
Canadian Malartic mine (attributable 50.0%)	43,057	1.27	1,754
Goldex mine	20,709	1.61	1,072
Akasaba West project	5,413	0.85	147
Meadowbank mine	–	–	–
Amaruq satellite deposit (part of Meadowbank Complex)	25,903	3.97	3,308
Meliadine mine	19,883	6.05	3,868
Upper Beaver project	7,992	5.43	1,395
Kittila mine	27,481	4.40	3,885
Pinos Altos mine	11,124	1.91	684
Creston Mascota mine	757	2.49	61
La India mine	20,152	0.75	486
Total Probable Mineral Reserves	198,569	3.01	19,227
Total Proven and Probable Mineral Reserves	236,930	2.83	21,585

Notes:

(i) Amounts presented in this table have been rounded to the nearest thousand and therefore totals may differ slightly from the addition of the numbers.

(ii) Complete information on the verification procedures, quality assurance program, quality control procedures, expected payback period of capital, parameters and

methods and other factors that may materially affect scientific and technical information presented in this MD&A and definitions of certain terms used herein may be found in: the AIF under the heading "Information on Mineral Reserves and Mineral Resources of the Company"; the Technical Report on the 2005 LaRonde Mineral Resource & Mineral Reserve Estimate filed with Canadian securities regulatory authorities on SEDAR on March 23, 2005; the Technical Report on the December 31, 2009, Mineral Resource and Mineral Reserve Estimate and the Suuri Extension Project, Kittila Mine, Finland filed with the Canadian securities regulatory authorities on SEDAR on March 4, 2010; the Technical Report on the Mineral Resources and Mineral Reserves at Meadowbank Gold Complex including the Amaruq satellite deposit, Nunavut, Canada as at December 31, 2017 filed with Canadian securities regulatory authorities on SEDAR on March 22, 2018; the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on Mineral Resources and Reserves as of December 31, 2008 filed with Canadian securities regulatory authorities on March 25, 2009; the Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada dated February 11, 2015 filed with Canadian securities regulatory authorities on SEDAR on March 12, 2015; the Technical Report on the June 30, 2012 Update of the Mineral Resources and Mineral Reserves, La India Gold Project, Municipality of Sahuaripa, Sonora, Mexico dated August 31, 2012 filed with Canadian securities regulatory authorities on SEDAR on October 12, 2012; the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012; and the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property as at June 16, 2014 filed with Canadian securities regulatory authorities on SEDAR on August 13, 2014.

(iii) Total contained gold ounces does not include equivalent gold ounces for the by-product metals contained in the mineral reserves.

Non-GAAP Financial Performance Measures

This MD&A presents certain financial performance measures, including adjusted net income, total cash costs per ounce of gold produced (on both a by-product and co-product basis), minesite costs per tonne and all-in sustaining costs per ounce of gold produced (on both a by-product and co-product basis), that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

Adjusted Net Income

Adjusted net income is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting net income as recorded in the consolidated statements of income (loss) for non-recurring, unusual and other items. The Company believes that this generally accepted industry measure allows the evaluation of the results of continuing operations and is useful in making comparisons between periods. Adjusted net income is intended to provide investors with information about the Company's continuing income generating capabilities. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS. The Company does not exclude stock-based compensation expense in its calculation of adjusted net income. Stock option expense for the year ended December 31, 2019 was $16.1 million (2018 – $19.3 million; 2017 – $19.2 million).

	2019	2018	2017
	(thousands of United States dollars)		
Net income (loss) for the year	$ 473,166	$ (326,701)	$ 240,795
Impairment loss on equity securities	–	–	8,532
Foreign currency translation loss	4,850	1,991	13,313
(Gain) loss on derivative financial instruments	(17,124)	6,065	(17,898)
Impairment reversal	(345,821)	–	–
Impairment loss[(i)]	–	389,693	–
Income and mining taxes adjustments[(ii)]	118,820	7,629	(24,921)
Other[(iii)]	(4,447)	(6,802)	14,006
Adjusted net income for the year	$ 229,444	$ 71,875	$ 233,827
Net income (loss) per share – basic	$ 2.00	$ (1.40)	$ 1.05
Net income (loss) per share – diluted	$ 1.99	$ (1.40)	$ 1.04
Adjusted net income per share – basic	$ 0.97	$ 0.31	$ 1.02
Adjusted net income per share – diluted	$ 0.96	$ 0.31	$ 1.01

Notes:

(i) The Company did not record a tax impact on the impairment loss as a result of the initial recognition exemption which does not require deferred tax to be recorded on goodwill or asset acquisitions.

(ii) Income and mining taxes adjustments reflect foreign currency translation recorded to the income and mining taxes expense, recognition of previously unrecognized capital losses, the result of income and mining tax audits, impact of tax law changes, tax impact on impairment reversal, and reflective adjustments to prior period operating results.

(iii) The Company includes certain adjustments in "Other" to the extent that management believes that these items are not reflective of the underlying performance of the Company's core operating business. Examples of items historically included in "Other" include changes in estimates of asset retirement obligations at closed sites and gains and losses on the disposal of assets.

Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne

The Company believes that total cash costs per ounce of gold produced and minesite costs per tonne are realistic indicators of operating performance and facilitate period over period comparisons. However, both of these non-GAAP generally accepted industry measures should be considered together with other data prepared in accordance with IFRS. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash- generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

Agnico Eagle's primary business is gold production and the focus of its current operations and future development is on maximizing returns from gold production, with other metal production being incidental to the gold production process. Accordingly, all metals other than gold are considered by-products.

Total cash costs per ounce of gold produced is reported on a by-product basis because (i) the majority of the Company's revenues are gold revenues, (ii) the Company mines ore, which contains gold, silver, zinc, copper and other metals, (iii) it is not possible to specifically assign all costs to revenues from the gold, silver, zinc, copper and other metals the Company produces and (iv) it is a method used by management and the Board to monitor operations.

Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in production levels and compensates for this inherent limitation by using this measure in conjunction with processing costs prepared in accordance with IFRS.

The following tables set out a reconciliation of total cash costs per ounce of gold produced (on both a by-product basis and co-product basis) and minesite costs per tonne to production costs, exclusive of amortization, as presented in the consolidated statements of income (loss) in accordance with IFRS.

Total Production Costs by Mine

(thousands of United States dollars)	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
LaRonde mine	$ 215,012	$ 228,294	$ 185,488
LaRonde Zone 5 mine	41,212	12,991	–
Lapa mine	2,844	27,870	38,786
Goldex mine	82,533	78,533	71,015
Meadowbank Complex	180,848	211,147	224,364
Meliadine mine	142,932	–	–
Canadian Malartic mine[(i)]	208,178	199,761	188,568
Kittila mine	142,517	157,032	148,272
Pinos Altos mine	130,190	138,362	108,726
Creston Mascota mine	35,801	37,270	31,490
La India mine	65,638	69,095	61,133
Production costs per the consolidated statements of income (loss)	$ 1,247,705	$ 1,160,355	$ 1,057,842

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced [(ii)] by Mine and Reconciliation of Production Costs to Minesite Costs per Tonne[(iii)] by Mine

(thousands of United States dollars, except as noted)

LaRonde Mine Per Ounce of Gold Produced[(ii)]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		343,154		343,686		348,870
Production costs	$ 215,012	$ 627	$ 228,294	$ 664	$ 185,488	$ 532
Inventory and other adjustments[(iv)]	11,595	33	(10,475)	(30)	26,246	75
Cash operating costs (co-product basis)	$ 226,607	$ 660	$ 217,819	$ 634	$ 211,734	$ 607
By-product metal revenues	(67,224)	(196)	(64,973)	(189)	(70,054)	(201)
Cash operating costs (by-product basis)	$ 159,383	$ 464	$ 152,846	$ 445	$ 141,680	$ 406

LaRonde Mine Per Tonne[(iii)]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,057		2,108		2,246
Production costs	$ 215,012	$ 105	$ 228,294	$ 108	$ 185,488	$ 83

Production costs (C$)	C$	285,423	C$	139	C$	293,094	C$	139	C$	243,638	C$	108
Inventory and other adjustments (C$)[v]		(27,629)		(14)		(41,568)		(20)		(1,107)		–
Minesite operating costs (C$)	C$	257,794	C$	125	C$	251,526	C$	119	C$	242,531	C$	108

LaRonde Zone 5 Mine Per Ounce of Gold Produced[ii][vi]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		59,830		18,620		–
Production costs	$ 41,212	$ 689	$ 12,991	$ 698	$ –	$ –
Inventory and other adjustments[iv]	2,169	36	656	35	–	–
Cash operating costs (co-product basis)	$ 43,381	$ 725	$ 13,647	$ 733	$ –	$ –
By-product metal revenues	(185)	(3)	(21)	(1)	–	–
Cash operating costs (by-product basis)	$ 43,196	$ 722	$ 13,626	$ 732	$ –	$ –

LaRonde Zone 5 Mine Per Tonne[iii][vii]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		870		225		–
Production costs	$ 41,212	$ 47	$ 12,991	$ 58	$ –	$ –
Production costs (C$)	C$ 54,644	C$ 63	C$ 17,028	C$ 76	C$ –	C$ –
Inventory and other adjustments (C$)[v]	2,855	3	945	4	–	–
Minesite operating costs (C$)	C$ 57,499	C$ 66	C$ 17,973	C$ 80	C$ –	C$ –

Lapa Mine Per Ounce of Gold Produced[ii][viii]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		–		34,026		48,410
Production costs	$ 2,844	$ –	$ 27,870	$ 819	$ 38,786	$ 801
Inventory and other adjustments[iv]	(2,844)	–	1,843	54	(2,143)	(44)
Cash operating costs (co-product basis)	$ –	$ –	$ 29,713	$ 873	$ 36,643	$ 757
By-product metal revenues	–	–	(26)	(1)	(112)	(2)
Cash operating costs (by-product basis)	$ –	$ –	$ 29,687	$ 872	$ 36,531	$ 755

Lapa Mine Per Tonne[iii]	Year Ended December 31, 2019		Year Ended December 31, 2018		Year Ended December 31, 2017	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		–		311		398

Production costs	$	2,844	$	–	$	27,870	$	90	$	38,786	$	97
Production costs (C$)	C$	3,723	C$	–	C$	35,854	C$	115	C$	50,976	C$	128
Inventory and other adjustments (C$)[v]		(3,723)		–		2,369		8		(3,166)		(8)
Minesite operating costs (C$)	C$	–	C$	–	C$	38,223	C$	123	C$	47,810	C$	120

Goldex Mine **Per Ounce of Gold Produced[ii][ix]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		140,884		121,167		110,906
Production costs	$ 82,533	$ 586	$ 78,533	$ 648	$ 71,015	$ 640
Inventory and other adjustments[iv]	(289)	(2)	(219)	(2)	(3,289)	(29)
Cash operating costs (co-product basis)	$ 82,244	$ 584	$ 78,314	$ 646	$ 67,726	$ 611
By-product metal revenues	(33)	–	(25)	–	(24)	(1)
Cash operating costs (by-product basis)	$ 82,211	$ 584	$ 78,289	$ 646	$ 67,702	$ 610

Goldex Mine **Per Tonne[iii][x]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,785		2,625		2,396
Production costs	$ 82,533	$ 30	$ 78,533	$ 30	$ 71,015	$ 30
Production costs (C$)	C$ 109,373	C$ 39	C$ 101,787	C$ 39	C$ 91,998	C$ 38
Inventory and other adjustments (C$)[v]	(245)	–	44	–	(2,404)	(1)
Minesite operating costs (C$)	C$ 109,128	C$ 39	C$ 101,831	C$ 39	C$ 89,594	C$ 37

Meadowbank Complex **Per Ounce of Gold Produced[ii][xi]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		158,208		248,997		352,526
Production costs	$ 180,848	$ 1,143	$ 211,147	$ 848	$ 224,364	$ 636
Inventory and other adjustments[iv]	2,859	18	(5,769)	(23)	(3,127)	(8)
Cash operating costs (co-product basis)	$ 183,707	$ 1,161	$ 205,378	$ 825	$ 221,237	$ 628
By-product metal revenues	(1,391)	(9)	(2,685)	(11)	(4,714)	(14)
Cash operating costs (by-product basis)	$ 182,316	$ 1,152	$ 202,693	$ 814	$ 216,523	$ 614

Meadowbank Complex **Per Tonne[iii][xii]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)			2,381			3,262		3,853
Production costs	$	180,848	$ 76	$	211,147	$ 65	$ 224,364	$ 58
Production costs (C$)	C$	240,014	C$ 101	C$	272,140	C$ 83	C$ 292,216	C$ 76
Inventory and other adjustments (C$)[v]		6,292	2		(4,477)	(1)	1,512	–
Minesite operating costs (C$)	C$	246,306	C$ 103	C$	267,663	C$ 82	C$ 293,728	C$ 76

Meliadine Mine **Per Ounce of Gold Produced[ii][xiii]**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			191,113		–		–
Production costs	$	142,932	$ 748	$ –	$ –	$ –	$ –
Inventory and other adjustments[iv]		389	2	–	–	–	–
Cash operating costs (co-product basis)	$	143,321	$ 750	$ –	$ –	$ –	$ –
By-product metal revenues		(286)	(2)	–	–	–	–
Cash operating costs (by-product basis)	$	143,035	$ 748	$ –	$ –	$ –	$ –

Meliadine Mine **Per Tonne[iii][xiv]**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
		(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			773		–		–
Production costs	$	142,932	$ 185	$ –	$ –	$ –	$ –
Production costs (C$)	C$	188,680	C$ 244	C$ –	C$ –	C$ –	C$ –
Inventory and other adjustments (C$)[v]		1,409	2	–	–	–	–
Minesite operating costs (C$)	C$	190,089	C$ 246	C$ –	C$ –	C$ –	C$ –

Canadian Malartic Mine[i] **Per Ounce of Gold Produced[ii][xv]**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			331,459		348,600		316,731
Production costs	$	208,178	$ 628	$ 199,761	$ 573	$ 188,568	$ 595
Inventory and other adjustments[iv]		(723)	(2)	1,947	6	(497)	(1)
Cash operating costs (co-product basis)	$	207,455	$ 626	$ 201,708	$ 579	$ 188,071	$ 594
By-product metal revenues		(6,711)	(20)	(6,806)	(20)	(5,759)	(18)
Cash operating costs (by-product basis)	$	200,744	$ 606	$ 194,902	$ 559	$ 182,312	$ 576

Canadian Malartic Mine[i] **Per Tonne[iii][xvi]**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
		(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)				10,391			10,242			10,179
Production costs	$	208,178	$	20	$	199,761	$	20	$	188,568	$	19
Production costs (C$)	C$	274,786	C$	26	C$	258,291	C$	25	C$	243,903	C$	24
Inventory and other adjustments (C$)[v]		(2,201)		–		2,972		–		(3,567)		–
Minesite operating costs (C$)	C$	272,585	C$	26	C$	261,263	C$	25	C$	240,336	C$	24

Kittila Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		186,101		188,979		196,938
Production costs	$ 142,517	$ 766	$ 157,032	$ 831	$ 148,272	$ 753
Inventory and other adjustments[iv]	(5,314)	(29)	4,374	23	213	1
Cash operating costs (co-product basis)	$ 137,203	$ 737	$ 161,406	$ 854	$ 148,485	$ 754
By-product metal revenues	(238)	(1)	(186)	(1)	(192)	(1)
Cash operating costs (by-product basis)	$ 136,965	$ 736	$ 161,220	$ 853	$ 148,293	$ 753

Kittila Mine **Per Tonne[iii]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		1,591		1,827		1,685
Production costs	$ 142,517	$ 90	$ 157,032	$ 86	$ 148,272	$ 88
Production costs (€)	€ 127,355	€ 80	€ 133,817	€ 73	€ 131,111	€ 78
Inventory and other adjustments (€)[v]	(5,882)	(4)	2,545	2	(79)	–
Minesite operating costs (€)	€ 121,473	€ 76	€ 136,362	€ 75	€ 131,032	€ 78

Pinos Altos Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		155,124		181,057		180,859
Production costs	$ 130,190	$ 839	$ 138,362	$ 764	$ 108,726	$ 601
Inventory and other adjustments[iv]	4,229	28	(2,767)	(15)	5,926	33
Cash operating costs (co-product basis)	$ 134,419	$ 867	$ 135,595	$ 749	$ 114,652	$ 634
By-product metal revenues	(35,322)	(228)	(36,301)	(201)	(43,169)	(239)
Cash operating costs (by-product basis)	$ 99,097	$ 639	$ 99,294	$ 548	$ 71,483	$ 395

Pinos Altos Mine **Per Tonne[iii]**	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		2,007		2,218		2,308

Production costs	$	130,190	$	65	$	138,362	$	62	$	108,726	$	47
Inventory and other adjustments [v]		3,074		1		(3,061)		(1)		6,065		3
Minesite operating costs	$	133,264	$	66	$	135,301	$	61	$	114,791	$	50

Creston Mascota Mine Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		48,380		40,180		48,384
Production costs	$ 35,801	$ 740	$ 37,270	$ 928	$ 31,490	$ 651
Inventory and other adjustments[iv]	678	14	1,326	33	862	18
Cash operating costs (co-product basis)	$ 36,479	$ 754	$ 38,596	$ 961	$ 32,352	$ 669
By-product metal revenues	(9,671)	(200)	(4,818)	(120)	(4,535)	(94)
Cash operating costs (by-product basis)	$ 26,808	$ 554	$ 33,778	$ 841	$ 27,817	$ 575

Creston Mascota Mine Per Tonne[iii]	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		1,067		1,422		2,196
Production costs	$ 35,801	$ 34	$ 37,270	$ 26	$ 31,490	$ 14
Inventory and other adjustments[v]	(122)	(1)	853	1	559	1
Minesite operating costs	$ 35,679	$ 33	$ 38,123	$ 27	$ 32,049	$ 15

La India Mine Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		82,190		101,357		101,150
Production costs	$ 65,638	$ 799	$ 69,095	$ 682	$ 61,133	$ 604
Inventory and other adjustments[iv]	4,166	50	3,084	30	2,958	30
Cash operating costs (co-product basis)	$ 69,804	$ 849	$ 72,179	$ 712	$ 64,091	$ 634
By-product metal revenues	(2,184)	(26)	(2,777)	(27)	(5,392)	(54)
Cash operating costs (by-product basis)	$ 67,620	$ 823	$ 69,402	$ 685	$ 58,699	$ 580

La India Mine Per Tonne[iii]	**Year Ended December 31, 2019**		**Year Ended December 31, 2018**		**Year Ended December 31, 2017**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		5,402		6,128		5,965
Production costs	$ 65,638	$ 12	$ 69,095	$ 11	$ 61,133	$ 10

Inventory and other adjustments [v]		2,591	1	2,109	1	1,545	1
Minesite operating costs	$	68,229	$ 13	$ 71,204	$ 12	$ 62,678	$ 11

Notes:

(i) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(ii) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

(iii) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

(iv) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(v) This inventory and other adjustment reflects production costs associated with the portion of production still in inventory and smelting, refining and marketing charges associated with production.

(vi) The LZ5 mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 515 ounces of payable gold production and the associated costs which were produced prior to the achievement of commercial production.

(vii) The LZ5 mine's per tonne calculations for the year ended December 31, 2017 exclude 7,709 tonnes and the associated costs which were processed prior to the achievement of commercial production.

(viii) The Lapa mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 5 ounces of payable gold production, which were credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the Lapa mine on December 31, 2018. In addition, the Lapa mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 203 ounces of payable gold production as a result of the Lapa mill being placed on temporary maintenance.

(ix) The Goldex mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 8,041 ounces of payable gold production and the associated costs related to the Deep 1 Zone which were produced prior to the achievement of commercial production.

(x) The Goldex mine's per tonne calculations for the year ended December 31, 2017 exclude 175,514 tonnes processed and the associated costs related to the Deep 1 Zone which were processed prior to the achievement of commercial production.

(xi) The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 35,281 ounces of payable gold production which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(xii) The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2019 exclude 369,519 tonnes which were processed prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(xiii) The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 47,281 ounces of payable gold production which were produced prior to the achievement of commercial production on May 14, 2019.

(xiv) The Meliadine mine's cost calculations per tonne for the year ended December 31, 2019 exclude 263,749 tonnes which were processed prior to the achievement of commercial production on May 14, 2019.

(xv) The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 3,137 ounces of payable gold production which were produced during this period as commercial production at the Barnat deposit has not yet been achieved.

(xvi) The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2019 exclude 133,615 tonnes which were processed during this period as commercial production at the Barnat deposit has not yet been achieved.

All-in Sustaining Costs per Ounce of Gold Produced

The WGC is a non-regulatory market development organization for the gold industry. Although the WGC is not a mining industry regulatory organization, it has worked closely with its member companies to develop relevant non-GAAP measures. The Company follows the guidance on all-in sustaining costs released by the WGC in November 2018. Adoption of the all-in sustaining costs metric is voluntary and, notwithstanding the Company's adoption of the WGC's guidance, all-in sustaining costs per ounce of gold produced reported by the Company may not be comparable to data reported by other gold mining companies. The Company believes that this measure provides helpful information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other gold mining companies that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future.

The following table sets out a reconciliation of production costs to all-in sustaining costs per ounce of gold produced for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues).

Reconciliation of Production Costs to All-in Sustaining Costs per Ounce of Gold Produced

(United States dollars per ounce of gold produced, except where noted)	**Year Ended December 31, 2019**	**Year Ended December 31, 2018**	**Year Ended December 31, 2017**
Production costs per the consolidated statements of income (loss) (thousands of United States dollars)	$1,247,705	$1,160,355	$1,057,842
Adjusted gold production (ounces) [(i)(ii)(iii)(iv)(v)(vi)]	1,696,443	1,626,669	1,704,774
Production costs per ounce of adjusted gold production	$735	$713	$621
Adjustments:			
Inventory and other adjustments [(vii)]	10	(3)	16
Total cash costs per ounce of gold produced (co-product basis) [(viii)]	$745	$710	$637
By-product metal revenues	(72)	(73)	(79)
Total cash costs per ounce of gold produced (by-product basis) [(viii)]	$673	$637	$558
Adjustments:			
Sustaining capital expenditures (including capitalized exploration)	185	159	176
General and administrative expenses (including stock options)	71	77	67
Non-cash reclamation provision, sustaining leases and other	9	4	3
All-in sustaining costs per ounce of gold produced (by-product basis)	$938	$877	$804
By-product metal revenues	72	73	79
All-in sustaining costs per ounce of gold produced (co-product basis)	$1,010	$950	$883

Notes:

(i) Adjusted gold production for the year ended December 31, 2017 excludes 515 ounces of payable gold production at the LZ5 mine, which were produced prior to the achievement of commercial production.

(ii) Adjusted gold production for the year ended December 31, 2017 excludes 8,041 ounces of payable gold production at the Goldex mine, which were produced prior to the achievement of commercial production at the Deep 1 Zone.

(iii) Adjusted gold production for the year ended December 31, 2019 excludes 5 ounces of payable gold production at the Lapa mine which were credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the site on December 31, 2018. In addition, the Lapa mine's adjusted gold production for the year ended December 31, 2017 excludes 203 ounces of payable gold production as a result of the Lapa mill being placed on temporary maintenance.

(iv) Adjusted gold production for the year ended December 31, 2019 excludes 35,281 ounces of payable gold production at the Meadowbank Complex, which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(v) Adjusted gold production for the year ended December 31, 2019 excludes 47,281 ounces of payable gold production at the Meliadine mine, which were produced prior to the achievement of commercial production on May 14, 2019.

(vi) Adjusted gold production for the year ended December 31, 2019 excludes 3,137 ounces of payable gold production at the Canadian Malartic mine, which were produced during this period as commercial production at the Barnat deposit has not yet been achieved.

(vii) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments are represented by the inclusion of smelting, refining and marketing charges and exclusion of charges not directly associated with the production of minerals.

(viii) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2019	**June 30, 2019**	**September 30, 2019**	**December 31, 2019**	**Total 2019**
Operating margin[(i)]:					
Revenues from mining operations	$ 532,223	$ 526,611	$ 682,959	$ 753,099	$ 2,494,892
Production costs	276,893	279,497	316,346	374,969	1,247,705
Total operating margin[(i)]	255,330	247,114	366,613	378,130	1,247,187
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	65,202	66,902	93,223	111,865	337,192
LaRonde Zone 5 mine	5,079	8,882	12,238	12,954	39,153
Lapa mine	2,033	–	–	–	2,033
Goldex mine	24,964	25,126	33,197	31,200	114,487
Meadowbank Complex	19,030	9,244	9,227	3,303	40,804
Meliadine mine	–	15,033	50,323	61,970	127,326
Canadian Malartic mine[(ii)]	54,629	60,232	70,263	73,015	258,139
Kittila mine	25,239	8,205	44,696	39,666	117,806
Southern Business					
Pinos Altos mine	34,099	27,281	30,003	28,004	119,387
Creston Mascota mine	11,115	14,863	12,203	4,041	42,222
La India mine	13,940	11,346	11,240	12,112	48,638
Total operating margin[(i)]	255,330	247,114	366,613	378,130	1,247,187
Gain on impairment reversal	–	–	–	(345,821)	(345,821)
Amortization of property, plant and mine development	128,242	124,203	143,293	150,319	546,057
Exploration, corporate and other	74,567	80,091	83,864	69,687	308,209
Income before income and mining taxes	52,521	42,820	139,456	503,945	738,742
Income and mining taxes	15,489	15,048	62,789	172,250	265,576
Net income for the period	$ 37,032	$ 27,772	$ 76,667	$ 331,695	$ 473,166
Net income per share – basic (US$)	$ 0.16	$ 0.12	$ 0.32	$ 1.39	$ 2.00
Net income per share – diluted (US$)	$ 0.16	$ 0.12	$ 0.32	$ 1.38	$ 1.99
Cash flows:					
Cash provided by operating activities	$ 148,690	$ 126,301	$ 349,233	$ 257,468	$ 881,692

Cash used in investing activities	$ (227,606)	$ (233,238)	$ (245,829)	$ (167,211)	$ (873,884)
Cash (used in) provided by financing activities	$ (33,454)	$ 34,906	$ 37,249	$ (28,091)	$ 10,610

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total 2019
Realized prices (US$):					
Gold (per ounce)	$ 1,303	$ 1,318	$ 1,480	$ 1,489	$ 1,406
Silver (per ounce)	$ 15.65	$ 14.83	$ 17.46	$ 17.55	$ 16.38
Zinc (per tonne)	$ 2,673	$ 2,811	$ 2,415	$ 2,398	$ 2,607
Copper (per tonne)	$ 6,087	$ 6,036	$ 5,569	$ 5,948	$ 5,892
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	77,433	76,587	91,664	97,470	343,154
LaRonde Zone 5 mine	12,988	16,170	15,438	15,234	59,830
Lapa mine	5	–	–	–	5
Goldex mine	34,454	34,325	37,142	34,963	140,884
Meadowbank Complex	43,502	39,457	48,870	61,660	193,489
Meliadine mine	17,582	61,112	78,093	81,607	238,394
Canadian Malartic mine[ii]	83,670	84,311	81,573	85,042	334,596
Kittila mine	49,336	20,077	61,343	55,345	186,101
Southern Business					
Pinos Altos mine	42,730	41,740	34,832	35,822	155,124
Creston Mascota mine	13,529	18,336	9,596	6,919	48,380
La India mine	22,988	20,200	18,386	20,616	82,190
Total gold (ounces)	398,217	412,315	476,937	494,678	1,782,147
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	197	196	227	263	883
LaRonde Zone 5 mine	2	3	2	5	12
Lapa mine	1	–	–	–	1
Goldex mine	–	1	–	1	2
Meadowbank Complex	22	20	29	15	86
Meliadine mine	1	4	6	7	18
Canadian Malartic mine[ii]	111	94	102	114	421
Kittila mine	4	2	4	3	13
Southern Business					
Pinos Altos mine	562	563	517	519	2,161

Creston Mascota mine	133	216	134	97	580
La India mine	46	33	27	27	133
Total silver (thousands of ounces)	1,079	1,132	1,048	1,051	4,310
Zinc (tonnes)	2,834	4,407	3,475	2,445	13,161
Copper (tonnes)	808	702	958	929	3,397

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total 2019
Payable metal sold:					
Gold (ounces)					
Northern Business					
LaRonde mine	89,857	75,777	90,867	104,197	360,698
LaRonde Zone 5 mine	8,222	16,172	15,368	17,236	56,998
Lapa mine	3,777	–	–	–	3,777
Goldex mine	33,811	34,729	36,488	36,357	141,385
Meadowbank Complex	46,668	38,807	52,211	53,710	191,396
Meliadine mine	3,210	57,345	71,407	81,328	213,290
Canadian Malartic mine[(ii)(iv)]	74,846	79,800	77,595	83,215	315,456
Kittila mine	49,205	22,620	60,020	52,595	184,440
Southern Business					
Pinos Altos mine	42,455	39,500	37,535	36,260	155,750
Creston Mascota mine	14,610	16,400	12,285	7,310	50,605
La India mine	24,309	20,620	17,385	19,225	81,539
Total gold (ounces)	390,970	401,770	471,161	491,433	1,755,334
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	186	221	212	264	883
LaRonde Zone 5 mine	2	3	2	4	11
Lapa mine	2	–	–	–	2
Goldex mine	–	1	–	1	2
Meadowbank Complex	23	14	32	15	84
Meliadine mine	–	1	–	15	16
Canadian Malartic mine[(ii)(iv)]	94	104	83	105	386
Kittila mine	4	4	1	5	14
Southern Business					
Pinos Altos mine	560	500	576	522	2,158
Creston Mascota mine	140	175	160	100	575
La India mine	54	34	26	26	140
Total silver (thousands of ounces)	1,065	1,057	1,092	1,057	4,271
Zinc (tonnes)	1,586	4,999	4,075	1,632	12,292
Copper (tonnes)	764	734	947	945	3,390

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2018	**June 30, 2018**	**September 30, 2018**	**December 31, 2018**	**Total 2018**
Operating margin[(i)]:					
Revenues from mining operations	$ 578,435	$ 556,282	$ 518,683	$ 537,821	$ 2,191,221
Production costs	295,326	303,695	276,862	284,472	1,160,355
Total operating margin[(i)]	283,109	252,587	241,821	253,349	1,030,866
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	89,760	74,517	65,405	58,697	288,379
LaRonde Zone 5 mine	–	334	2,402	5,600	8,336
Lapa mine	289	6,303	1,467	3,868	11,927
Goldex mine	18,052	18,686	17,837	19,318	73,893
Meadowbank Complex	30,193	21,001	32,816	27,985	111,995
Canadian Malartic mine[(ii)]	62,261	67,680	58,478	60,346	248,765
Kittila mine	23,309	15,312	19,115	22,516	80,252
Southern Business					
Pinos Altos mine	37,219	29,620	29,072	36,582	132,493
Creston Mascota mine	7,636	3,313	1,660	4,794	17,403
La India mine	14,390	15,821	13,569	13,643	57,423
Total operating margin[(i)]	283,109	252,587	241,821	253,349	1,030,866
Impairment loss	–	–	–	389,693	389,693
Amortization of property, plant and mine development	134,370	138,469	143,859	137,235	553,933
Exploration, corporate and other	79,386	73,710	79,502	113,694	346,292
Income (loss) before income and mining taxes	69,353	40,408	18,460	(387,273)	(259,052)
Income and mining taxes	24,423	35,436	1,407	6,383	67,649
Net income (loss) for the period	$ 44,930	$ 4,972	$ 17,053	$ (393,656)	$ (326,701)
Net income (loss) per share – basic (US$)	$ 0.19	$ 0.02	$ 0.07	$ (1.68)	$ (1.40)
Net income (loss) per share – diluted (US$)	$ 0.19	$ 0.02	$ 0.07	$ (1.68)	$ (1.40)
Cash flows:					
Cash provided by operating activities	$ 207,706	$ 120,087	$ 137,573	$ 140,284	$ 605,650
Cash used in investing activities	$ (354,717)	$ (201,405)	$ (311,870)	$ (336,376)	$ (1,204,368)

Cash (used in) provided by financing activities	$ (34,348)	$ 340,498	$ (13,952)	$ (18,099)	$ 274,099

	Three Months Ended				
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Total 2018
Realized prices (US$):					
Gold (per ounce)	$ 1,332	$ 1,293	$ 1,204	$ 1,235	$ 1,266
Silver (per ounce)	$ 16.76	$ 16.43	$ 14.20	$ 14.53	$ 15.51
Zinc (per tonne)	$ 3,439	$ 3,144	$ 2,615	$ 2,568	$ 3,034
Copper (per tonne)	$ 7,201	$ 6,760	$ 5,900	$ 6,126	$ 6,543
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	89,785	84,526	88,353	81,022	343,686
LaRonde Zone 5 mine	–	4,601	3,823	10,196	18,620
Lapa mine	1,722	14,533	10,464	7,307	34,026
Goldex mine	27,924	30,480	31,255	31,508	121,167
Meadowbank Complex	61,447	59,627	68,259	59,664	248,997
Canadian Malartic mine[ii]	83,403	91,863	88,602	84,732	348,600
Kittila mine	48,118	42,049	49,459	49,353	188,979
Southern Business					
Pinos Altos mine	41,836	43,646	46,405	49,170	181,057
Creston Mascota mine	11,988	8,716	8,024	11,452	40,180
La India mine	23,055	24,920	27,074	26,308	101,357
Total gold (ounces)	389,278	404,961	421,718	410,712	1,626,669
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	367	234	234	205	1,040
LaRonde Zone 5 mine	–	–	1	1	2
Lapa mine	–	1	–	1	2
Goldex mine	–	1	–	–	1
Meadowbank Complex	60	48	35	28	171
Canadian Malartic mine[ii]	106	117	110	104	437
Kittila mine	3	3	3	4	13
Southern Business					
Pinos Altos mine	541	538	658	631	2,368
Creston Mascota mine	91	77	59	83	310
La India mine	45	37	44	54	180

Total silver (thousands of ounces)	1,213	1,056	1,144	1,111	4,524
Zinc (tonnes)	1,046	2,778	872	3,168	7,864
Copper (tonnes)	1,292	961	1,026	914	4,193

	Three Months Ended				
	March 31, 2018	**June 30, 2018**	**September 30, 2018**	**December 31, 2018**	**Total 2018**
Payable metal sold:					
Gold (ounces)					
Northern Business					
LaRonde mine	101,825	94,868	86,292	81,831	364,816
LaRonde Zone 5 mine	–	683	7,155	9,631	17,469
Lapa mine	613	13,286	6,335	11,640	31,874
Goldex mine	27,458	30,531	30,884	31,748	120,621
Meadowbank Complex	68,125	59,126	67,153	58,610	253,014
Canadian Malartic mine[(ii)(iv)]	77,045	84,920	84,303	84,352	330,620
Kittila mine	49,780	41,758	48,340	47,993	187,871
Southern Business					
Pinos Altos mine	46,360	43,653	44,714	50,717	185,444
Creston Mascota mine	11,889	9,499	7,795	10,409	39,592
La India mine	22,030	25,362	26,005	25,067	98,464
Total gold (ounces)	405,125	403,686	408,976	411,998	1,629,785
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	362	249	225	207	1,043
LaRonde Zone 5 mine	–	–	1	–	1
Lapa mine	–	1	–	1	2
Goldex mine	–	1	–	1	2
Meadowbank Complex	58	51	35	26	170
Canadian Malartic mine[(ii)(iv)]	87	107	110	90	394
Kittila mine	4	2	3	4	13
Southern Business					
Pinos Altos mine	611	528	659	644	2,442
Creston Mascota mine	86	81	59	75	301
La India mine	47	41	37	51	176
Total silver (thousands of ounces)	1,255	1,061	1,129	1,099	4,544
Zinc (tonnes)	2,530	2,979	1,118	1,896	8,523
Copper (tonnes)	1,288	945	1,036	926	4,195

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(iii) Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

(iv) The Canadian Malartic mine's payable metal sold excludes the 5.0% net smelter return royalty granted to Osisko Gold Royalties Ltd., in connection with the Company's acquisition of its 50% interest of the Canadian Malartic mine.

AGNICO EAGLE MINES LIMITED
THREE YEAR FINANCIAL AND OPERATING SUMMARY
(thousands of United States dollars, except where noted)

	2019	2018	2017
Revenues from mining operations	$ 2,494,892	$ 2,191,221	$ 2,242,604
Production costs	1,247,705	1,160,355	1,057,842
Operating margin[(i)]	1,247,187	1,030,866	1,184,762
Amortization of property, plant and mine development	546,057	553,933	508,739
Impairment (reversal) loss	(345,821)	389,693	–
Exploration, corporate and other	308,209	346,292	336,734
Income (loss) before income and mining taxes	738,742	(259,052)	339,289
Income and mining taxes	265,576	67,649	98,494
Net income (loss) for the year	$ 473,166	$ (326,701)	$ 240,795
Net income (loss) per share – basic	$ 2.00	$ (1.40)	$ 1.05
Net income (loss) per share – diluted	$ 1.99	$ (1.40)	$ 1.04
Operating cash flow	$ 881,692	$ 605,650	$ 767,557
Investing cash flow	$ (873,884)	$ (1,204,368)	$ (1,000,052)
Financing cash flow	$ 10,610	$ 274,099	$ 329,167
Dividends declared per share	$ 0.55	$ 0.44	$ 0.41
Capital expenditures per Consolidated Statements of Cash Flows	$ 882,664	$ 1,089,100	$ 874,153
Average gold price per ounce realized	$ 1,406	$ 1,266	$ 1,261
Average silver price per ounce realized	$ 16.38	$ 15.51	$ 17.07
Average zinc price per tonne realized	$ 2,607	$ 3,034	$ 2,829
Average copper price per tonne realized	$ 5,892	$ 6,543	$ 6,345
Weighted average number of common shares outstanding – basic (thousands)	236,934	233,251	230,252
Working capital (including undrawn credit lines)	$ 1,617,899	$ 1,910,978	$ 2,326,939
Total assets	$ 8,789,885	$ 7,852,843	$ 7,865,601
Long-term debt	$ 1,364,108	$ 1,721,308	$ 1,371,851
Shareholders' equity	$ 5,111,514	$ 4,550,012	$ 4,946,991

	2019	2018	2017
Operating Summary			
LaRonde mine			
Revenues from mining operations	$ 552,204	$ 516,673	$ 484,488
Production costs	215,012	228,294	185,488
Operating margin[(i)]	$ 337,192	$ 288,379	$ 299,000
Amortization of property, plant and mine development	83,688	94,406	82,979
Gross profit	$ 253,504	$ 193,973	$ 216,021
Tonnes of ore milled	2,057,187	2,108,068	2,246,114
Gold – grams per tonne	5.46	5.32	5.05
Gold production – ounces	343,154	343,686	348,870
Silver production – thousands of ounces	883	1,040	1,254
Zinc production – tonnes	13,161	7,864	6,510
Copper production – tonnes	3,397	4,193	4,501
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 627	$ 664	$ 532
Adjustments:			
Inventory and other adjustments[(ii)]	33	(30)	75
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 660	$ 634	$ 607
By-product metal revenues	(196)	(189)	(201)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 464	$ 445	$ 406
Minesite costs per tonne[(iv)]	C$ 125	C$ 119	C$ 108
LaRonde Zone 5 mine			
Revenues from mining operations	$ 80,365	$ 21,327	$ –
Production costs	41,212	12,991	–
Operating margin[(i)]	$ 39,153	$ 8,336	$ –
Amortization of property, plant and mine development	6,818	1,658	–
Gross profit	$ 32,335	$ 6,678	$ –
Tonnes of ore milled	869,568	224,643	7,709
Gold – grams per tonne	2.27	2.76	–
Gold production – ounces	59,830	18,620	515

		2019		2018		2017
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	689	$	698	$	–
Adjustments:						
Inventory and other adjustments [ii]		36		35		–
Total cash costs per ounce of gold produced – co-product basis [iii][v]	$	725	$	733	$	–
By-product metal revenues		(3)		(1)		–
Total cash costs per ounce of gold produced – by-product basis [iii][v]	$	722	$	732	$	–
Minesite costs per tonne[iv][vi]	C$	66	C$	80	C$	–
Lapa mine						
Revenues from mining operations	$	4,877	$	39,797	$	64,572
Production costs		2,844		27,870		38,786
Operating margin [i]	$	2,033	$	11,927	$	25,786
Amortization of property, plant and mine development		30		268		1,736
Gross profit	$	2,003	$	11,659	$	24,050
Tonnes of ore milled		–		311,013		398,248
Gold – grams per tonne		–		4.24		4.24
Gold production – ounces		5		34,026		48,613
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	–	$	819	$	801
Adjustments:						
Inventory and other adjustments [ii]		–		54		(44)
Total cash costs per ounce of gold produced – co-product basis [iii][vii]	$	–	$	873	$	757
By-product metal revenues		–		(1)		(2)
Total cash costs per ounce of gold produced – by-product basis [iii][vii]	$	–	$	872	$	755
Minesite costs per tonne[iv]	C$	–	C$	123	C$	120
Goldex mine						
Revenues from mining operations	$	197,020	$	152,426	$	139,665
Production costs		82,533		78,533		71,015
Operating margin [i]	$	114,487	$	73,893	$	68,650
Amortization of property, plant and mine development		43,452		37,390		36,488
Gross profit	$	71,035	$	36,503	$	32,162

	2019	2018	2017
Tonnes of ore milled	2,784,524	2,624,682	2,572,014
Gold – grams per tonne	1.71	1.54	1.53
Gold production – ounces	140,884	121,167	118,947
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 586	$ 648	$ 640
Adjustments:			
Inventory and other adjustments [ii]	(2)	(2)	(29)
Total cash costs per ounce of gold produced – co-product basis [iii][viii]	$ 584	$ 646	$ 611
By-product metal revenues	–	–	(1)
Total cash costs per ounce of gold produced – by-product basis [iii][viii]	$ 584	$ 646	$ 610
Minesite costs per tonne[iv][ix]	C$ 39	C$ 39	C$ 37
Meadowbank Complex			
Revenues from mining operations	$ 221,652	$ 323,142	$ 449,025
Production costs	180,848	211,147	224,364
Operating margin [i]	$ 40,804	$ 111,995	$ 224,661
Amortization of property, plant and mine development	64,285	83,361	74,130
Gross profit	$ (23,481)	$ 28,634	$ 150,531
Tonnes of ore milled	2,750,306	3,262,040	3,853,034
Gold – grams per tonne	2.35	2.56	3.12
Gold production – ounces	193,489	248,997	352,526
Silver production – thousands of ounces	86	171	275
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 1,143	$ 848	$ 636
Adjustments:			
Inventory and other adjustments [ii]	18	(23)	(8)
Total cash costs per ounce of gold produced – co-product basis [iii][x]	$ 1,161	$ 825	$ 628
By-product metal revenues	(9)	(11)	(14)
Total cash costs per ounce of gold produced – by-product basis [iii][x]	$ 1,152	$ 814	$ 614
Minesite costs per tonne[iv][xi]	C$ 103	C$ 82	C$ 76

		2019		2018		2017
Meliadine mine						
Revenues from mining operations	$	270,258	$	–	$	–
Production costs		142,932		–		–
Operating margin[(i)]	$	127,326	$	–	$	–
Amortization of property, plant and mine development		48,901		–		–
Gross profit	$	78,425	$	–	$	–
Tonnes of ore milled		1,036,746		–		–
Gold – grams per tonne		7.60		–		–
Gold production – ounces		238,394		–		–
Silver production – thousands of ounces		18		–		–
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	748	$	–	$	–
Adjustments:						
Inventory and other adjustments[(ii)]		2		–		–
Total cash costs per ounce of gold produced – co-product basis [(iii)(xii)]	$	750	$	–	$	–
By-product metal revenues		(2)		–		–
Total cash costs per ounce of gold produced – by-product basis [(iii)(xii)]	$	748	$	–	$	–
Minesite costs per tonne[(iv)(xiii)]	C$	246	C$	–	C$	–
Canadian Malartic mine [(xiv)]						
Revenues from mining operations	$	466,317	$	448,526	$	404,441
Production costs		208,178		199,761		188,568
Operating margin[(i)]	$	258,139	$	248,765	$	215,873
Amortization of property, plant and mine development		119,822		126,422		122,368
Gross profit	$	138,317	$	122,343	$	93,505
Tonnes of ore milled		10,524,531		10,241,870		10,178,803
Gold – grams per tonne		1.11		1.20		1.09
Gold production – ounces		334,596		348,600		316,731
Silver production – thousands of ounces		421		437		341

	2019	2018	2017
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 628	$ 573	$ 595
Adjustments:			
Inventory and other adjustments [ii]	(2)	6	(1)
Total cash costs per ounce of gold produced – co-product basis [iii][xv]	$ 626	$ 579	$ 594
By-product metal revenues	(20)	(20)	(18)
Total cash costs per ounce of gold produced – by-product basis [iii][xv]	$ 606	$ 559	$ 576
Minesite costs per tonne[iv][xvi]	C$ 26	C$ 25	C$ 24
Kittila mine			
Revenues from mining operations	$ 260,323	$ 237,284	$ 248,761
Production costs	142,517	157,032	148,272
Operating margin [i]	$ 117,806	$ 80,252	$ 100,489
Amortization of property, plant and mine development	56,085	71,732	58,682
Gross profit	$ 61,721	$ 8,520	$ 41,807
Tonnes of ore milled	1,590,902	1,827,335	1,684,626
Gold – grams per tonne	4.15	3.80	4.15
Gold production – ounces	186,101	188,979	196,938
Silver production – thousands of ounces	13	13	13
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 766	$ 831	$ 753
Adjustments:			
Inventory and other adjustments [ii]	(29)	23	1
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 737	$ 854	$ 754
By-product metal revenues	(1)	(1)	(1)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 736	$ 853	$ 753
Minesite costs per tonne[iv]	€ 76	€ 75	€ 78
Pinos Altos mine			
Revenues from mining operations	$ 249,577	$ 270,855	$ 257,905
Production costs	130,190	138,362	108,726
Operating margin [i]	$ 119,387	$ 132,493	$ 149,179
Amortization of property, plant and mine development	58,302	70,203	59,970
Gross profit	$ 61,085	$ 62,290	$ 89,209

	2019	2018	2017
Tonnes of ore processed	2,006,652	2,217,979	2,307,872
Gold – grams per tonne processed at the mill	2.65	2.96	2.86
Gold production – ounces	155,124	181,057	180,859
Silver production – thousands of ounces	2,161	2,368	2,535
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 839	$ 764	$ 601
Adjustments:			
Inventory and other adjustments [ii]	28	(15)	33
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 867	$ 749	$ 634
By-product metal revenues	(228)	(201)	(239)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 639	$ 548	$ 395
Minesite costs per tonne [iv]	$ 66	$ 61	$ 50
Creston Mascota mine			
Revenues from mining operations	$ 78,023	$ 54,673	$ 63,798
Production costs	35,801	37,270	31,490
Operating margin [i]	$ 42,222	$ 17,403	$ 32,308
Amortization of property, plant and mine development	18,538	18,465	22,605
Gross profit	$ 23,684	$ (1,062)	$ 9,703
Tonnes of ore processed	1,066,907	1,422,411	2,195,655
Gold – grams per tonne	1.87	1.03	1.23
Gold production – ounces	48,380	40,180	48,384
Silver production – thousands of ounces	580	310	281
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 740	$ 928	$ 651
Adjustments:			
Inventory and other adjustments [ii]	14	33	18
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 754	$ 961	$ 669
By-product metal revenues	(200)	(120)	(94)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 554	$ 841	$ 575
Minesite costs per tonne [iv]	33	27	15

	2019	2018	2017
La India mine			
Revenues from mining operations	$ 114,276	$ 126,518	$ 129,949
Production costs	65,638	69,095	61,133
Operating margin[(i)]	$ 48,638	$ 57,423	$ 68,816
Amortization of property, plant and mine development	40,591	48,329	46,918
Gross profit	$ 8,047	$ 9,094	$ 21,898
Tonnes of ore processed	5,402,415	6,127,526	5,965,250
Gold – grams per tonne	0.68	0.72	0.69
Gold production – ounces	82,190	101,357	101,150
Silver production – thousands of ounces	133	180	313
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 799	$ 682	$ 604
Adjustments:			
Inventory and other adjustments[(ii)]	50	30	30
Total cash costs per ounce of gold produced – co-product basis [(iii)]	$ 849	$ 712	$ 634
By-product metal revenues	(26)	(27)	(54)
Total cash costs per ounce of gold produced – by-product basis [(iii)]	$ 823	$ 685	$ 580
Minesite costs per tonne[(iv)]	$ 13	$ 12	$ 11

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(iii) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

(iv) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

(v) The LZ5 mine's per ounce of gold production calculations exclude 515 ounces for the year ended December 31, 2017 of payable gold production and the associated costs which were produced prior to the achievement of commercial production.

(vi) The LZ5 mine's per tonne calculations exclude 7,709 tonnes for the year ended December 31, 2017 and the associated costs which were processed prior to the achievement of commercial production.
(vii) The Lapa mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 5 ounces of payable gold production, which were credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the site. In addition, the Lapa mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 203 ounces of payable gold production as a result of the Lapa mill being placed on temporary maintenance.
(viii) The Goldex mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 8,041 ounces of payable gold production and the associated costs related to the Deep 1 Zone which were produced prior to the achievement of commercial production.
(ix) The Goldex mine's per tonne calculations for the year ended December 31, 2017 exclude 175,514 tonnes processed and the associated costs related to the Deep 1 Zone which were processed prior to the achievement of commercial production.
(x) The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 35,281 ounces of payable gold production which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.
(xi) The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2019 exclude 369,519 tonnes which were processed prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.
(xii) The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 47,281 ounces of payable gold production which were produced prior to the achievement of commercial production on May 14, 2019.
(xiii) The Meliadine mine's cost calculations per tonne for the year ended December 31, 2019 exclude 263,749 tonnes which were processed prior to the achievement of commercial production on May 14, 2019.
(xiv) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.
(xv) The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 3,137 ounces of payable gold production which were produced during this period as commercial production at the Barnat deposit has not yet been achieved.
(xvi) The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2019 exclude 133,615 tonnes which were processed during this period as commercial production at the Barnat deposit has not yet been achieved.

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NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES
NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE
GOLD ($ per ounce)
SILVER ($ per ounce)
Total Production Costs by Category 2019
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED THREE YEAR FINANCIAL AND OPERATING SUMMARY (thousands of United States dollars, except where noted)

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Exhibit 99.4

Rule 13a-14(a) or Rule 15d-14(a) Certification — CEO

I, Sean Boyd, certify that:

1. I have reviewed this annual report on Form 40-F of Agnico Eagle Mines Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Toronto, Canada
March 27, 2020

/s/ SEAN BOYD

Sean Boyd
Vice-Chairman and Chief Executive Officer

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Exhibit 99.4

Rule 13a-14(a) or Rule 15d-14(a) Certification — CEO

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Exhibit 99.5

Rule 13a-14(a) or Rule 15d-14(a) Certification — CFO

I, David Smith, certify that:

1. I have reviewed this annual report on Form 40-F of Agnico Eagle Mines Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Toronto, Canada
March 27, 2020

/s/ DAVID SMITH

David Smith
Senior Vice-President, Finance and
Chief Financial Officer

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Exhibit 99.5

Rule 13a-14(a) or Rule 15d-14(a) Certification — CFO

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Exhibit 99.6

Rule 13a-14(b) Certification CEO

In connection with the annual report of Agnico Eagle Mines Limited (the "Company") on Form 40-F for the fiscal year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sean Boyd, the Vice-Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Toronto, Canada
March 27, 2020

/s/ SEAN BOYD

Sean Boyd
Vice-Chairman and Chief Executive Officer

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Exhibit 99.6

Rule 13a-14(b) Certification CEO

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Exhibit 99.7

Rule 13a-14(b) Certification CFO

In connection with the annual report of Agnico Eagle Mines Limited (the "Company") on Form 40-F for the fiscal year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Smith, the Senior Vice-President, Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Toronto, Canada
March 27, 2020

/s/ DAVID SMITH

David Smith
Senior Vice-President, Finance and Chief Financial Officer

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Exhibit 99.7

Rule 13a-14(b) Certification CFO

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Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our Firm under the caption "Interests of Experts" in the Annual Information Form of Agnico Eagle Mines Limited for the year ended December 31, 2019, which is included in this Annual Report on Form 40-F. We also consent to the incorporation by reference in the following Registration Statements:

- Form F-10 (registration no. 333-234778);
- Form F-3D (registration no. 333-215096); and
- Form S-8 (registration nos. 333-130339 and 333-152004)

of Agnico Eagle Mines Limited, and to the use in this Annual Report on Form 40-F, of our reports dated March 27, 2020 with respect to the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the effectiveness of internal control over financial reporting of Agnico Eagle Mines Limited as of December 31, 2019 included in this Annual Report on Form 40-F.

Toronto, Canada
March 27, 2020

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP
Chartered Professional Accountants
Licensed Public Accountants

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Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Exhibit 99.9

CONSENT OF DYANE DUQUETTE

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ DYANE DUQUETTE

Dyane Duquette
Corporate Director, Reserves Development

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Exhibit 99.9

CONSENT OF DYANE DUQUETTE

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Exhibit 99.10

CONSENT OF SYLVIE LAMPRON

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

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March 27, 2020

/s/ SYLVIE LAMPRON

Sylvie Lampron
Senior Project Mine Engineer at Canadian Malartic Corporation

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Exhibit 99.10

CONSENT OF SYLVIE LAMPRON

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Exhibit 99.11

CONSENT OF PASCAL LEHOUILLER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

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March 27, 2020

/s/ PASCAL LEHOUILLER

Pascal Lehouiller
Senior Resource Geologist at Canadian Malartic Corporation

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Exhibit 99.11

CONSENT OF PASCAL LEHOUILLER

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Exhibit 99.12

CONSENT OF GUY GOSSELIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

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March 27, 2020

/s/ GUY GOSSELIN

Guy Gosselin
Senior Vice President, Exploration

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Exhibit 99.12

CONSENT OF GUY GOSSELIN

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Exhibit 99.13

CONSENT OF LOUISE GRONDIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

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March 27, 2020

/s/ LOUISE GRONDIN

Louise Grondin
Senior Vice President, People and Culture

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Exhibit 99.13

CONSENT OF LOUISE GRONDIN

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Exhibit 99.14

CONSENT OF MARC LEGAULT

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ MARC LEGAULT

Marc Legault
Senior Vice-President, Operations — U.S.A., Mexico & Latin America

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Exhibit 99.14

CONSENT OF MARC LEGAULT

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Exhibit 99.15

CONSENT OF PAUL COUSIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ PAUL COUSIN

Paul Cousin
Vice-President, Operational Sustainability

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Exhibit 99.15

CONSENT OF PAUL COUSIN

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Exhibit 99.16

CONSENT OF FRANCIS BRUNET

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ FRANCIS BRUNET

Francis Brunet
Corporate Director Business Strategy

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Exhibit 99.16

CONSENT OF FRANCIS BRUNET

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Exhibit 99.17

CONSENT OF DOMINIQUE GIRARD

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ DOMINIQUE GIRARD

Dominique Girard
Vice-President, Nunavut Operations

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Exhibit 99.17

CONSENT OF DOMINIQUE GIRARD

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Exhibit 99.18

CONSENT OF DANIEL PARE

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 27, 2020 (the "Annual Report") of my name and the information that I have approved of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Information Form of Agnico Eagle Mines Limited dated March 27, 2020 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2020

/s/ DANIEL PARE

Daniel Pare
Vice President Operations, Eastern Canada

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Exhibit 99.18

CONSENT OF DANIEL PARE