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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

o REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013
Commission file number: 1-13422

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
(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: Gerald D. Shepherd
(212) 588-5500
(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	**New York Stock Exchange**
(Title of Class)	*(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.

174,181,163 Common Shares as of December 31, 2013

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes ý No o

EXPLANATORY NOTE

Agnico Eagle Mines Limited (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 3b-4 under the Exchange Act. 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 under the Exchange Act.

FORWARD-LOOKING INFORMATION

This Annual Report on Form 40-F and the exhibits attached hereto (the "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 2014 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 byproduct 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, minesite costs per tonne and other expenses;
- estimates of future capital expenditure, exploration expenditure and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of certain 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, mineral resources and ore grades and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulation regarding climate change and estimates of the impact on the Company; and
- other anticipated trends with respect to the Company's capital resources and results of operations.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of the Company upon which the forward-looking statements in the Form 40-F are based, and which may prove to be incorrect, include, but are not limited to, the assumptions set out elsewhere in the Form 40-F as well as: that there are no significant disruptions affecting the Company's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, mining or milling issues, political changes, title issues or otherwise; that permitting, development and expansion at each of the Company's mines and mine development projects proceed on a basis consistent with current expectations, and that the Company

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 the Form 40-F; that prices for gold, silver, zinc, copper and lead will be consistent with the Company's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with the Company's current expectations; that production meets expectations; that the Company's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery 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 environment that affect the Company.

The forward-looking statements in the 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 78 of the Company's annual information form for the year ended December 31, 2013, 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 estimated total cash costs per ounce, all-in sustaining costs 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

The Company 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 21, 2014, the noon exchange rate (as reported by the Bank of Canada) of United States dollars into Canadian dollars ("C$") was US$1.00 equals C$1.12.

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 regulatory authorities' (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 information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under the requirements of the SEC, 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. The SEC does not recognize measures of "mineral resource".

The mineral reserve figures presented 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 byproduct metals contained in mineral reserves in its calculation of contained ounces.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Mineral Resources

The Form 40-F uses the terms "measured mineral resources" and "indicated mineral resources". Investors are advised that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves**.

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

The Form 40-F uses the term "inferred mineral resources". Investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "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 rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is economically or legally mineable**.

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

The Form 40-F presents certain measures, including "total cash costs per ounce", "minesite costs per tonne" and "all-in sustaining costs", that are not recognized measures under United States generally accepted accounting principles ("US GAAP"). This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with US GAAP, see the Company's management's discussion and analysis for the year ended December 31, 2013, 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-US GAAP measures should be considered together with other data prepared in accordance with US GAAP, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP. This Form 40-F also contains information as to estimated future total cash costs per ounce, all-in sustaining costs and minesite costs per tonne. The estimates of total cash costs per ounce, all-in sustaining costs and minesite costs per tonne are based upon the total cash costs per ounce, all-in sustaining costs 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-US GAAP financial measures to the most comparable US GAAP 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, 2013 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, 2013, 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, 2013. 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 1992. Based on its assessment, management concluded that, as of December 31, 2013, 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, 2013 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its attestation report on page 2 of 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").

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 the effectiveness of the Company's internal control over financial reporting is found on page 2 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.

There was no change in the Company's internal control over financial reporting that occurred during the period covered by this Form 40-F that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

None.

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, Mr. Bernard Kraft and Dr. Sean Riley, as described under "Audit Committee — Composition of the Audit Committee" on page 96 of the AIF.

AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that the Company shall have at least one "audit committee financial expert" (as defined in paragraph (8) of General Instruction B to Form 40-F) and that Messrs. Bernard Kraft and Mel Leiderman 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, 2013. 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 97 of the AIF.

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 97 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.

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

Not applicable.

CONTRACTUAL OBLIGATIONS

For tabular disclosure of the Company's contractual obligations, see page 15 of the Annual MD&A under the heading "Liquidity and Capital Resources".

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 written charter of the Company's compensation committee does not include an annual performance evaluation of the compensation committee or the rights and responsibilities of the committee with respect to retaining or obtaining advice from an independent compensation consultant, legal counsel or other adviser, as required

under the NYSE rules. The TSX rules do not have such requirements. The Company complies with the TSX rules described in this paragraph.

UNDERTAKING

The Company 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

Concurrently with the filing of this Form 40-F, the Company is filing a Form F-X with the SEC.

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 nos. 333-183723 and 333-190888) 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. 333-189715).

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form of the Company for the year ended December 31, 2013.
99.2	Annual Audited Consolidated Financial Statements of the Company, including the notes thereto, as at December 31, 2013 and 2012 and for each of the years in the three-year period ended December 31, 2013, 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, 2013.
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 Daniel Doucet.
99.10	Consent of Louise Grondin.
99.11	Consent of Tim Haldane.
99.12	Consent of Paul Cousin.
99.13	Consent of Christian Provencher.
101	The following financial information from the Company's Annual Audited Consolidated Financial Statements, formatted in XBRL (Extensible Business Reporting Language) and furnished electronically herewith: (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Cash Flow; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Shareholders' Equity; (v) the Consolidated Statements of Comprehensive Income; and (vi) the Notes to Consolidated Financial Statements, tagged as blocks of text.

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 26, 2014

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, 2013

Dated as of March 21, 2014

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$") or European Union euros ("Euro" or "€").

Exchange Rates: The following tables set out, in Canadian dollars, the exchange rates for the U.S. dollar, based on the noon buying rate as reported by the Bank of Canada (the "Noon Buying Rate"). On March 21, 2014, the Noon Buying Rate was US$1.00 equals C$1.1194.

	Year Ended December 31,				
	2013	**2012**	**2011**	**2010**	**2009**
High	1.0697	1.0418	1.0604	1.0778	1.3000
Low	0.9839	0.9710	0.9449	0.9946	1.0292
End of Period	1.0636	0.9949	1.0170	0.9946	1.0466
Average	1.0299	0.9996	0.9891	1.0299	1.1420

	2014			2013			
	March (to March 21)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.1251	1.1140	1.1171	1.0697	1.0599	1.0456	1.0533
Low	1.0966	1.0953	1.0614	1.0577	1.0415	1.0284	1.0237
End of Period	1.1194	1.1075	1.1119	1.0636	1.0599	1.0429	1.0285
Average	1.1103	1.1055	1.0942	1.0639	1.0492	1.0364	1.0342

On December 31, 2013 and March 21, 2014, US$1.00 equalled €0.7251 and €0.7257, respectively, as reported by the European Central Bank.

Forward-Looking Information

Forward-Looking Information: 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", "intend", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this report include, but are not limited to, the following:

- the Company's outlook for 2014 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 byproduct 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, minesite costs per tonne and other expenses;
- estimates of future capital expenditure, exploration expenditure and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of certain 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, mineral resources and ore grades and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulation regarding climate change and estimates of the impact on the Company; and
- other anticipated trends with respect to the Company's capital resources and results of operations.

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, but are not limited to, the assumptions set out elsewhere in this AIF as well as: that there are no significant disruptions affecting Agnico Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, mining or milling issues, political changes, title issues or otherwise; that permitting, development and expansion at each of Agnico Eagle's mines and mine development projects proceed on a basis consistent with current 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, copper and lead 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 current expectations; that production meets expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery 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 environment 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, among others, 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. This AIF contains information regarding estimated total cash costs per ounce, all-in sustaining costs 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.

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

Generally Accepted Accounting Principles: Agnico Eagle currently reports its financial results using United States generally accepted accounting principles ("US GAAP") for historical reasons and due to its substantial U.S. shareholder base. However, to maintain comparability with other gold mining companies, Agnico Eagle intends to report its financial results using International Financial Reporting Standards ("IFRS") commencing from its results for the third quarter of 2014. Unless otherwise specified, all references to financial results herein are to those calculated under US GAAP.

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 regulatory authorities' (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 information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under the requirements of the SEC, 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. The SEC does not recognize measures of "mineral resource".

The mineral reserve figures presented 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 byproduct metals contained in mineral reserves in its calculation of contained ounces.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Mineral Resources

This document uses the terms "measured mineral resources" and "indicated mineral resources". Investors are advised that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves**.

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

This document uses the term "inferred mineral resources". Investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "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 rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is economically or legally mineable**.

Note to Investors Concerning Certain Measures of Performance

This AIF presents certain measures, including "total cash costs per ounce", "minesite costs per tonne" and "all-in sustaining costs", that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with US GAAP, see the Company's management's discussion and analysis for the period ended December 31, 2013 (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-US GAAP measures should be considered together with other data prepared in accordance with US GAAP, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP. This AIF also contains information as to estimated future total cash costs per ounce, all-in sustaining costs and minesite costs per tonne. The estimates of total cash costs per ounce, all-in sustaining costs and minesite costs per tonne are based upon the total cash costs per ounce, all-in sustaining costs 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-US GAAP financial measures to the most comparable US GAAP measure.

SELECTED FINANCIAL DATA

The following selected financial data for each of the years in the five-year period ended December 31, 2013 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, 2013, including the notes thereto (the "Annual Financial Statements") and the Annual MD&A.

	Year Ended December 31,				
	2013	**2012**	**2011**	**2010**	**2009**
	(in thousands of U.S. dollars, US GAAP basis, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	1,638,406	1,917,714	1,821,799	1,422,521	613,762
Production	924,927	897,712	876,078	677,472	306,318
Exploration and corporate development	44,236	109,500	75,721	54,958	36,279
Amortization of property, plant and mine development	296,078	271,861	261,781	192,486	72,461
General and administrative	115,800	119,085	107,926	94,327	63,687
Impairment loss on available-for-sale securities	34,272	12,732	8,569	–	–
Loss (gain) on derivative financial instruments	(1,509)	819	(3,683)	(7,612)	(3,592)
Provincial capital tax	(1,504)	4,001	9,223	(6,075)	5,014
Interest expense	57,999	57,887	55,039	49,493	8,448
Interest and sundry (income) expense	8,824	2,389	5,188	(10,254)	(12,580)
Loss on Goldex mine	–	–	302,893	–	–
Impairment loss	537,227	–	907,681	–	–
Gain on acquisition of Comaplex Minerals Corp., net of transaction costs	–	–	–	(57,526)	–
Gain on sale of available-for-sale securities	(74)	(9,733)	(4,907)	(19,487)	(10,142)
Foreign currency translation (gain) loss	(7,188)	16,320	(1,082)	19,536	39,831
Income (loss) before income and mining taxes	(370,682)	435,141	(778,628)	435,203	108,038
Income and mining taxes expense (recovery)	35,844	124,225	(209,673)	103,087	21,500
Net income (loss) for the year	(406,526)	310,916	(568,955)	332,116	86,538
Attributed to non-controlling interest	–	–	(60)	–	–
Attributed to common shareholders	(406,526)	310,916	(568,895)	332,116	86,538
Net income (loss) per share – basic	(2.35)	1.82	(3.36)	2.05	0.55
Net income (loss) per share – diluted	(2.35)	1.81	(3.36)	2.00	0.55
Weighted average number of common shares outstanding – basic	172,892,654	171,250,179	169,352,896	162,342,686	155,942,151
Weighted average number of common shares outstanding – diluted	172,892,654	171,485,615	169,352,896	165,842,259	158,620,888
Cash dividends declared per common share	0.66	1.02	–	0.64	0.18
Balance Sheet Data (at end of period)					
Property, plant and mine development	4,049,117	4,067,456	3,895,355	4,564,563	3,581,798
Total assets	4,959,359	5,256,119	5,034,262	5,500,351	4,247,357
Long-term debt	1,000,000	830,000	920,095	650,000	715,000
Reclamation provision and other liabilities	178,236	127,735	145,988	145,536	96,255
Net assets	2,977,149	3,410,212	3,215,163	3,665,450	2,751,761

Common shares	3,294,007	3,241,922	3,181,381	3,078,217	2,378,759
Shareholders' equity	2,977,149	3,410,212	3,215,163	3,665,450	2,751,761
Total common shares outstanding	173,953,975	172,102,870	170,813,736	168,720,355	156,625,174

GLOSSARY OF SELECTED MINING TERMS

"acid mine drainage"	Acidic run-off water from mines and mine waste containing sulphide minerals.
"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. Emulsion products are particularly well suited to wet conditions.
"byproduct"	A secondary metal or mineral product recovered from the processing of rock.
"carbon-in-leach (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 (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; the most important ore mineral of copper.
"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 profitably.
"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, etc.
"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.
"flowsheet"	A diagram showing the progress of material through a treatment plant.
"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.
"grouting"	The process of sealing off a water flow in rocks by forcing a thin slurry of cement or other chemicals into the crevices; usually done through a diamond drill hole.
"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.
"hectare"	A metric measurement of area. 1 hectare = 10,000 square metres = 2.47 acres.
"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.
"in the hole (ITH) drill"	A type of rock drill in which a hammer is mounted in the hole, applying percussive force directly to the drill bit. Another type of rock drill is a top hammer where the hammer is mounted on the mast of the drill, applying percussive force on the drills rods/tubes, which is transmitted to the drill bit.

"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 converted into mineral reserves. 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 lavas, which are 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.
"kilometre"	A metric measurement of distance. 1.0 kilometre = 1,000 metres = 0.62 miles.
"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.
"metallurgical properties"	Properties characterizing metals and minerals behaviour under various processing techniques.
"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 ores in preparation for treatment.
"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.
"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.
"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.
"phenocryst"	Large crystals or mineral grains floating in the matrix or groundmass of a porphyry.

"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, called phenocrysts, 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.
"run-of-mine ore"	The raw, mined material as it is delivered, prior to sorting, stockpiling or treatment.
"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 (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.
"sublevel retreat"	An underground mining method in which the ore is excavated in horizontal slices along the orebody, starting below and advancing upwards. The ore is recovered underneath in the stope.
"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 rejected 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 mill effluents 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 governed by 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". Eagle was incorporated under the laws of the Province of Ontario on August 14, 1945.

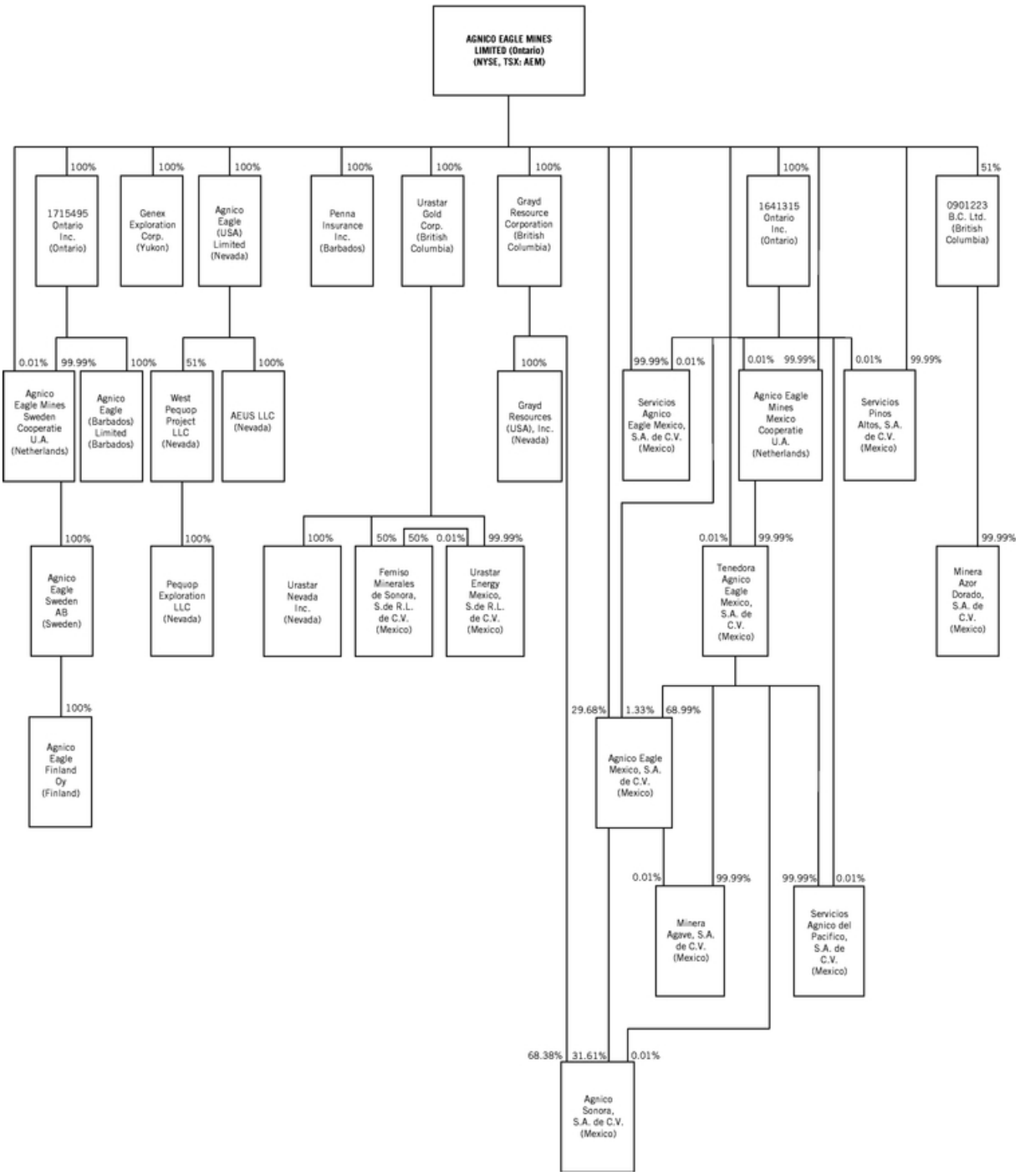
Since 1972, several corporate alterations have taken place. On August 22, 1972, the Company's articles were amended to permit the Company to: (i) borrow money on the credit of the Company, (ii) issue, sell or pledge debt obligations and (iii) charge, mortgage or pledge the Company's property. On June 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 twelve. On January 1, 1996, the Company amalgamated with Goldex Mines Limited and 1159885 Ontario Limited. On October 17, 2001, the Company filed Articles of Arrangement which provided for the amalgamation of the Company and Mentor Exploration and Development Co. On July 12, 2002, the name of the Company was changed to "Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitee". 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 corporation of 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".

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 website 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 subsidiaries, together with the jurisdiction of organization of the Company and each such subsidiary as at March 21, 2014 (all of which are directly or indirectly wholly-owned by the Company, unless otherwise indicated).



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. Since its formation on June 1, 1972, the Company has produced approximately 9.6 million ounces of gold.

The Company's strategy is to focus on the continued exploration, development and expansion of its properties, all of which are located in politically stable jurisdictions. The Company has spent approximately $2.7 billion on mine development over the last five years. Through this development program, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer with seven operating, 100% owned mines, and one advanced exploration project.

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

	Date of Acquisition[1]	Date of Commencement of Construction	Date of achieving Commercial Production	Estimated Mine Life[2]
LaRonde mine	1992	1985	1988	2025
Lapa mine	June 2003	June 2006	May 2009	2016
Goldex mine[3]	December 1993	July 2012	October 2013	2017
Kittila mine	November 2005	June 2006	May 2009	2034
Meadowbank mine	April 2007	Pre-April 2007	March 2010	2017
Pinos Altos mine	March 2006	August 2007	November 2009	2027
La India mine	November 2011	September 2012	First quarter of 2014[4]	2020

Notes:

(1) Date when 100% ownership was acquired.

(2) Estimated end date for gold production based on the Company's current life of mine plans.

(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 were suspended in October 2011. In late 2013, mining and production began from the M and E Zones of the Goldex mine.

(4) Anticipated.

Since 1988, the LaRonde mine, in the Abitibi region of Quebec, has been the Company's flagship operation, producing approximately 4.7 million ounces of gold as well as valuable byproducts. The Lapa mine, one of the Company's highest grade metals mines, is 11 kilometres east of the LaRonde mine, and the Goldex mine, which achieved commercial production from the M and E Zones in October 2013, is 60 kilometres east of the LaRonde mine. The synergies between these sites contribute to the Company's efforts to reduce costs. The Kittila mine in Finland, which achieved commercial production in May 2009, has a long reserve life and has significant production expansion potential. The Pinos Altos mine, in Mexico, achieved commercial production in November 2009 and also has significant production expansion potential and the La India mine in Mexico is expected to achieve commercial production in the first quarter of 2014. The Company's Meadowbank mine in Nunavut achieved commercial production in March 2010 and is expected to produce the most gold (approximately 430,000 ounces) of any of the Company's mines in 2014. In addition, the Company plans to pursue opportunities for growth in gold production and gold reserves through the prudent acquisition or development of exploration properties, development properties, producing properties and other mining businesses in the Americas and Europe.

In 2013, the Company produced 1,099,335 ounces of gold at total cash costs per ounce of $672 (net of revenues from byproduct metals) and at all-in sustaining costs per ounce of $952. For 2014, the Company expects to produce between 1,175,000 and 1,205,000 ounces of gold at a total cash cost per ounce of gold between $670 and $690 (net of revenues from byproduct metals) and at all-in sustaining costs per ounce of approximately $990. The expected increase in total cash costs per ounce of gold produced in 2014 compared with 2013 is due primarily to the higher expected costs at the Company's Pinos Altos, Kittila and Lapa mines and the Creston Mascota deposit at Pinos Altos. The Company also expects

to produce approximately 50,000 ounces of gold at the new La India mine at a total estimated cash costs per ounce of $743 in 2014. See "Introductory Notes – Note to Investors Concerning Certain Measures of Performance" for a discussion of the use of the non-US GAAP measure 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.

In 2013, the Company calculated all-in sustaining costs per ounce of gold produced as the aggregate of total cash costs, sustaining capital expenditures, exploration and corporate development expenses (excluding greenfield exploration) and general and administrative expenses (net of stock options) divided by the amount of gold produced. In response to the recommendations from the World Gold Council, the Company will modify how it calculates all-in sustaining costs for 2014 to the aggregate of total cash costs, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and reclamation expenses divided by the amount of gold produced. All-in sustaining costs is a non-US GAAP measure and is used to show the full cost of gold production from current operations. The Company's methodology for calculating all-in sustaining costs may not be similar to the methodology used by other producers that disclose all-in sustaining costs. The Company may change the methodology it uses to calculate all-in sustaining costs in the future, including in response to the adoption of formal industry guidance regarding this measure by the World Gold Council.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

2011

On August 4, 2011, 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.

In September 2011, the Company entered into an acquisition agreement with Grayd Resource Corporation ("Grayd"), a Canadian-based natural resource company listed on the TSX Venture Exchange, pursuant to which the Company agreed to make an offer to acquire all of the issued and outstanding common shares of Grayd. At the time, Grayd held a 100% interest in the La India property located in the Mulatos Gold Belt of Sonora, Mexico and had recently discovered the Tarachi gold porphyry prospect located approximately ten kilometres north of 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.

On October 19, 2011, the Company suspended mining operations and gold production at the Goldex mine due to geotechnical concerns with the rock above the mining horizon of the Goldex Extension Zone.

Capital expenditures by the Company in 2011 were $482.8 million. This included $90.7 million at the LaRonde mine (which included approximately $49.5 million of expenditures relating to the LaRonde mine extension), $18.4 million at the Lapa mine, $42.2 million at the Goldex mine, $86.5 million at the Kittila mine, $40.0 million at the Pinos Altos mine (which included approximately $7.6 million related to the Creston Mascota deposit at Pinos Altos), $116.9 million at the Meadowbank mine, $73.9 million at the Meliadine project and $14.2 million at other properties. In addition, the Company incurred $25.5 million of expenditures on mine site exploration and $50.2 million on exploration activities at the Company's exploration properties and on corporate development activities.

2012

In 2012, a 750 tonne per day expansion to the mill facilities at the Kittila mine was approved that is expected to increase the throughput capacity at the mine by 25% to 3,750 tonnes per day commencing in the second half of 2015. Total capital expenditures on the Kittila mine throughput expansion project are expected to be approximately $103.0 million over a three-year period.

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 which was, in 2013, increased to C$175 million.

On July 24, 2012, the Company issued by way of private placement $200 million aggregate principal amount of guaranteed senior unsecured notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024.

In 2012, exploration drilling was conducted on several mineralized zones on the Goldex mine property near the GEZ. A team of independent consultants and Company staff performed a review, including a preliminary economic assessment, to determine whether future mining operations on the property, including the M and E Zones, would be viable. In July 2012, after a review of the assessment, Agnico Eagle's board of directors (the "Board" or the "Board of Directors") approved the M and E Zones for development.

Capital expenditures by the Company in 2012 were $445.6 million. This included $75.2 million at the LaRonde mine, $18.5 million at the Lapa mine, $26.8 million at the Goldex mine, $60.0 million at the Kittila mine, $30.0 million at the Pinos Altos mine (which included approximately $5.8 million related to the Creston Mascota deposit at Pinos Altos), $39.2 million at the La India project, $105.1 million at the Meadowbank mine, $83.3 million at the Meliadine project and $7.5 million at other properties. In addition, the Company incurred $5.0 million of expenditures on mine site exploration and $104.5 million on exploration activities at the Company's exploration properties and on corporate development activities.

2013

On May 16, 2013, the Company completed its acquisition of all of the issued and outstanding common shares of Urastar Gold Corp. ("Urastar"), a Canadian based natural resource company listed on the TSX Venture Exchange, pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). Urastar holds 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, for aggregate cash consideration of $10.1 million. Urastar is now a wholly-owned subsidiary of Agnico Eagle.

On October 1, 2013, commercial production was achieved at the Goldex mine's M and E Zones.

In September 2013, pre-production commissioning activities commenced at the La India mine.

Capital expenditures by the Company in 2013 were $577.8 million. This included $84.3 million at the LaRonde mine, $22.7 million at the Lapa mine, $65.1 million at the Goldex mine, $83.8 million at the Kittila mine, $60.4 million at the Pinos Altos mine (which included approximately $17.6 million related to the Creston Mascota deposit at Pinos Altos), $116.8 million at the La India project, $76.8 million at the Meadowbank mine, $61.4 million at the Meliadine project and $6.5 million at other properties. In addition, the Company incurred $4.9 million of expenditures on mine site exploration and $39.3 million on exploration activities at the Company's exploration properties and on corporate development activities.

Pre-2010

In the second quarter of 2004, the Company acquired an approximate 14% ownership interest in Riddarhyttan Resources AB ("Riddarhyttan"), a Swedish precious and base metals exploration and development company that was at the time listed on the Stockholm Stock Exchange. 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 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. The Kittila mine, located approximately 900 kilometres north of Helsinki near the town of Kittila in Finnish Lapland, is currently 100% owned by Agnico Eagle Finland Oy, which is owned by Agnico Eagle Sweden AB.

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. The Pinos Altos property is comprised of approximately 11,000 hectares in the Sierra Madre gold belt, approximately 225 kilometres west of the city of Chihuahua in the state of Chihuahua 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 already owned by the Company. At the time, Cumberland was a pre-production development stage company listed on the Toronto Stock Exchange 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 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 owned a 100% interest in the advanced stage Meliadine gold property, which is located approximately 300 kilometres southeast of the Company's Meadowbank mine. In May 2010, the Company executed the definitive agreements with Comaplex and, in July 2010 by plan of arrangement, the Company acquired 100% of the Meliadine gold property through the acquisition of Comaplex, which was renamed Meliadine Holdings Inc. 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.

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 the LaRonde mine, the Lapa mine, the Goldex mine, the Meadowbank mine and the Meliadine project, each of which is held directly by the Company. The Company's operations in Finland are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2013, the Northern Business accounted for approximately 80% of the Company's gold production. In 2014, the Company anticipates that the Northern Business will again account for approximately 80% of the Company's gold production.

The Company's Southern Business is comprised of the Company's operations in Mexico. The Company's mining at Pinos Altos is conducted through its subsidiary, Agnico Eagle Mexico S.A. de C.V., which owns the Pinos Altos mine, including the Creston Mascota deposit. The La India mine is owned by the Company's indirect subsidiary, Agnico Sonora, S.A. de C.V. In 2013, the Southern Business accounted for approximately 20% of the Company's gold production. In 2014, the Company anticipates that the Southern Business will again account for approximately 20% of the Company's gold production.

The Company's Exploration group focuses primarily on the identification of new mineral reserves and resources and new development opportunities in proven gold producing regions. Current exploration activities are concentrated in Canada, Europe, Latin America and the United States. Several projects were evaluated during 2013 in other countries 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 65 properties in Canada, five properties in the United States, three groups of properties in Finland, one property in Sweden, and ten properties in Mexico. Exploration activities are managed from offices in Val d'Or, Quebec; Reno, Nevada; Chihuahua and Hermosillo, Mexico; Kittila, Finland; and Vancouver, British Columbia.

Northern Business

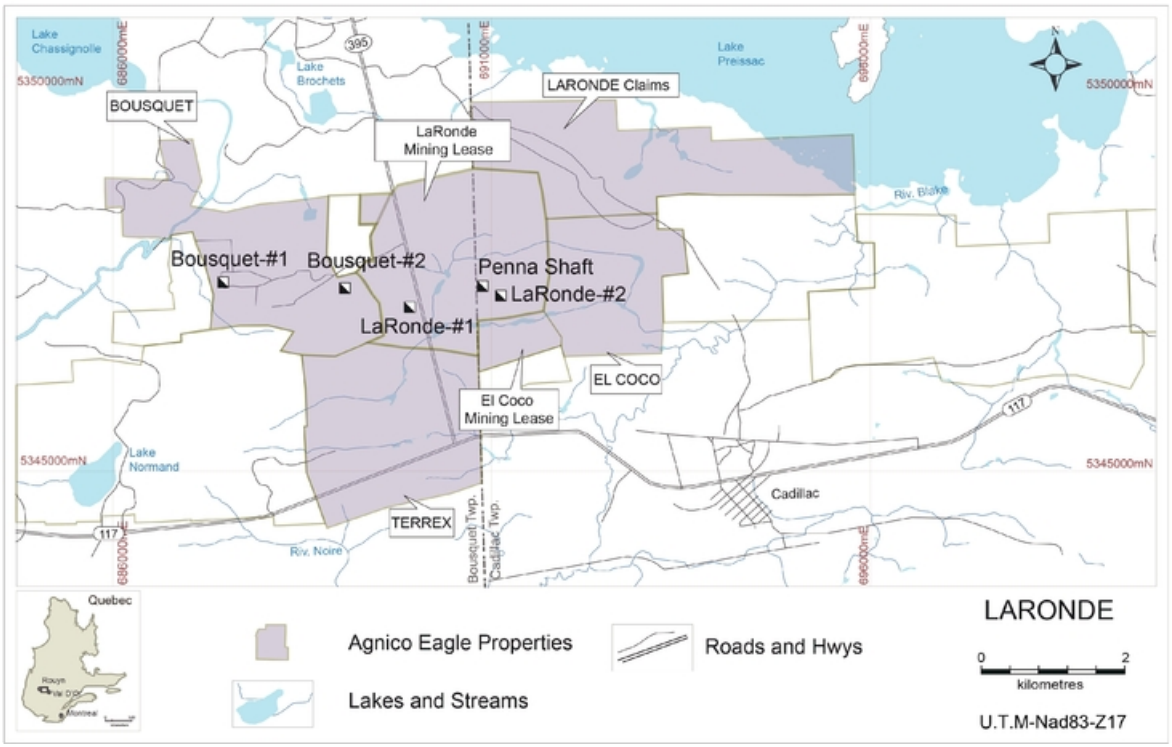
LaRonde Mine

The LaRonde mine is situated approximately halfway between the City of Rouyn-Noranda and the City of Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac. At December 31, 2013, the LaRonde mine was estimated to have proven and probable mineral reserves containing approximately 3.9 million ounces of gold comprised of 24.1 million tonnes of ore grading 5.00 grams per tonne. The Company's LaRonde mine consists of the LaRonde property and the adjacent El Coco and Terrex properties, each of which is 100% owned and operated by the Company. The LaRonde mine 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 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.

The LaRonde mine operates under mining leases obtained from the Ministry of Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec). The LaRonde property consists of 36 contiguous mining claims and one provincial mining lease and covers in total 1,047.4 hectares. The El Coco property consists of 22 contiguous mining claims and one provincial mining lease and covers in total 356.7 hectares. The Terrex property consists of 21 mining claims that cover in total 424.4 hectares. The mining leases on the LaRonde and El Coco properties expire in 2018 and 2021, respectively, and are automatically renewable for three further ten-year terms upon payment of a small fee. An application for a mining lease in respect of the Terrex property was submitted in October 2012 and is expected to be entered into in 2014. The Company also has three surface rights leases that cover in total approximately 303.6 hectares 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 Mine (as at December 31, 2013)



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. The El Coco property is subject to a 50% net profits interest (the "El Coco NPI") in favour of Barrick Gold Corporation ("Barrick") on future production from approximately 500 metres east of the LaRonde property boundary. The remaining 1,500 metres is subject to a 4% net smelter return royalty (the "El Coco NSR") in favour of Barrick. The Company has exercised its right of first refusal under each of the El Coco NPI and the El Coco NSR and is in the process of purchasing the El Coco NPI and the El Coco NSR from Barrick for $25,000 each. This area of the property is now substantially mined out and the Company has not paid royalties since 2004 and does not expect to pay royalties in 2014. 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 to Delfer Gold Mines Inc. The Company does not expect to pay royalties in respect of this part of the property in 2014. In addition, the Company owns 100% of the Sphinx property immediately to the east of the El Coco property. In 2013, 49% of the ore processed from the LaRonde mine was

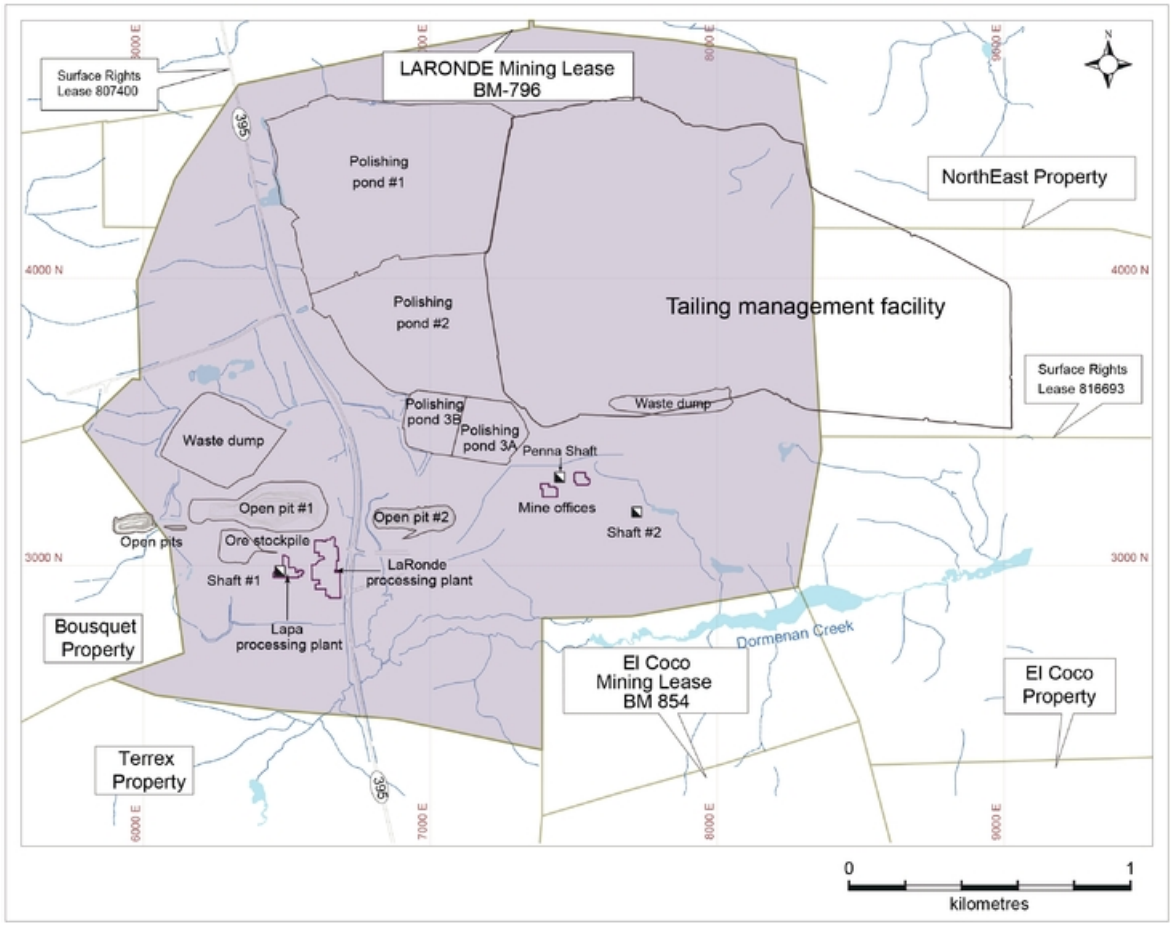
extracted from the deeper portion of the LaRonde mine (that is, below Level 245). In 2014, the Company anticipates that approximately 72% of the ore processed will be from this deeper part of the mine.

The Company expects future byproduct metal recoveries at the LaRonde mine to decline as production continues to shift towards deeper sections of the mine where gold grades are higher and byproduct metals are less prevalent. The decreased byproduct revenues will result in higher total cash costs per ounce attributable to ore extracted from these parts of the mine.

The Abitibi region has a continental climate with average annual rainfall of 64 centimetres and average annual snowfall of 318 centimetres. The average monthly temperatures range from a minimum of minus 23 degrees Celsius in January to a maximum of 23 degrees Celsius in July. Under normal circumstances, mining operations are conducted year-round without interruption due to weather conditions. The Company believes that the Abitibi region of northwestern Quebec has sufficient experienced mining personnel to staff its operations in the Abitibi region. The elevation is 337 metres above sea level. The LaRonde property is relatively flat with a maximum relief of approximately 40 metres. The topography gently slopes down from north to south and is characterized by boreal-type forest at LaRonde and the nearby properties. All of the LaRonde mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. Water used in the LaRonde mine's operations is sourced from Lake Preissac and is transported approximately four kilometres to the minesite through a surface pipeline.

Mining and Milling Facilities

Surface Plan of the LaRonde Mine (as at December 31, 2013)



The LaRonde mine was originally developed utilizing 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 293 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 2009, as part of the LaRonde mine extension, the Company completed construction of an 823-metre internal shaft from Level 203 to access the ore below Level 245, approximately 2,858 metres below surface.

In 2006, the Company initiated construction to extend the infrastructure at the LaRonde mine to access the ore below Level 245. Hoisting from this deeper part of the LaRonde mine began in the fourth quarter of 2011 and commercial production was achieved in November 2011. Access to the deeper part of the LaRonde mine is provided through a 823-metre internal shaft (completed in November 2009) starting from Level 203, for a total depth of 2,858 metres from surface. A ramp is used to access the lower part of the orebody down to 3,110 metres in depth. The internal winze system is used to hoist ore from depth to facilities on Level 215, approximately 2,150 metres below surface, where it is transferred to the Penna Shaft hoist.

Production from the deeper levels of the LaRonde mine continues to move towards anticipated steady-state levels. As a result, logistical problems, such as congestion in the underground workings, occur from time to time. The Company anticipates that these issues, and any other issues that may prevent or delay extraction and transportation of ore from a particular stope will be less prevalent when the stope development work at depth is more advanced.

The new cooling plant on Level 262 began operating in December 2013, and other components of the ventilation system are currently being commissioned, with all components expected to be operational before the summer of 2014. It is expected that the new system will reduce the frequency of heat-related delays experienced in prior years.

In 2014, the Company expects to commence the installation of a coarse ore conveyor system that will extend from Level 293 to the crusher on Level 280. The new conveyor system, which is expected to be operational in late 2015, is expected to lower costs and reduce congestion in the deeper portions of the mine.

Mining Methods

Four mining methods have historically been used at the LaRonde mine: open pit for the three surface deposits; sublevel retreat; longitudinal retreat with cemented rock backfill or paste backfill; and transverse open stoping with paste, cemented rock backfill or unconsolidated backfill. The primary source of ore at the LaRonde mine continues to be from underground mining methods. During 2013, two of the traditional mining methods were used: longitudinal retreat with cemented rock backfill or paste backfill and transverse open stoping with cemented rock backfill, 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 developed and 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 100% cemented rock backfill or paste backfill. The paste backfill plant was completed in 2000 and is located on the surface at the processing facility. In the transverse open stoping method, approximately 50% of the ore is mined in the first pass and filled with cemented rock backfill or paste backfill. On the second pass, the remainder of the ore is mined and filled with unconsolidated waste rock backfill or cemented paste backfill.

The throughput at LaRonde in 2013 averaged 6,354 tonnes per day compared with 6,444 tonnes per day in 2012. The reduced throughput in 2013 was largely due to the continuing transition to the lower mine, where factors such as heat, congestion, seismicity and lack of operational flexibility underground negatively impacted the mine's ability to provide the planned tonnage to the mill. Throughput in 2013 was also reduced due to an unplanned 16 day shutdown of the Penna Shaft.

The Company's operations at the LaRonde mine reach close to three kilometres below surface. There are very few resources available to model the geomechanical conditions at this depth, where operations are subject to high stress levels. The Company conducts periodic technical reviews of its operations at these levels using consultants with experience in deep mining. The Company uses the results of these technical reviews to adapt best mining practices for its operations at these levels.

Surface Facilities

Surface facilities at the LaRonde mine include a processing plant with a daily capacity of 7,200 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 poly metallic massive sulphide orebody required several modifications to the processing plant, including a new coarse-ore handling system, new SAG and ball mills, the addition of a zinc flotation circuit and capacity increases to the existing copper flotation and precious metals circuits. 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 new 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 (1,500 tonnes per day) that was commissioned in the second quarter of 2009.

The ore requires a series of grinding, copper/lead flotation and separation, zinc flotation and zinc tails precious metals leaching circuits, now followed by CIL recovery. Paste backfill and cyanide destruction plants operate intermittently. 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 was commissioned in 2005 to address the build-up of thiocyanate in the tailings ponds at the LaRonde mine. This build-up was the result of the high sulphide content of the LaRonde mine ore and 90% recirculation of the process water. The plant uses bacteria to oxidize and destroy thiocyanate and removes phosphate from the water before it is released to the environment.

The Goldex concentrate circuit consists of pulp received from the Goldex mill via truck and subsequent leaching of the pulp with cyanide. The leached material is sent to the Lapa CIL circuit for gold recovery along with Lapa residual pulp. The Goldex concentrate circuit ceased to operate in November 2011 following the suspension of mining operations at Goldex. In the fourth quarter of 2013, mining operation resumed in the M and E Zones of the Goldex mine and the Goldex concentrate circuit resumed operation.

The Lapa process consists of a two-stage grinding circuit to reduce the granularity of the ore. A gravity recovery circuit that is incorporated into the grinding circuit recovers up to 45% of the available gold, depending on feed grades. 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 2013, the LaRonde mine had payable production of 181,781 ounces of gold, 2,102,116 ounces of silver, 19,814 tonnes of zinc and 4,835 tonnes of copper from 2,319,132 tonnes of ore grading 2.63 grams of gold per tonne and 36.87 grams of silver per tonne, 1.18% zinc and 0.27% copper. The total cash cost at LaRonde in 2013 per ounce of gold produced net of byproduct credits was $763 The LaRonde processing facility averaged 6,354 tonnes of ore per day and operated 91.4% of available time. The minesite cost at LaRonde was C$99 per tonne. Gold and silver recovery averaged 92.60% and 86.31%, respectively. Zinc recovery averaged 85.10% with a concentrate quality of 54.16% zinc. Copper recovery averaged 79.82% with a concentrate quality of 20.61% copper.

The following table sets out the metal recoveries and concentrate grades at the LaRonde mine in 2013.

		Copper Concentrate (24,660 tonnes produced)		Zinc Concentrate (43,048 tonnes produced)		Lead Concentrate (668 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	2.63 g/t	147 g/t	59.34%	8.61 g/t	6.07%	191.8 g/t	2.10%	92.60%	181,781 oz
Silver	36.87 g/t	1,436 g/t	41.41%	297.9 g/t	14.99%	4,553 g/t	3.55%	86.31%	2,102,116 oz
Copper	0.27%	20.61%	79.82%	0.91%	6.15%	7.21%	0.80%	86.70%	4,835 t
Lead	0.14%	4.26%	31.50%	1.68%	21.70%	46.45%	9.29%	62.50%	290 t
Zinc	1.18%	2.79%	2.51%	54.16%	85.10%	3.70%	0.09%	87.70%	19,814 t

Annual production at the LaRonde mill in 2014 is expected to consist of approximately 215,000 ounces of gold, 1,027,320 ounces of silver, 5,126 tonnes of copper and 7,830 tonnes of zinc from 2,132,000 tonnes of ore grading 3.37 grams per tonne gold, 22.8 grams per tonne silver, 0.30% copper and 0.55% zinc. The total cash costs to produce gold in 2014 are expected to be $671 per ounce net of byproduct credits, with gold recovery estimated at 93.2%, silver recovery of 65.8%, copper recovery of 80.1% and zinc recovery of 66.8%. Gold recovery at the LaRonde mine is distributed approximately as follows: 66.7% in the copper concentrate, 3.27% in the zinc concentrate and 23.22% via leaching. Minesite costs of C$100 per tonne are expected in 2014.

Environmental Matters

Currently, water is treated at various facilities at the LaRonde mine. 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 sedimentation pond #1 to undergo a secondary treatment at a plant located between sedimentation ponds #1 and #2 that uses a peroxy-silicate process to destroy cyanide, lime and coagulant to precipitate metals. The tailings pond occupies an area of about 175 hectares. Waste rock that is not used underground for backfill is brought up to the surface and stored in close proximity to the tailings pond to be used to build coffer dams inside the pond. A waste rock pile containing approximately 500,000 tonnes of waste and occupying about nine hectares is located west of the mill.

Due to the high sulphur content of the LaRonde mine ore, the Company has had to address toxicity issues in the tailings ponds since the 1990s. The treatment process has been stable since introducing and optimizing a biological treatment plant in 2004, and the effluent has remained non-toxic since 2006. In 2006, the Company commenced an ammonia stripping operation involving an effluent partially treated by the biological treatment plant which allowed an increase in treatment flow rate, while keeping the final effluent toxicity-free. Since 2010, the Company has operated ammonia stripping towers to further increase the treatment flow rate of the biological plant. In addition, water from mine dewatering and drainage water are treated to remove metals prior to discharge at a high-density sludge lime treatment plant located at the LaRonde mill.

A tailings spill resulting from a puncture in the tailings line occurred in December 2013. The Company notified the relevant regulators, the tailings were recovered and the area was immediately cleaned-up and the Company does not expect any additional rehabilitation will be required. A notice of infraction in respect of the spill was subsequently received from the Quebec Ministry of the Environment.

A revision to the closure plan for the Laronde mine was submitted to the Ministry of Natural Resources (Quebec) at the end of 2012 and was approved in 2013. Financial assurance has been provided based on the closure plan.

Capital Expenditures

Capital expenditures at the LaRonde mine during 2013 were approximately $83.8 million, which included sustaining capital expenditures and deferred expense, but excluded capitalized drilling. Budgeted 2014 capital expenditures at the LaRonde mine are $81.0 million, excluding capitalized drilling.

Development

In 2013, a total of 13,437 metres of lateral development was completed. Development was focused on stope preparation of mining blocks for production in 2013 and 2014, especially the preparation of the lower mine production horizon. A total of 5,884 metres of development work was completed for the LaRonde mine extension infrastructure and the ramp to access the LaRonde mine extension.

A total of 11,500 metres of lateral development is planned for 2014. The main focus of development work continues to be stope preparation and the LaRonde mine extension access toward the orebody.

Geology, Mineralization and Exploration

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 ("CLL") 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, copper and lead 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 project 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 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 40,000,000 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 resources at the LaRonde mine, including 23.1 million tonnes of proven and probable mineral reserves grading 5.09 grams of gold per tonne, representing 96% of the total proven and probable mineral reserves at the LaRonde mine, 3.5 million tonnes of indicated mineral resources grading 2.03 grams of gold per tonne, representing 83% of the total measured and indicated mineral resources at the LaRonde mine, and 9.1 million tonnes of inferred mineral resources grading 4.86 grams of gold per tonne, representing 87% of the total inferred mineral resources at LaRonde.

Zone 20 North extends between 700 metres below surface and at least 3,500 metres below surface, and remains open at depth. With increased access on the lower levels of the mine (*i.e.*, below Level 215 and from the internal shaft on levels 257 and 278), the transformation from a "zinc/silver" orebody to a "gold/copper" deposit is expected to continue during 2014.

Zone 20 North can be divided into an upper zinc/silver enriched gold-poor zone and a lower gold/copper enriched zone. The zinc 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 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 zone consists of massive zinc/silver mineralization containing 50% to 90% massive pyrite and 10% to 50% massive light brown sphalerite. The gold 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. During 2013, 2.0 million tonnes of ore grading 2.68 grams of gold per tonne, 39.45 grams of silver per tonne, 1.22% zinc, 0.29% copper and 0.15% lead were mined from Zone 20 North.

Exploration

The combined amount of gold in proven and probable mineral reserves at the LaRonde mine at the end of 2013 is 3.88 million ounces, which represents a decrease of 8% as compared to the end of 2012. This mineral reserve includes the replacement of 196,000 ounces of gold mined in 2013. The reduction in reserves is principally associated with ore mined during 2013 and a decrease in metal prices used in the reserve and resources calculations at the end of 2013 compared to the end of 2012. Underground indicated resources at the LaRonde mine decreased by 1.2 million tonnes grading 1.03 grams of gold per tonne because of lower metal prices used for estimations. New inferred resources in Zone 20 North resulting from underground diamond drilling in 2013 combined with losses due to lower metal prices used for

modelling and estimation led to a net loss of 1.4 million tonnes of inferred resources but a net gain of 0.1 million ounces of gold.

Diamond drilling is used for exploration on the LaRonde property. In 2013, seven holes (3,417 metres) were drilled for definition (conversion) drilling and three holes (1,977 metres) were for exploration. Expenditures on diamond drilling at the LaRonde mine during 2013 were approximately $1.1 million, including $0.5 million in definition drilling expenses charged to capital costs at the LaRonde mine, and $0.6 million expensed as exploration drilling.

The main focus of the 2013 exploration program was continuing the investigation of Zone 20 North and Zone 6-7 horizons at depth. This program was conducted from the Level 215 exploration drift, approximately 2,150 metres below the surface. The first deep hole of the program was completed at the end of 2009 to a final length of 1,852 metres. This hole intersected Zone 20 North at a depth of 3,520 metres below surface, which is approximately 410 metres below the current reserve envelope. In 2010, a second branch was drilled from this mother hole and intersected mineralization at a depth of 3,595 metres below surface. Another deep hole was initiated in 2011 and intersected Zone 6 horizon in 2012 at a depth of 3,551 metres below surface. The 22.8-metre thick massive sulphide zone has the same characteristics as other deposits on the property. In 2013, a follow-up campaign was planned from Level 278 to determine the extent of the deposit but the campaign was stopped due to excessive deviation during the drilling of the first hole. The Company has decided to delay the program until new accesses are developed from the lower levels of the mine (Level 290), which the Company expects will occur sometime in 2014 or 2015. The new accesses will provide better positioning and precision for diamond drilling.

In addition, in 2013, definition (conversion) drilling was undertaken in Zone 20 North below Level 311 to increase the level of confidence in inferred resources of that area. The drilling campaign was conducted from the Level 292 ramp, a new access developed in 2013.

In 2014, the Company expects to spend $0.35 million on 2,500 metres of definition (conversion) drilling and $0.61 million on 3,600 metres of exploration drilling, for a total of $0.96 million at the LaRonde mine.

Bousquet and Ellison Properties

The Bousquet property is located immediately west of the LaRonde mine and consists of two mining leases covering 80.0 hectares and 31 claims covering 384.9 hectares. The property, along with various equipment and other mining properties, was acquired from Barrick in September 2003 for $3.9 million in cash (including transaction costs), $1.5 million in common shares of the Company and the assumption of specific reclamation and other obligations related to the Bousquet property. The property is subject to a 2% net smelter return royalty interest in favour of Barrick.

From 2004 to 2007, the Company recovered 108,407 tonnes of ore grading 2.33 grams of gold per tonne from a small open pit in Zone 4. In 2006 and 2007, the Company recovered 99,342 tonnes of ore grading 7.02 grams of gold per tonne from two small ore blocks underground at Bousquet. There has been no mining of this property since 2007.

In 2011, the Company completed a diamond drilling program consisting primarily of twinning and resampling historic holes to evaluate the production potential of an open pit at Zone 5. This work led to a new resource estimate for Zone 5 and an internal feasibility study has been conducted for a resumption of production in the Zone 5 open pit. Based on the Company's 2013 resources and reserves estimates, such a mining operation would not be economically feasible. As at December 31, 2012, probable reserves at Zone 5 (0.2 million ounces of gold comprised of 2.9 million tonnes grading 1.88 grams of gold per tonne) were re-classified to the indicated resources category. For the whole Bousquet property, including Zone 5, as at December 31, 2013, indicated resources totaled approximately 12.7 million tonnes grading 2.31 grams of gold per tonne, as well as inferred mineral resources totalling approximately 4.6 million tonnes grading 4.04 grams of gold per tonne.

The Ellison property is located immediately west of the Bousquet property and consists of eight claims covering 101.0 hectares. The property was acquired in August 2002 for $0.32 million in cash and a commitment to spend $0.49 million in exploration over four years. The commitment was fulfilled in 2004 and the property is 100% owned by the Company. The property is subject to a net smelter return royalty interest in favour of Yorbeau Resources Inc. that varies between 1.5% and 2.5% depending on the price of gold. Should commercial production from the Ellison property commence, the Company will be required to pay Yorbeau Resources Inc. an additional C$0.5 million in cash.

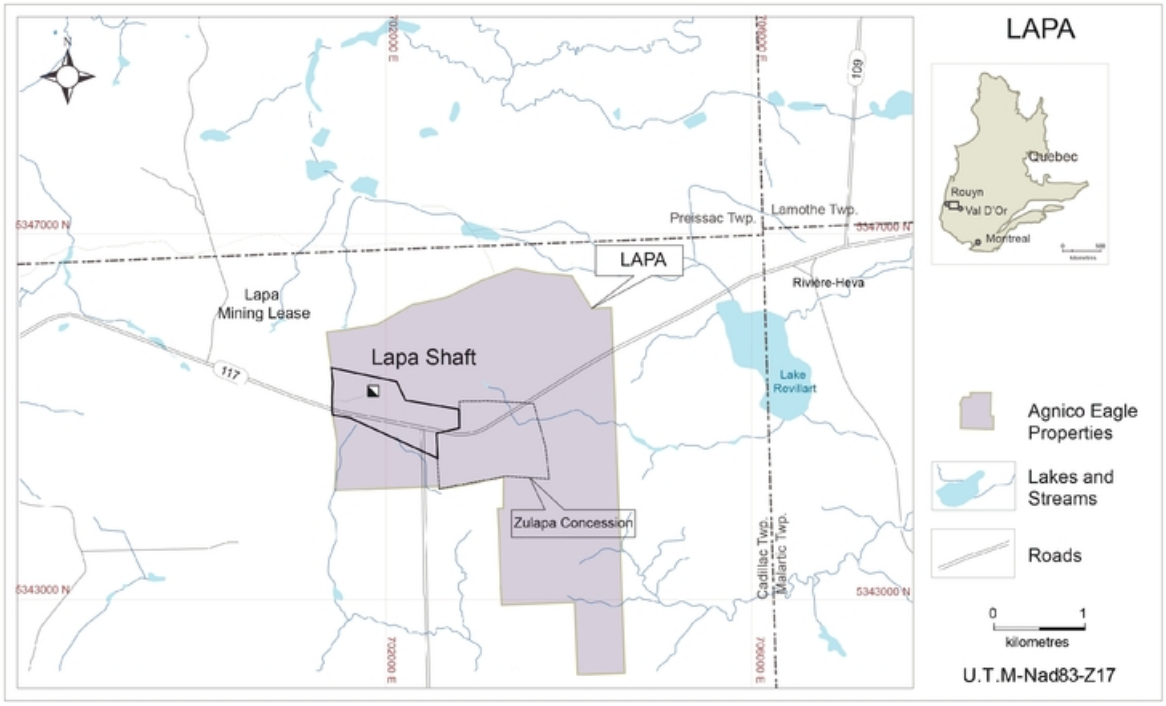
Expenditures on exploration in 2013 on both the Bousquet and Ellison properties were C$0.7 million, used to continue the optimization of the internal feasibility study completed in March 2012. In 2014, the Company doesn't expect there to be any expenditures on exploration at the Bousquet and Ellison properties.

The December 31, 2013 indicated mineral resources at Ellison were approximately 0.4 million tonnes grading 4.54 grams of gold per tonne, and the inferred mineral resources were approximately 1.3 million tonnes grading 4.56 grams of gold per tonne.

Lapa Mine

The Lapa mine, which achieved commercial production in May 2009, is located approximately 11 kilometres east of the LaRonde mine near Cadillac, Quebec. At December 31, 2013, the Lapa mine was estimated to contain proven and probable mineral reserves of 0.3 million ounces of gold comprised of 1.5 million tonnes of ore grading 5.97 grams per tonne. The Lapa property is made up of the Tonawanda property, which consists of 44 contiguous mining claims and one provincial mining lease covering an aggregate of 702.4 hectares, and the Zulapa property, which consists of one mining concession covering 93.5 hectares. The mining lease at Lapa expires in 2029.

Location Map of the Lapa Mine (as at December 31, 2013)



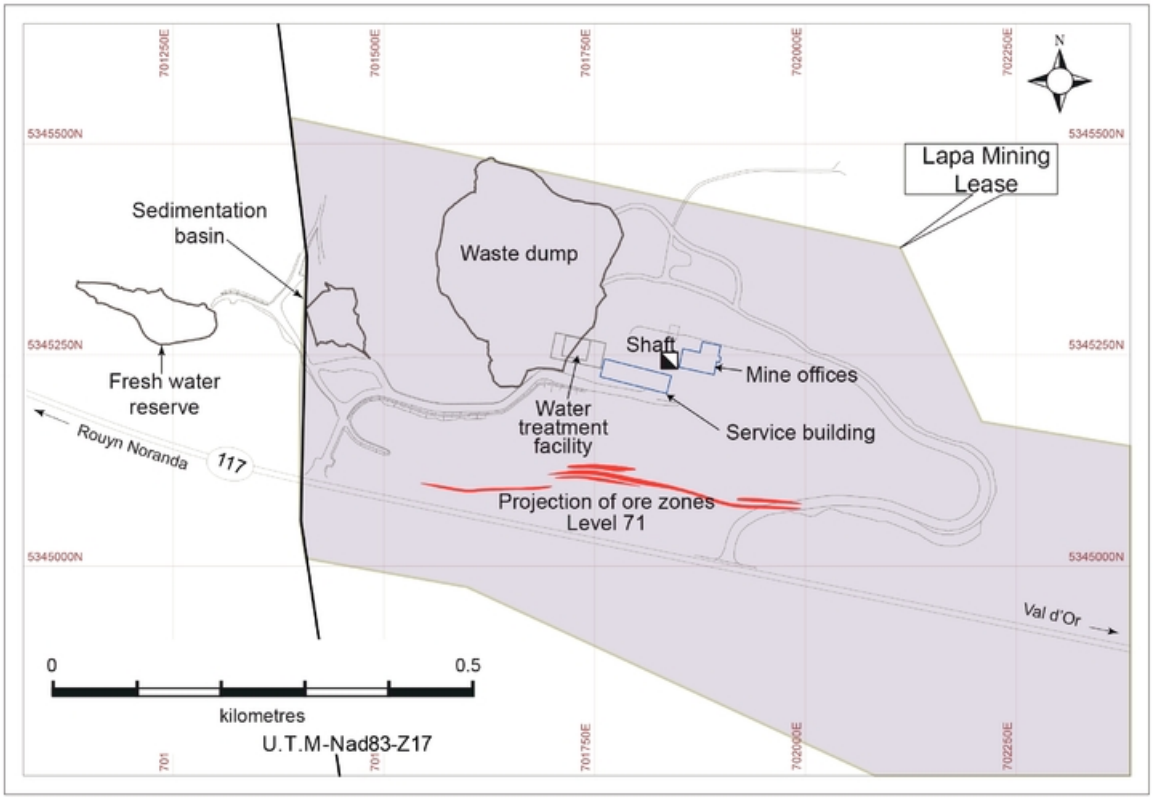
The Company's initial interest in the Lapa property was acquired in 2002 through an option agreement with Breakwater Resources Ltd. ("Breakwater"). The Company undertook an aggressive exploration program and discovered a new gold deposit almost 300 metres below the surface. In 2003, the Company purchased the Lapa property from Breakwater for a payment of $8.9 million, a 1% net smelter return royalty on the Tonawanda property and a 0.5% net smelter return royalty on the Zulapa property. In 2008, the Company purchased all royalties from Breakwater for C$6.35 million. In addition, both the Zulapa and Tonawanda properties are subject to a 5% net profit royalty payable to Alfer Inc. and René Amyot. In 2004, an additional claim of 9.4 hectares was added to the Company's holdings at the Lapa mine. In January 2009, a mining lease covering 66.8 hectares was entered into with the Ministry of Natural Resources (Quebec).

The Lapa mine is accessible by provincial highway. The elevation varies between approximately 320 and 390 metres above sea level. All of the Lapa mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. All of the water required at the Lapa mine is sourced from the Heva river located 3.5 kilometres to the south of the mine. The water is pumped into an existing open pit near the property that has been allowed to flood and from which the mine is supplied. The topography slopes relatively gently from north to south. The property is generally covered by a boreal-type forest consisting mainly of black spruce and white pine with minor amounts of birch and poplar.

For additional information regarding the Abitibi region in which the Lapa mine is located, see "– LaRonde Mine" above.

Mining and Milling Facilities

Surface Plan of the Lapa Mine (as at December 31, 2013)



The Lapa site hosts an underground mining operation and the ore is trucked to the processing facility at the LaRonde mine, which has been modified to treat the ore, recover the gold and store the residues. Tailings from the Lapa mine are deposited in the tailings pond at the LaRonde mine.

In July 2004, the Company initiated the sinking of an 825-metre deep shaft at the Lapa property. In April 2006, 2,800 tonnes of development ore was extracted at Lapa and was estimated to contain, on average, 10.65 grams of gold per tonne. These results and results from other sampling methods were incorporated into a feasibility study, and in June 2006, the Company accelerated construction of the Lapa mine. This construction included extending the shaft to a depth of 1,369 metres, which was completed in October 2007. Significant additional construction was required in order for the Lapa mine to achieve commercial production in May 2009, including the construction of the mill.

Mining Methods

Two underground mining methods are used at the Lapa mine: longitudinal retreat with cemented backfill and locally transverse open stoping with cemented backfill. Sublevels are driven at 30-metre vertical intervals. Stopes are mined in 12-metre sections and backfilled with 100% cemented rock backfill. The underground infrastructure at the Lapa mine is predominantly located in areas with stable rock condition. However, in certain areas, the underground infrastructure is located in a talc chlorite schist (mainly ore zones), which may have a higher potential of instability. This risk of instability is managed at the Lapa mine through a ground control program. Excavated ore from the Lapa site is trucked via provincial highway to the processing facility at the LaRonde mine.

Surface Facilities

The infrastructure on the Lapa property includes the refurbished former LaRonde Shaft #1 headframe and shafthouse, service buildings, offices, a settling pond for waste water, dry facilities, an ore bin, a diesel reservoir and a water treatment plant. A backfill plant was commissioned in December 2008 and the sedimentation pond was extended in 2007 to control suspended solids from underground dewatering discharge.

Ore at the Lapa mine is processed through grinding, gravity and leaching circuits. Dedicated milling facilities have been integrated into the mill at the LaRonde mine. With an average production of 1,755 tonnes per day in 2013, the mine operated consistently above its design rate of 1,500 tonnes per day. Dilution averaged 64% in 2013, a significant improvement over previous years.

Production and Mineral Recoveries

During 2013, the Lapa mine had payable production of 100,730 ounces of gold from 640,421 tonnes of ore grading 6.06 grams of gold per tonne. The total cash cost at Lapa in 2013 per ounce of gold produced was $678. The minesite cost at Lapa was C$110 per tonne. The Lapa processing facility averaged 1,755 per day and operated about 96.9% of available time. Gold recovery averaged 80.67%.

The following table sets out the metal recoveries at the Lapa mine in 2013.

	Head Grades	Overall Metal Recoveries	Payable Production
Gold	6.06 g/t	80.67%	100,730 oz

Gold production during 2014 at the Lapa mine is expected to be approximately 80,000 ounces from 555,000 tonnes grading 5.82 grams of gold per tonne at estimated total cash costs per ounce of approximately $850, with gold recovery expected to be 77.0%. Minesite costs of C$134 per tonne are expected.

Environmental Matters

Water used underground at the Lapa mine was initially re-circulated from mine dewatering after settling in the sedimentation pond. The re-circulation led to ammonia concentration in the water, and the Company experienced occasional toxicity problems in the water pond in 2008 and 2009. To address the ammonia content in the water, the Company built a 3.5-kilometre pipeline to obtain fresh water from the Heva River. The pipeline was commissioned in November 2009. The Company also commissioned a water treatment plant on site in the fourth quarter of 2010 to reduce the ammonia from mine dewatering. Output is currently within the target range at approximately ten parts per million of ammonia and average efficiency is at approximately 70%.

During the first year of operations of the water treatment plan, the removal of suspended solids in the water coming from the underground operations was through a sedimentation process. The limited capacity of the sedimentation pond limited the effectiveness of the system when there was a high variation in concentrations of suspended solids. In the second quarter of 2012, an Oberlin filtration unit was installed inside the treatment plant to improve the removal of suspended solids from water coming from underground operations. Despite the additional filtration, the process remains sensitive to variations in the concentrations of suspended solids and managing it requires special attention. The waste rock pile naturally drains towards the sedimentation pond. A waste rock sampling program implemented during the shaft sinking phase verified the non-acid generating nature of the waste rock. Water effluent from the sedimentation pond is being sampled as required under the Quebec mining effluent guidelines, and is expected to comply with the water quality criteria. The ore from the Lapa mine is transported and processed at the Lapa mill, which is located adjacent to the LaRonde Mill. The Lapa tailings are sent to the LaRonde mine tailings area.

There are no known environmental liabilities associated with the Lapa site. The Certificates of Authorization to proceed with mine production and with mill construction were issued by the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec) in October and December 2007, respectively. The Certificate of Authorization for mill and tailings production was received in 2008.

A revision to the closure plan for the Lapa mine was submitted to the Ministry of Natural Resources (Quebec) in 2009 and was approved in 2012. Financial assurance has been provided based on the closure plan.

Capital Expenditures

In 2013, the Company incurred approximately $19.9 million in capital expenditures at the Lapa mine, which included deferred development and sustaining capital expenditures (including underground construction and mining equipment), but excluded capitalized drilling. Budgeted 2014 capital expenditures at the Lapa mine are $16.0 million, which includes deferred development and sustaining capital, but excludes capitalized drilling.

Development

In 2013, a total of 7,804 metres of lateral development was completed. Development focused on permanent drifts (ramps and haulage way), stope preparation of mining blocks set for production in 2013 and 2014 and access to the satellite zones and the lower portions of the Contact zone.

Geology, Mineralization and Exploration

Geology

The Lapa 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 Province of the Canadian Shield. The most important regional structure is the CLL fault zone marking the contact between the Abitibi and Pontiac Subprovinces. The fault zone passes through the property from west to east, and is marked by schists and mafic to ultramafic volcanic flows that comprise the Piché group (up to approximately 300 metres thick in the mine area). On the Lapa property, the fault zone displays a "Z" shaped fold to which all of the lithologic groups in the region conform. Feldspathic dykes cut the Piché group, especially near the fold. North of the Piché group lies the Cadillac sedimentary group, which consists of 500 metres or more of well-banded wacke, conglomerate and siltstone with intercalations of iron formation. The Pontiac group sedimentary rocks (up to approximately 300 metres thick) that occur to the south of the Piché group are similar to the Cadillac group but do not contain conglomerate nor iron formation.

Mineralization

All of the known gold mineralization along the CLL fault zone is epigenetic (late) vein type, controlled by the structure. The mineralization is associated with the fault zone and occurs within or immediately adjacent to the Piché group rocks.

The Lapa deposit is comprised of the Contact zone and five satellite zones. The Contact zone accounts for approximately 70% of the mineral reserves.

The ore zones are made up of multiple quartz veins and veinlets, often smoky and anastomosing, within a sheared and altered envelope containing minor sulphides and visible gold. The Contact zone is generally located at the contact between the Piché group and the Cadillac group. The satellite zones are located within the Piché group at a distance varying from ten to 50 metres from the contact with the Cadillac group, except for the satellite zones 7 and 8 at 150 metres from this same contact, and the Contact North zone, which is located approximately ten metres north of the Contact zone within the Cadillac group. The sheared envelope consists of millimetre-thick foliation bands of biotite or sericite with silica and, in places, cuts across rock units. Quartz veins and millimetre-sized veinlets parallel to the foliation account for 5% to 25% of the mineralization. Visible gold is common in the veins and veinlets but can also be found in the altered host rock. Sulphides account for 1% to 3% of the mineralization; the most common sulphides, in order of decreasing importance, are arsenopyrite, pyrite, pyrrhotite and stibnite. Graphite is also rarely observed as inclusions in smoky quartz veins.

The Contact and satellite zones are tabular mineralized envelopes oriented east-west and dipping very steeply to the north, turning south at depth. The economic portion of the zone has been traced from depths of approximately 450 metres to more than 1500 metres below surface. The Contact zone has an average strike length of 300 metres, varies in thickness from 2.8 to 5.0 metres and is open at depth. Locally some thicker intervals have been intersected but their continuity has not been demonstrated. The satellite zones have thicknesses similar to the Contact zone.

Exploration

Overall, there was a reduction of approximately 114,000 ounces of gold in reserves at the Lapa mine in 2013 after mining 125,000 ounces of gold. The net reduction was a result of gold production and delineation diamond drilling, offset by additional ounces from zone 7 and zones 100, 110 and 120. Underground indicated resources at the Lapa mine increased by 0.4 million tonnes grading 4.80 grams of gold per tonne mainly due to conversion and reclassification of resources below Level 128 of the Contact zone and below Level 113 of the East zone, and the re-interpretation of drilling results and new drilling on the Lapa property. Approximately 0.1 million tonnes of inferred resources grading 7.50 grams of gold per tonne were added following underground drilling in 2013. Drilling and evaluation will continue in 2014.

In 2013, a total of 174 holes were drilled on the Lapa property for a total length of 36,043 metres. Of the drilling in 2013, 166 holes (33,556 metres) were for definition (conversion) and 8 holes (2,487 metres) were for exploration. Expenditure on diamond drilling at the Lapa mine during 2013 was approximately $3.3 million, including $2.9 million in definition drilling expenses charged to capital costs and $0.4 million expensed on exploration drilling.

Two exploration diamond drilling programs were completed at the Lapa mine during 2013. The first program concentrated on confirming and expanding the known orebodies (in the Contact zone and the other satellite zones) in the immediate vicinity of the ore zones. The drilling tested the western area of the Contact zone reserve between the orebody and the limit of the property. The drilling also tested the Zulapa corridor of zones 7 and 8. The 2014 program will continue to focus on expanding mineral resources in those areas and further drilling will be needed to evaluate the economics of zone 8. The second program was executed from the exploration track drift on Level 101 (one kilometre deep) and from the surface toward the east area of the Contact zone. This program will continue through 2014.

In 2014, the Company expects to spend approximately $2.0 million on 22,670 metres of definition (conversion) drilling and approximately $1.4 million on 14,900 metres of exploration drilling, for a total of approximately $3.5 million at the Lapa mine.

Goldex Mine

The Goldex mine, which initially achieved commercial production in August 2008, is located in the City of Val d'Or, Quebec, approximately 60 kilometres east of the LaRonde mine. On October 19, 2011, the Company suspended mining operations and gold production from the GEZ, following the receipt of recommendations from independent consultants to halt underground mining operations during the investigation into geotechnical concerns with the rock above the mining horizon. As a result, the Company wrote off substantially all of its investment in the Goldex mine (approximately $254 million), took a closure provision of approximately $44 million and reclassified all of the remaining 1.6 million ounces of proven and probable gold reserves (approximately 0.9 million ounces of gold in proven reserves (14.8 million tonnes grading 1.87 grams of gold per tonne) and approximately 0.7 million ounces of gold in probable reserves (13.0 million tonnes grading 1.6 grams of gold per tonne) estimated as of December 31, 2010), other than the ore stockpiled on the surface, as mineral resources in the third quarter of 2011. The surface stockpile was processed in the Goldex mill by October 30, 2011.

In July 2012, the Company approved the development of the M Zone and the E Zone of the Goldex mine. Production from these zones began in the fourth quarter of 2013 and commercial production was achieved in October 2013. Development work is continuing underground on the M and E Zones. Exploration on the Deep Zone continues with underground diamond drilling.

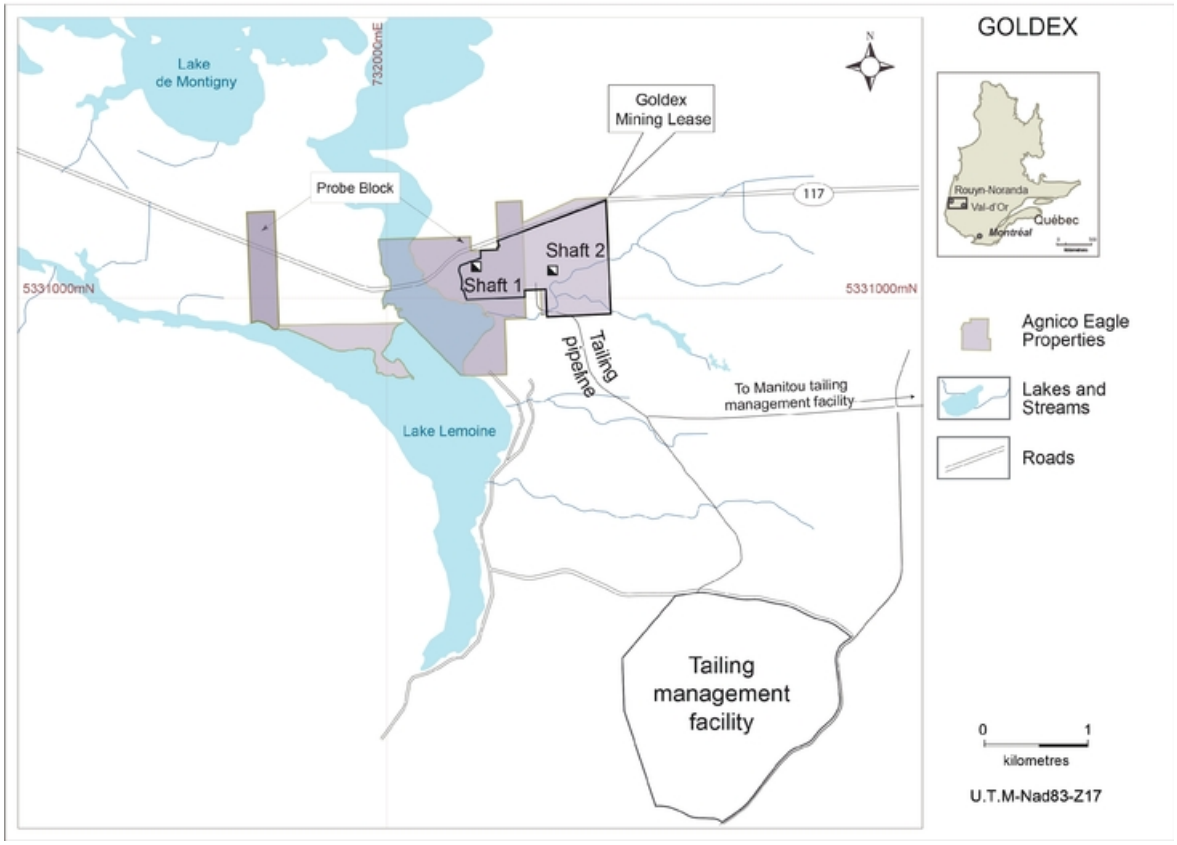
The proven and probable reserves at Goldex as at December 31, 2013 were approximately 0.4 million ounces of gold comprised of 7.6 million tonnes grading 1.52 grams per tonne, all in the M, Mx and E Zones. Goldex also had measured and indicated resources of approximately 30.1 million tonnes grading 1.96 grams of gold per tonne, and inferred resources of approximately 26.1 million tonnes grading 1.64 grams of gold per tonne as at December 31, 2013.

In 2013, a feasibility study was carried out on the M2 and M5 Zones and the east part of the E Zone. The M2 and M5 Zones are located just above and to the east of the M Zone, and are between 50 metres and 225 metres below the surface. The east part of the E Zone is located to the east of the GEZ. This feasibility study indicated that mining these zones concurrently with the M and E Zones appeared economical. Therefore, the mineral resources of these new satellite zones were added to the reserves. The Company anticipates that the commencement of operations on these new satellite zones will result in increased daily throughput of the mine and mine life being extended further into 2017.

The Company anticipates that approximately 5,780 tonnes of ore per day grading 1.58 grams per tonne (diluted) will be extracted and processed from the M and E Zones over the next four years.

Other satellite zones at the Goldex mine such as the Deep and P Zones are being evaluated by the Company and, if found to be economically minable, are expected to provide the Company additional flexibility in its mining operations at the Goldex mine and may extend the mine life.

Location Map of the Goldex Mine (as at December 31, 2013)



The Goldex property is accessible by provincial highway. The elevation is approximately 302 metres above sea level. All of the Goldex mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. The potable water at the Goldex mine is sourced directly by aqueduct from the City of Val d'Or. Mine operations have three main sources of water: underground dewatering water, the polishing pond of the auxiliary tailings pond and from the Thompson River, if needed. For additional information regarding the Abitibi region in which the Goldex mine is located, including information with respect to climate, topography, vegetation and mining personnel, see "– LaRonde Mine" above.

The Goldex mine operates under a mining lease obtained from the Ministry of Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec). The Goldex property, in which the Company has a 100% working interest, consists of 22 contiguous mining claims and, since April 2006, one provincial mining lease (98.6 hectares), covering an aggregate of 331.2 hectares. The property is made up of three blocks: the Probe block (130.7 hectares); the Dalton block (10.4 hectares); and the Goldex Extension block (190.1 hectares). The claims are renewable every second year upon payment of a small fee. The mining lease expires in 2028 and is automatically renewable for three further ten-year terms upon payment of a small fee. The Company also has one surface lease covering 418.5 hectares that is used for the auxiliary tailings pond. This lease is renewable annually upon payment of a fee.

The Goldex property includes underground operations that can be accessed from two shafts, a processing plant, an ore storage facility and other related facilities. The GEZ, which was the gold deposit on which the Company was focusing its production efforts before production was suspended indefinitely on October 19, 2011, was discovered in 1989 on the Goldex Extension block (although the Company believes a small portion of the GEZ occurs on the Probe block). On November 29, 2012, the Company purchased the 5% net smelter return royalty interest on the Probe block from Probe Mines Limited ("Probe") for cash consideration of C$14 million. Up to an additional C$4 million (in cash or common shares of the Company, at the election of Probe) may become payable by the Company to Probe if certain production thresholds are achieved on the Probe block. In 2013, no additional consideration was payable to Probe based on the production thresholds on the Probe block.

In late 1997, the Company completed a mining study that indicated that the GEZ deposit was not economically viable to mine at the then-prevailing gold price (approximately $323 per ounce of gold) using the mining approach chosen and the drill-hole-indicated grade. The property was placed on care and maintenance and the workings were allowed to flood. In February 2005, a new mineral reserve and resource estimate was completed for the GEZ which, coupled with a feasibility study, led to a probable mineral reserve estimate of 1.6 million ounces of gold contained in 20.1 million tonnes of ore grading 2.54 grams of gold per tonne. The GEZ resource model was revised and, in March 2005, the Company approved a feasibility study and the construction of the Goldex mine. The mine achieved commercial production on August 1, 2008 and consistently operated at or above the designed rate of 6,900 tonnes per day until its operations were suspended in October 2011.

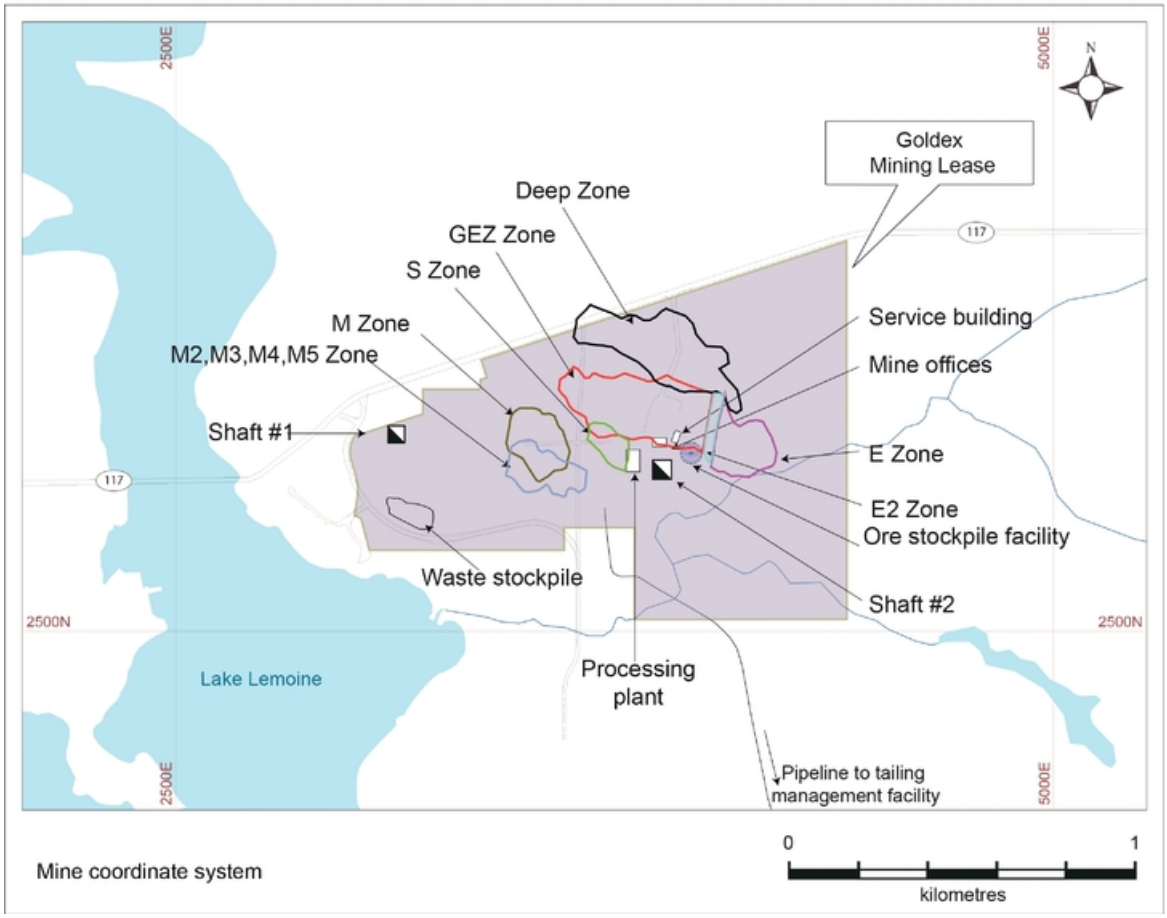
Based on the results of a scoping study completed in July 2009, the Company decided to expand the mine and mill operations at Goldex to 8,000 tonnes per day. This project was completed in 2010. Capital costs in connection with the expansion totaled $10 million. The crusher for the expansion was commissioned at the end of the first quarter of 2010 at a rate of 7,811 tonnes per day. The Company is not expected to produce more gold from the GEZ until the geotechnical concerns with the rock above the mining horizon are resolved.

Development and construction of the infrastructure needed for the extraction of the M and E Zones was carried out in 2012 and 2013. Concurrently, a paste backfill plant was built on the surface to provide filling material for the new mining method. Surface remediation, in the form of cement injection and other corrective work to the mine's surface infrastructure (including to Shaft #2) was also carried out.

Total mill throughput for 2013 was 527,654 tonnes of ore grading 1.35 grams of gold per tonne. Recovery averaged 91.81% for a total payable production of 20,810 ounces of gold, of which 1,505 ounces were from the pre-production phase.

Mining and Milling Facilities

Surface Plan of the Goldex Mine (as at December 31, 2013)



The surface facilities at Goldex include a head frame, a hoist room, a paste backfill plant, 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 provided access to underground workings. Shaft #1 is now predominantly used for getting material into the mine as well as serving as an emergency exit from the mine.

The sinking of a new production shaft was completed in 2007. This shaft (Shaft #2) is a 5.5-metre diameter shaft with a 50-centimetre thick concrete lining and is used for ventilation as well as hoisting purposes. Shaft #2 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. The production hoist is equipped with one cage skip. Each skip has a 21.5-tonne capacity and the shaft can hoist an average of 7,000 to 8,000 tonnes of ore per day.

Mining Method

The Company mines the M and E Zones using primary and secondary stope methods. Drilling is carried out with ITH drills. Production holes can either be 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 60,000 and 100,000 tonnes. Ore handling in the M Zone is done with 15 yard load-haul-dump 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 load-haul-dump machines and 45 tonne trucks.

All stopes are supported with 15 metre cable bolts. In addition, the stability of each stope 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.

Surface Facilities

Plant construction at Goldex commenced in the second quarter of 2006 and was completed in the first quarter of 2008. The plant reached design capacity in the second quarter of 2009. Grinding at the Goldex mill was initially done through a two-stage circuit comprised of a SAG mill and a ball mill. In 2009, a surface crusher was added to reduce the size of ore transferred to the surface from 150 millimetres to 50 millimetres. A lamellar decanter was also added to recover small particles present in the water overflow of the concentrate thickener. The underflow pump for this thickener was upgraded following flotation circuit modification to increase the pull rate of the small particles. 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 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 and Lapa mines. The Company expects an average gold recovery of 92.4% in 2014.

In 2013, a new backfill plant was built on the site. The plant provides fill for the M and E Zone stopes. The tailing thickener underflow feeds the backfill plant, two disk filters increase the density before the continuous mixer where cement is added at a ratio of approximately 5% and then sent to the underground mine with a positive displacement pump. The capacity of the backfill plant is approximately 6,200 tonnes per day.

In 2013, metallurgical testing on ore from the M and E Zones showed that the cement in the backfill would have a negative impact on the efficiency of the flotation circuit. As a result, a pH control (using carbon dioxide), a reservoir and control valves were added to the mill.

In addition, surface facilities at the Goldex property include an electrical sub-station, a compressor building, a service building for administration, a warehouse building, a concrete headframe above Shaft #2, a hazardous waste storage facility and a dome covering the ore stockpile.

Production and Mineral Recoveries

From September to December 2013, the Goldex mine had payable production of 20,810 ounces of gold from approximately 0.53 million tonnes of ore grading 1.35 grams of gold per tonne. The total cash cost per ounce of gold produced at Goldex in 2013 was $782. The mine site cost per tonne at Goldex in 2013 was C$32. The Goldex processing facility averaged approximately 5,343 tonnes of ore treated per day and operated 95.0% of available time. Gold recovery averaged 91.81%.

The following table sets out the metal recoveries at the Goldex mine in 2013.

	Head Grades	Gravity Recovery	Flotation-Cyanidation Recovery	Global Recovery	Payable Production
Gold	1.35 g/t	64.18%	26.76%	91.81%	20,810 oz

The Company expects that approximately 5,200 tonnes of ore per day will be mined from the M and E Zones in 2014. Gold production during 2014 at the Goldex mine is expected to be approximately 80,000 ounces from 1,898,000 tonnes grading an average of 1.42 grams of gold per tonne at estimated total cash costs per ounce of approximately $799 with gold recovery expected to be 92.4%. Minesite costs of C$37 per tonne are expected during 2014.

Environmental Matters

Environmental permits for the construction and operation of an ore extracting infrastructure at the Goldex mine were received from the Ministry of Sustainable Development, Environment, Wildlife and Parks (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 the Goldex tailings at the Manitou site, a tailings site formerly used by an unrelated third party and abandoned to the Quebec government. The Manitou tailings site has issues relating to acid drainage, and the construction of tailings facilities by the Company and the deposit of tailings from the Goldex plant on the Manitou tailings site was accepted by the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec) as a valid rehabilitation plan to address the acid generation problem at Manitou. Under the agreement, the Company managed the construction and operation of the tailings facilities and the Quebec government paid all additional costs above the Company's budget for tailings facilities set out in the Goldex feasibility study. The Quebec government retains responsibility for all environmental contamination at the Manitou tailings site and for final closure of the facilities. In addition, the Company built a separate tailings deposit area (auxiliary tailings pond) near the Goldex mine. Environmental permits for the construction and operation of the auxiliary tailings pond were received in March 2007. To the end of 2013, approximately 909,780 tonnes of Goldex tailings had been discharged to the auxiliary pond and approximately 8.34 million tonnes had been discharged to the Manitou tailings site. The rehabilitation of the Manitou tailings site is expected to continue during the mining of the M and E Zones.

Internal dykes were also built in 2013 at the Manitou tailings site to make better use of the reduced quantity of available tailings for rehabilitation of the Manitou site. An infraction notice was received from the Québec Ministry of Environment in February 2014 for an exceedance of the C10-C50 parameter at the effluent of the auxiliary pond, however, the effluent was resampled and the parameter was compliant and has continued to be sampled as compliant.

As at December 31, 2013, the mine closure costs were revised to account for the change in conditions at the site due to the M and E Zones achieving commercial production in October 2013. As at December 31, 2013, the estimated remaining closure costs relating to the Goldex mine are approximately $15.4 million. In 2011, 2012 and 2013, the Company spent $7.6 million, $21.4 million and $9.0 million, respectively, on mine closure costs at Goldex.

Capital Expenditures

As a result of the Goldex mine closure in late 2011, from January to mid-October 2012, Goldex was considered an exploration project and, accordingly, none of the expenses incurred at Goldex were capitalized. A feasibility study for the M Zone and E Zone was completed in mid-October 2012, which demonstrated the potential for a new mining project at the M and E Zones. Accordingly, from mid-October until the end of 2012, all expenses were capitalized at Goldex. Total expenditures related to the M Zone and E Zone at Goldex before commercial production in 2013 were $47.9 million and $17.2 million from October to December 2013.

The 2012 feasibility study estimated that the payback period of capital for the Goldex operation would be five years after the start of construction (with construction starting in 2012), based on an assumed gold price of $1,342 per ounce and an exchange rate of C$1.03 per $1.00. This payback period calculation does not take into account any interest costs or inflation.

Total estimated capital expenditures for 2014 are $29.0 million excluding capitalized drilling, with $5.6 million approved to further develop the M Zone and E Zone.

Development

During 2013, approximately 6,515 metres of lateral development were completed. A total of 319 metres of vertical development were also completed in order to establish both the ore pass system servicing the M Zone and the ventilation network servicing both the M Zone and E Zone. A total of 6,000 metres of lateral development is planned for both zones in 2014, while 275 metres of vertical development will be necessary to extend the ore pass system and to ensure proper ventilation of the M2 and M5 Zones. Development is expected to continue, at a slower rate, through 2015.

Geology, Mineralization and Exploration

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 CLL 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 GEZ extends from 500 to 800 metres below the surface and is entirely hosted by the Goldex Granodiorite. The limits of the zone are defined by the intensity of the quartz vein stockwork envelope and by gold assays. The zone is almost egg-shaped; it is over 300 metres tall by 450 metres long (in a west-northwest direction) and its thickness increases rapidly from 25 metres along the east-west edges to almost 150 metres in the centre.

In 2013, exploration efforts at Goldex were focused on the M Zone, E Zone and Deep Zone. These zones are defined by quartz tourmaline veins and gold assays similar to the GEZ. The mineralization in the M2 and M5 Zones is similar to the GEZ, although their continuity is more limited and there appears to be stacking of dislocated zones containing gold-bearing quartz tourmaline pyrite veins and veinlets. The M Zone has been defined as having a length of 160 metres, a height of 120 metres and a thickness of 115 metres. The E Zone, adjacent to the eastern end of the GEZ, has a length of 150 metres, a height of 150 metres and a thickness of 100 metres. The Deep Zone is approximately 150 metres below the GEZ and close to 1,500 metres below the surface. It appears to have an approximate length of 500 metres.

Mineralization

Gold mineralization at Goldex corresponds to a quartz-tourmaline vein deposit type. The Goldex gold-bearing quartz-tourmaline-pyrite veins and veinlets have strong structural control. The most significant structure directly related to mineralization is a discrete shear zone, the Goldex Mylonite, that is up to five metres wide and occurs within the Goldex Granodiorite, just south of the GEZ and north of the M Zone.

A couple of vein sets exist within the GEZ, M Zone, E Zone, P Zone and Deep Zone, of which the main set consists of extensional shear veins dipping approximately 30° 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 GEZ and the M and E Zones; they are removed with the rest of the stope's ore to allow for a smooth stope shape, required for mining purposes.

Most of the gold occurs as microscopic particles that are almost always associated with pyrite, generally adjacent to 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).

Exploration

Overall, there was an increase of approximately 23,600 ounces of gold in reserves at Goldex in 2013 despite mining 23,000 ounces of gold. Underground measured and indicated resources at the Goldex mine increased by 2.9 million tonnes to 30.1 million tonnes grading 1.96 grams of gold per tonne. In 2013, there was a reduction in inferred resources of

approximately 8.6 million tonnes to 26.1 million tonnes of ore grading 1.64 grams of gold per tonne. This decrease in the inferred resources was primarily due to the success of the 2013 conversion drilling program on the Deep Zone.

The diamond drilling at Goldex totaled 33.9 kilometres in 2013. Of this number, 13% (4.3 km) was exploration of the Deep Zone, 74% (25.1 km) was definition drilling principally in the Mx Zone (7.9 km for 32%), P Zones (7.8 km for 31%), Deep Zone (4.9 km for 20%), E Zone (1.6 km for 6%), S Zone (1.5 km for 6%) and M Zone (1.2 km for 5%), 6% was delineation drilling in the M and E Zones and 7% was drilling done to provide geotechnical information.

During 2013, $3.7 million was spent on exploration drilling at Goldex. A total of eight holes were drilled using diamond drilling methods for a total length of approximately 4.3 kilometres, compared to 202 holes for a total length of approximately 70.1 kilometres in 2012. Other exploration related expenses in 2013 included a study of the Deep Zone.

In 2014, the Company expects to spend $1.7 million on 13.2 kilometres of definition (conversion) drilling as well as $0.2 million on 4.2 kilometres of exploration drilling and $0.4 million on 330 metres of development work on the exploration ramp into the Deep Zone, for a total of $2.3 million at the Goldex mine.

Kittila Mine

The Kittila mine, which commenced 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, 2013, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.7 million ounces of gold comprised of 31.6 million tonnes of ore grading 4.64 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, accessible via a paved road. The property is close to infrastructure, including hydro power, an airport and the town of Kittila. The mine also has access to a qualified labour force, including mining and construction contractors.

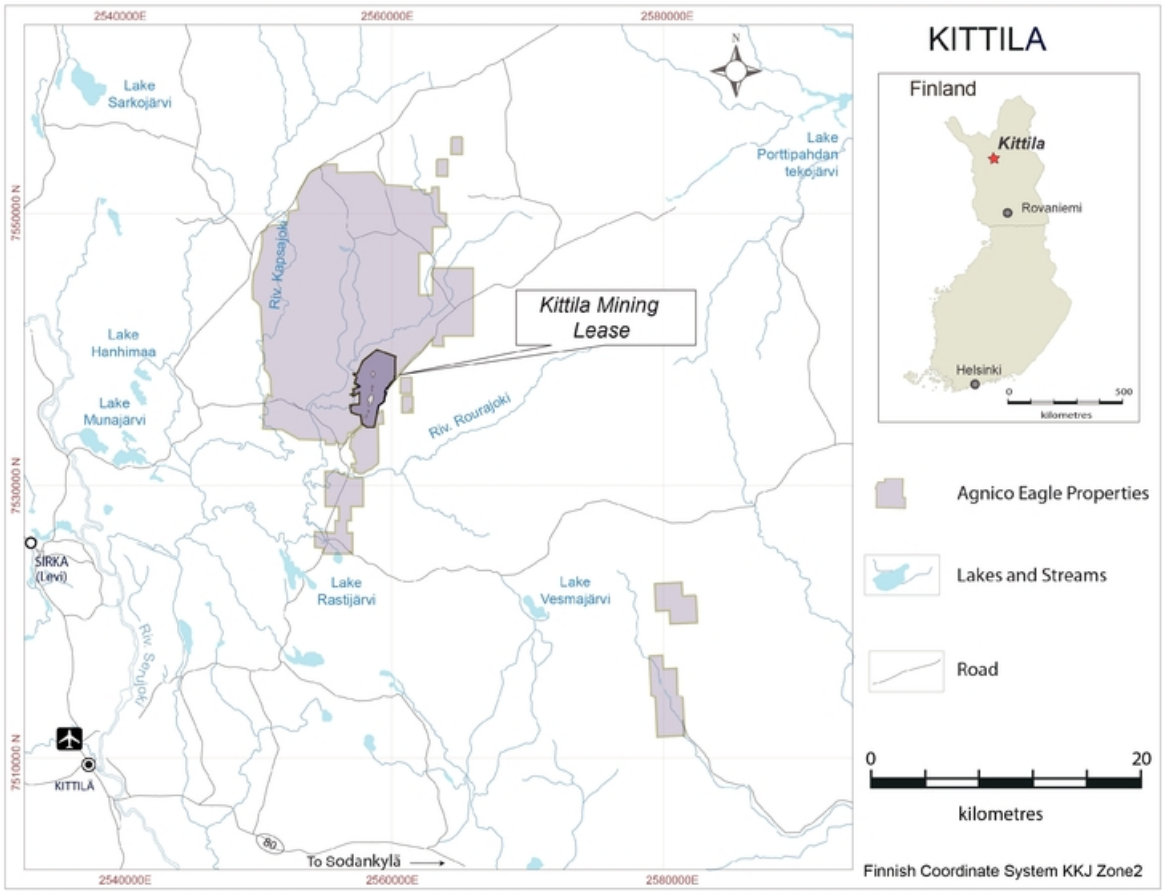
The total landholdings surrounding and including the Kittila mine comprise one mining licence (licence area of 847 hectares and licence extension area of 285 hectares) and 259 tenements covering approximately 24,356 hectares. The mineral titles form a continuous block around the Kittila mining licence. The block has been divided into the Suurikuusikko area, the Suurikuusikko West area, the Suurikuusikko East area and the Kittila mining licence centred at 25.4110 degrees longitude east and 67.9683 degrees latitude north.

The boundary of the mining licence is determined by ground-surveyed points, whereas the boundaries of the other tenements are not required to be surveyed. All of the tenements in 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 latest expiry date being August 2017. Tenements are initially valid for four years, provided exploration work in the area is reported annually and a small annual fee is paid to maintain title; extensions for titles can be granted for 11 additional years upon payment of a slightly higher fee and active exploration in the area. 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 Kittila mine area is sparsely populated and is situated between 200 and 245 metres above sea level. The topography is characterized by low rolling forested hills separated by marshes, lakes and interconnected rivers. The gold deposit is situated on an area of land that has no special use at present and there is sufficient land available for tailings facilities. Water requirements for the Kittila mine are sourced from the nearby Seurujoki River, recirculation of water from pit dewatering and tailings pond water. The Kittila region is located within the South-West Lapland zone of the northern boreal vegetation zone characterized by spruce forests, marshes and bogs.

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. Winter temperatures range from minus 10 to minus 30 degrees Celsius, whereas summer temperatures range from 10 degrees Celsius to the mid-20s. Exploration and mining work can be carried out year-round. Because of its northern latitude, winter days are extremely short with a brief period of 24-hour darkness around the winter solstice. Conversely, summer days are very long with a brief period of 24-hour daylight in early summer around the summer solstice. Annual precipitation varies between five and 50 centimetres, one-third of which falls as snow. Snow accumulation usually begins in November and remains until March or April.

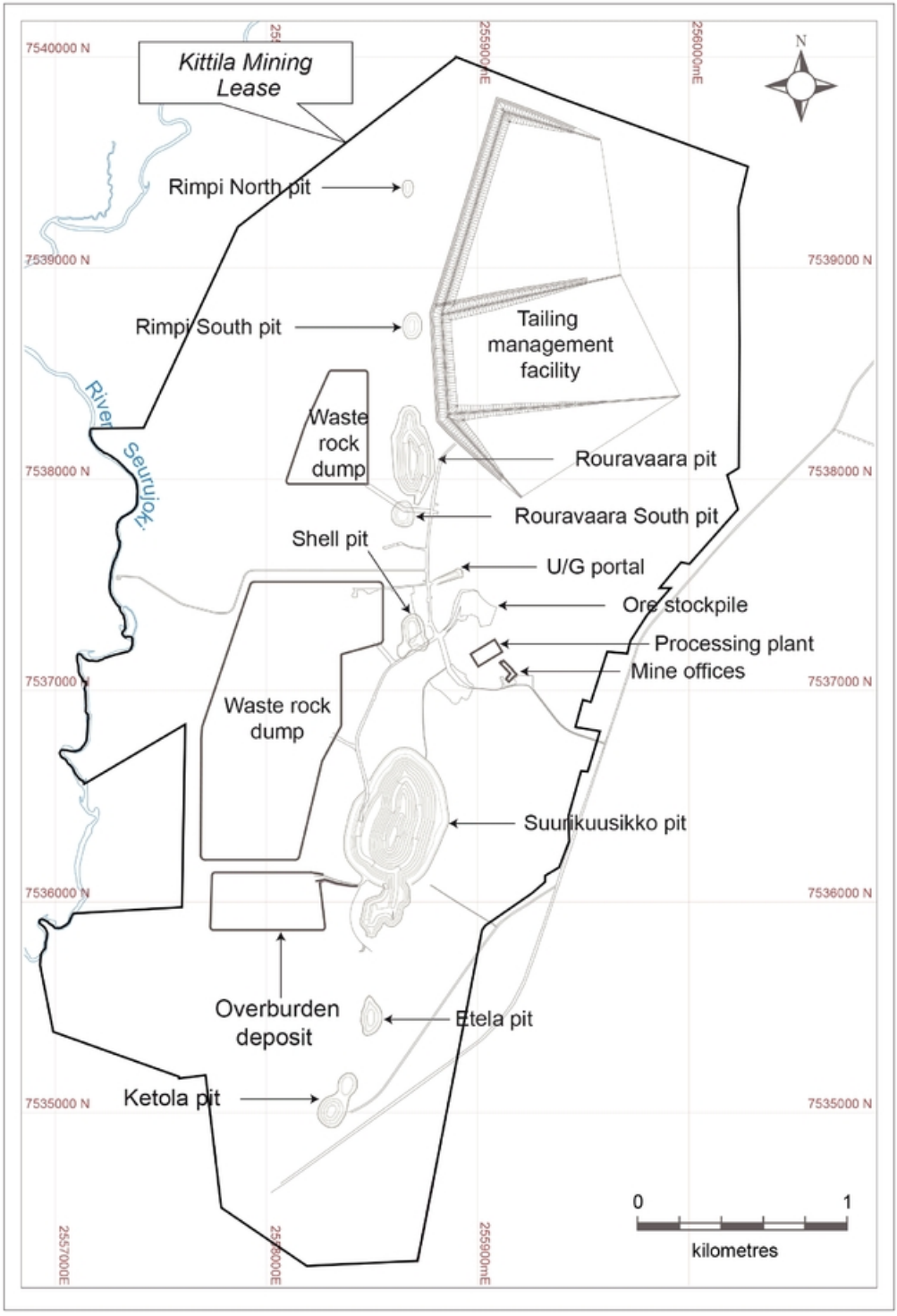
Location Map of the Kittila Mine (as at December 31, 2013)



The Company acquired its 100%, indirect interest in the Kittila mine through the acquisition of the Swedish company Riddarhyttan Resources AB in November 2005. In June 2006, on the basis of an independently reviewed feasibility study, the Company approved construction of the Kittila mine. Mining at Kittila started initially as open pit mining. This open pit mining was completed in November 2012 and all mining is currently carried out from the underground via ramp access. The initial underground stope was mined in early 2010. Ore is processed in a 3,000-tonne per day surface processing plant that was commissioned in late 2008. Limited gold concentrate production started in September 2008 and gold dore bar production commenced in January 2009. A decision to increase the mine production was made in February 2013 and construction started immediately. The production increase consists of expanding the processing capacity from 3,000 tonnes per day to 3,750 tonnes per day. The expansion project at the mine is expected to be completed by the middle of 2015.

Mining and Milling Facilities

Surface Plan of the Kittila Mine (as at December 31, 2013)



The orebodies at Kittila were mined initially from two open pits, followed by underground operations to mine the deposits further beneath the surface. Smaller additional open pits will be used to mine any remaining mineral reserves close to the surface in the future. Open pit mining started in May 2008 and the extracted ore was stockpiled. As of December 2013, a total of 4.8 million tonnes of ore have been processed, including ore from the open pits and underground, 0.54 million tonnes of ore are currently stockpiled and 33.8 million tonnes of waste rock have been excavated. Work on the ramp and other work to access the reserves underground continued throughout 2013. Total underground (lateral and vertical) development at the end of 2013 is approximately 36,000 metres. Underground mining commenced in the fourth quarter of 2010 and, at the end of 2013, a total of 1.99 million tonnes of ore has been mined from the underground portion of the mine.

Mining Methods

At the Kittila mine, the Suurikuusikko and the Rouravaara orebodies are currently mined by underground mining methods and access to the underground mine is via ramp. Approximately 3,000 tonnes of ore per day are fed to the concentrator. The underground mining method is open stoping with delayed backfill. Stopes are between 25 and 40 metres high and yield approximately 10,000 tonnes of ore per stope. To ensure sufficient ore production is available to supply the mill, over 7,000 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 will be trucked to the surface crusher via the ramp access system.

Surface mining at the Kittila mine ended in 2012. Surface mining was completed at the Rouravaara pit in April 2012 and surface mining at the Suurikuusikko pit was completed in early November 2012.

Surface Facilities

Construction of the processing plant and associated equipment was completed in 2008 and facilities on site include an office building, a maintenance facility for the open pit equipment, a warehouse, a maintenance shop, an oxygen plant, a processing plant, a paste backfill plant, a tank farm, a crusher, conveyor housings and an ore bin. In addition, some temporary structures house contractor offices and work areas.

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 cyanide-in-leach 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.

During 2013, flotation recoveries were very stable and averaged 94.8%. Recoveries in the second stage of the process were also very stable in 2013, averaging 95.1% over the year. In the second quarter of 2013, the Company carried out a complete relining of the autoclave. Since this relining, recoveries from the autoclave have been very stable.

Production and Mineral Recoveries

In 2013, the Kittila mine had payable production of 146,421 ounces of gold from 934,224 tonnes of ore grading 5.40 grams of gold per tonne. The total cash cost at Kittila in 2013 per ounce of gold produced was $601. The minesite cost at Kittila was €73 per tonne. The Kittila processing facility averaged 2,559 tonnes per day and operated approximately 73% of available time. Gold recovery averaged 90.17%.

The following table sets out the metal recoveries at the Kittila mine in 2013.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	5.40 g/t	90.17%	146,421 oz

The Kittila mine is anticipated to produce approximately 150,000 ounces of gold in 2014 from 1,067,000 tonnes grading 4.90 grams of gold per tonne at estimated total cash costs per ounce of approximately $759, with gold recovery expected to be 89.3%. Minesite costs of €78 per tonne are expected.

Environmental Matters

Agnico Eagle Finland Oy currently holds a mining licence, an environmental permit and operational permits in respect of the Kittila mine. All permits necessary to begin production were received during 2008.

The construction of the first phase of the tailings dam and waterproof bottom layer was completed in the fall of 2008. Work on the second phase was completed in 2010 and included the expansion of the tailings area. Work on the third phase began in 2013 and includes work to heighten the dam. Work on the third phase is expected to continue for several years.

Water from dewatering the mine and water used in the mine and mill is collected and treated by sedimentation. 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 initiated in 2012 was postponed to 2014 due to reviews by authorities of the permit levels. There are no material environmental liabilities related to the Kittila mine. Financial assurance 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. This renewal contains additional effluent criteria and the company has appealed the timing of compliance with such criteria to allow for studies and design to take place for new water treatment as required.

Capital Expenditures

Capital expenditures at the Kittila mine during 2013 totaled approximately $78.5 million, which includes mill expansion construction, mill modification, underground development and sustaining capital costs, but excludes capitalized drilling.

The Company expects capital expenditures during 2014 at the Kittila mine to be approximately $121.0 million, excluding capitalized drilling, most of which will be used for mill expansion, mill modification, tailings dam heightening, mining equipment, development and construction of underground infrastructure.

Development

In 2013, underground development continued in both the Suurikuusikko and Rouravaara zones. 7,165 metres of ramp and sublevel access development was completed during the year. A total of 71,000 tonnes of ore from development and 988,000 tonnes of stope ore were mined in 2013. The Company expects to complete approximately 7,366 metres of lateral development and 310 metres of vertical development during 2014.

Geology, Mineralization and Exploration

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 ("Kautoselka Formation") located to the west and magnesium-rich tholeiitic basalt, coarse volcaniclastic units, graphitic schist and minor chemical sedimentary rocks ("Vesmajarvi Formation") 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 reserves and 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 23% of the current probable gold reserve estimate on a contained-gold basis, while Suuri Deep has approximately 19%, Roura-C approximately 7%, Roura Deep approximately 21%, Roura-N approximately 1%, Rimpi Deep approximately 22%, Rimpi-S approximately 5%, Ketola approximately 1% and Etela approximately 0.1%.

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 rest is "free gold", which is manifested as extremely small grains of gold in pyrite.

Exploration

In 2013, proven and probable gold reserves decreased by approximately 70,000 ounces to 4.7 million ounces (31.6 million tonnes of ore grading 4.64 grams per tonne). This decrease was primarily due to an increased cut-off grade resulting from the fall in gold price in 2013 which caused a 0.3 million ounce reduction in proven and probable reserves. The decrease was off-set, in part, by increased reserves from exploration and conversion drilling in the Rimpi Deep, Suuri Deep, Roura Central and Rimpi South zones. Measured mineral resources at December 31, 2013 were 0.5 million tonnes of ore grading 2.69 grams of gold per tonne. Indicated mineral resources increased by 2.7 million tonnes to 10.5 million tonnes grading 2.79 grams of gold per tonne. Inferred mineral reserves decreased by 11.4 million tonnes to 7.5 million tonnes of ore grading 4.12 grams of gold per tonne.

Diamond drilling is used for exploration on the Kittila property. Most of the work on the mining licence area has focused on the Suuri and Roura zones. From 1987 through the end of 2013, a total of 2,625 drill holes, totalling 802,655 metres, have been completed on the property. In 2013, between one and four drills worked on the Kittila property. A total of 331 drill holes were completed in 2013 for a length of 40,101 metres. Of these drill holes, 279 holes (18,814 metres) were for delineation drilling, 32 holes (6,377 metres) were for conversion drilling and 20 holes (14,988 metres) were related to mine exploration. Total expenditures for diamond drilling in 2013 were $6.1 million, including $0.9 million for definition (conversion) drilling and $5.2 million for exploration.

Outside of the Kittila mining licence area, systematic diamond drilling and target-focused ground geophysics continued along the Suurikuusikko Trend, and a number of new targets were tested by diamond drilling. Encouraging results were obtained from new gold zones in the Kuotko West area located approximately 10 kilometres north of the Kittila mine site. A total of 44 diamond drill holes totalling 15,544 metres were drilled on exploration targets outside of the mining licence area in 2013, at a cost of $2.0 million.

The 2014 exploration budget for the Kittila mine is approximately $6.5 million ($6.0 million for 17,500 metres of minesite exploration drilling and $0.5 million for 2,250 metres of resource conversion drilling), using up to three drills throughout the year to help further identify the gold reserve and resource potential of the Kittila property.

In addition, $1.8 million of exploration expenditures, including an estimated 2,000 metres of diamond drilling, is planned in 2014 for exploration along the 25-kilometre Suurikuusikko Trend, and $1.6 million (5,000 metres) along the nearby Hanhimaa Shear Zone.

Meadowbank Mine

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. At December 31, 2013, the Meadowbank mine was estimated to contain proven and probable mineral reserves of 1.8 million ounces of gold comprised of 16.8 million tonnes of ore grading an average of 3.24 grams of gold per tonne. The Company acquired its 100% interest in the Meadowbank mine in 2007 as the result of the acquisition of Cumberland Resources Ltd.

The fresh water required for domestic camp use, mining and milling is obtained from the intake barge at Third Portage Lake. Power is supplied by a 29-megawatt diesel electric power generation plant.

Location Map of the Meadowbank Mine (as at December 31, 2013)

The Meadowbank mine is held under ten Crown mining leases, four exploration concessions and 40 Crown mineral claims. The Crown mining leases, which cover the Portage, Goose and Goose South deposits, are administered under federal legislation. The Crown mining leases, which have renewable ten-year terms, have no annual work commitments but are subject to annual rent fees that vary according to their renewal date. The mining leases cover 7,395 hectares and expire in either 2016 or 2019. The production lease with the Kivalliq Inuit Association ("KIA") is a surface lease covering 1,513 hectares and requires the payment of C$158,865 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*. In order to conduct exploration on the Inuit-owned lands at Meadowbank, 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 Nunavut Water Board (the "NWB"), one such board, provided the recommendation to Aboriginal Affairs and Northern Development Canada to grant the Meadowbank mine's construction and operating licences in July 2008. The Company has obtained all of the approvals and licences required to build and operate the Meadowbank mine.

The four Meadowbank exploration concessions comprise approximately 33,490 hectares and are granted by Nunavut Tunngavik Inc. ("NTI"), the corporation responsible for administering subsurface mineral rights on Inuit-owned lands in Nunavut. In 2014, exploration concessions covering the Vault deposit at Meadowbank will require annual rental fees of approximately C$113,442 and exploration expenditures of approximately C$748,227. During the exploration phase, the concessions can be held for up to 20 years and the concessions can be converted into production leases with annual fees of C$1 per hectare, with no annual work commitments. Production from the concessions is subject to a 12% net profits interest royalty from which annual deductions are limited to 85% of the gross revenue.

In 2012, the Company signed a production lease with NTI covering the extraction and processing of gold from the Vault deposit. This lease authorizes the Company to mine and process gold from the Vault deposit and sets in place royalty payments that are equivalent to those being paid by the Company at the Portage and Goose pits.

The 40 Crown mineral claims cover approximately 36,889 hectares at Meadowbank and are subject to land fees and work commitments. Land fees are payable only when work is filed. The most recent filing was in 2012, when approximately C$8,998 in land fees were paid and C$5,491,178 in assessment work was submitted.

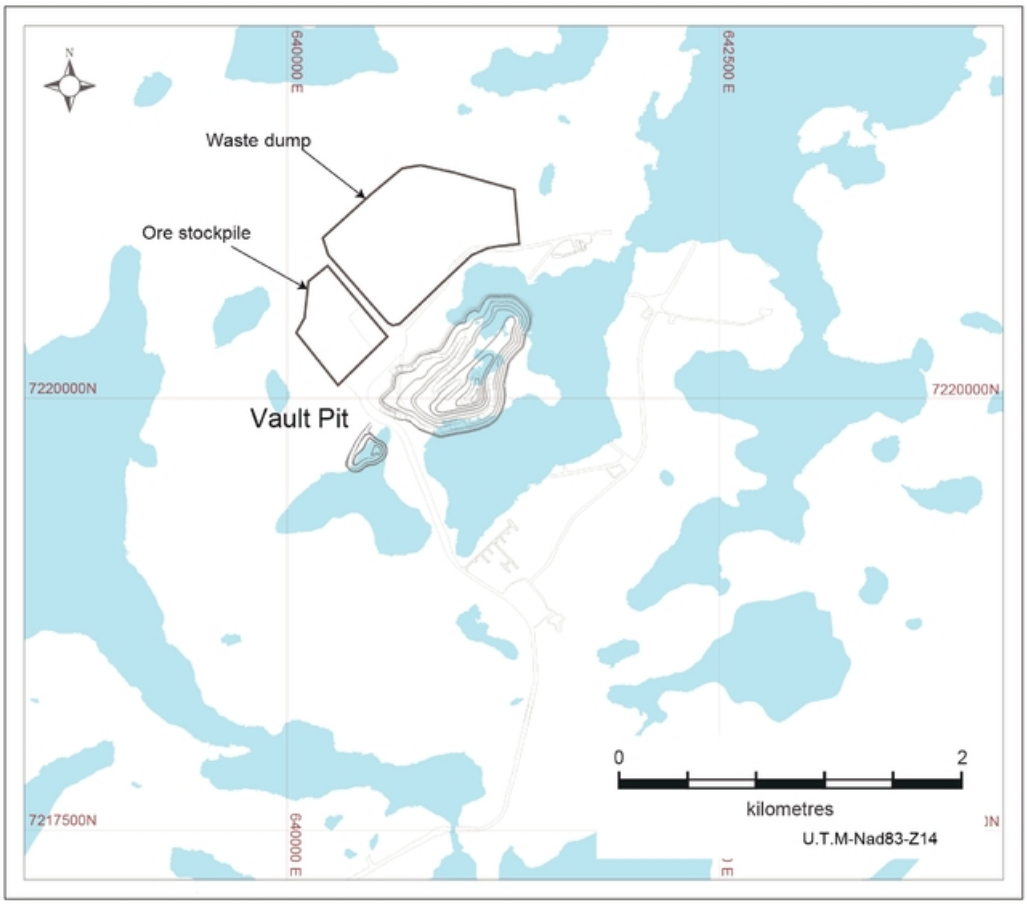
The Meadowbank mine is accessible from Baker Lake, located 70 kilometres to the south, over a 110-kilometre all-weather road completed in March 2008. Baker Lake provides 2.5 months of summer shipping access via Hudson Bay and year-round airport facilities. The Meadowbank mine also has a 1,752-metre long 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 in 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.

Mining and Milling Facilities

Surface Plan of the Meadowbank Mine (as at December 31, 2013)



Surface Plan of the Vault Deposit (as at December 31, 2013)



Meadowbank has three major deposits that have sufficient drilling definition to sustain reserves: Portage, Goose and Vault. All required aggregates used in the mining process are produced from waste material taken from the north end of the Portage pit. In 2008, a dewatering dyke was constructed in order to access the north half of the Portage pit in preparation for production in 2010. Construction of the Bay-Goose dyke, a major dewatering dyke required to access the southern portion of the Portage and the Goose pits, commenced in 2009 and was completed in 2011. Three tailings impoundment dykes: Saddle Dam 1, Saddle Dam 2 and Stormwater Dyke, were built in 2009 and 2010. 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 began in 2011 and was completed in 2012.

Mining Methods

Mining at the Meadowbank mine is done by open pit method using excavators and trucks. The ore is extracted conventionally using drilling and blasting, then hauled by trucks to a primary gyratory crusher adjacent to the mill. The marginal-grade material (material grading under the cut-off grade at a gold price of $1,200 per ounce, but which has the potential to increase the reserves at the end of the mine life if the metal prices justify its processing) is stockpiled separately. Also, stockpiles of low-grade material currently lower than the mill feed grade have been created. This low-grade material is processed when the mining fronts cannot supply enough material to the mill. Waste rock is hauled to one of three waste storages areas on the property, used for dyke construction material or backfilled into the mined out area.

Mining first commenced in the Portage pit in 2010 and in the Goose pit in March 2012, and is scheduled to commence in the Vault pit in 2014.

Surface Facilities

Plant site facilities include a mill building, a mechanical shop, a generator building, an assay lab and a heavy vehicle maintenance shop. A structure comprised of two separate crushers flank the main process complex. Power is supplied by a 29-megawatt diesel electric power generation plant with heat recovery and an onsite fuel storage (5.6 million litres) and distribution system. The mill-service-power complex is connected to the accommodations complex by enclosed corridors. In addition, the Company is building peripheral infrastructure including tailings and waste impoundment areas. 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.

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 potable water plant. In 2008, the exploration group was relocated eight kilometres south of the minesite location to a separate camp with an 80-person capacity. New kitchen facilities were built in the summer of 2011 to replace the facilities destroyed in a March 2011 fire.

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 A fuel is located next to the barge landing facility.

In 2013, new facilities were built near the Vault deposit, which is located approximately 8 kilometres from the mine complex. These facilities include a heated shelter for employees, a storage area, a fuel farm, an electrical power generation plant and a water treatment plant.

The process design is based on a conventional gold plant flowsheet consisting of two-stage crushing, grinding, gravity concentration, cyanide leaching and gold recovery in a CIP circuit. The mill is designed for year-round operation, with a design capacity of 9,800 tonnes per day. Based on projections from metallurgical test work, the overall gold recovery is projected to be approximately 92.8%, with approximately 25% typically recovered in the gravity circuit.

The different ore zones have slightly different grind sensitivities to gold recovery and, as such, different particle size distributions are recommended as target grinds in the processing. The use of a slightly coarser grind for the Vault ores will allow all three of the ore zones to be processed at a consistent process throughput.

The run-of-mine ore is transported to the crusher using off-road trucks. 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 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 2013, the Meadowbank mine had payable production of 430,613 ounces of gold from 4,142,840 tonnes of ore grading 3.43 grams of gold per tonne. The total cash cost at Meadowbank in 2013 per ounce of gold produced was $774. The minesite cost at Meadowbank was C$83 per tonne. The Meadowbank processing facility averaged 11,350 tonnes of ore per day, with the mill operating 94.3% of available time. Gold recovery averaged 94.40%.

The following table sets out the metal recoveries at the Meadowbank mine in 2013. Mill processing exceeded extraction from the mine in 2013; 197,000 tonnes came from the marginal stockpile and 508,000 tonnes from the low-grade stockpile.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	3.43 g/t	94.40%	430,613 oz

Gold production during 2014 at Meadowbank is expected to be approximately 430,000 ounces from 4,156,000 tonnes grading 3.45 grams of gold per tonne at estimated total cash costs per ounce of approximately $629 with gold recovery expected to be 93.3% for all deposits. Minesite costs of C$73 per tonne are expected.

Environmental Matters (including Inuit Impact and Benefit Agreement)

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

In February 2007, a predecessor to the Company and the Nunavut government signed a Development Partnership Agreement (the "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. This agreement was renegotiated and an amended Meadowbank IIBA was signed 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.

The Company currently holds a renewable exploration lease from the KIA that expires December 31, 2015. In July 2008, the Company signed a production lease for the construction and the operation of the mine, the mill and all related activities. This production lease 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 Land Claims Agreement respecting compensation for water use and water impacts associated with the mine.

A series of four dykes have been 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 to minimize the onset of oxidation and the subsequent generation of acid mine drainage 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 flooding of the pit which will prevent any acid generation. Because the site is underlain by about 450 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 are stored in the dewatered portion of the Second Portage Lake. The tailings are deposited on tailings beaches within a two cell tailings storage facility. A reclamation pond is located within the tailings storage facility. 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 four-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.

The water management objective for the project is to minimize the potential impact on the quality of surface water and groundwater resources at the site. Diversion ditches were constructed in 2012 to avoid the contact of clean runoff water with areas affected by the mine or mining activities. Contact water originating from affected areas is intercepted, collected, conveyed to the tailings storage facility or a site attenuation pond for re-use in process or decanted to treatment for removal of solids (if needed) prior to release to the Third Portage Lake.

A closure plan was submitted in 2008 as part of the type A water licence and financial assurance was provided and updated based on the schedule included in the permit.

In November 2013, Meadowbank received a compliance direction and is currently under investigation by Environment Canada and Aboriginal Affairs and Northern Development Canada in relation to a seepage incident that was identified during their July 2013 on-site inspection. The investigation is ongoing.

Capital Expenditures/Development

In 2013, the Company incurred approximately $73.8 million in capital expenditures at the Meadowbank mine, including $26.1 million on Vault construction projects and $47.7 million on capital and equipment, but excluding capitalized drilling.

In 2014, a total of $34.0 million has been budgeted to be spent at the Meadowbank mine, including $16.0 million on dyke construction and $18.0 million on capital and equipment, but excluding capitalized drilling. The remaining mine life is expected to be three years.

Geology, Mineralization and Exploration

Geology

The Meadowbank mine 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 minable gold deposits, Goose, Portage and Vault, 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 are within 225 metres of the surface, making the deposits attractive for open pit mining.

Mineralization

The predominant gold mineralization found in the Portage and Goose deposits is associated with iron sulfides, mainly pyrite and pyrrhotite, which occur as a replacement of magnetite in the oxide facies iron formation host rock. To a lesser extent, pyrite and chalcopyrite may be found and, on rare occasions, arsenopyrite may be associated with the other sulphides. Gold is mainly observed in native form (electrum), occurring in isolated specs or as plating around sulfide grains. The ore zones are typically 6-7 metres wide, following the contacts between the iron formation units and the surrounding host rock. Zones extend up to several hundred metres along strike and at depth. The sulphides primarily occur as replacement of the primary magnetite layers, as well as narrow stringers or bands of disseminated sulphides that almost always crosscut the main foliation and/or bedding which would imply an epigenetic mode of emplacement. The percentage of sulphides is quite variable and may range from trace to semi-massive amounts over several centimetres to several metres in length. The higher gold grades and the occasional occurrence of visible gold are almost always associated with greater than 20% sulphide content.

The main mineralized banded iron formation unit is bounded by an ultramafic unit to the west which locally occurs interlayered with the banded iron formation and to the east by an intermediate to felsic metavolcaniclastic unit.

In the Vault deposit, pyrite is the principal ore-bearing sulphide. The disseminated sulphides occur along sheared horizons that have been sericitized and silicified. These zones are several metres wide and may continue for hundreds of metres along strike and down dip.

Three of the four known gold deposits are currently planned to be mined. The Goose and Portage deposits are hosted within highly deformed, magnetite-rich iron formation rocks, while intermediate volcanic rock assemblages host the majority of the mineralization at the more northerly Vault deposit. The fourth deposit, PDF, shows the same characteristics as Vault, though it is not currently anticipated to be a mineable deposit.

Defined over a 1.85-kilometre strike length and across lateral extents ranging from 100 to 230 metres, the geometry of the Portage deposit consists of general north-northwest striking ore zones that are highly folded. The mineralization in the lower limb of the fold is typically six to eight metres in true thickness, reaching up to 20 metres in the hinge area.

The Goose deposit is located just south of the Portage deposit and is also associated with iron formation but exhibits different geometry, with a north-south trend and a steep westerly dip. Mineralized zones typically occur as a single unit near surface, splaying into several limbs at depth. The deposit is currently defined over a 750-metre strike length and down to 500 metres at depth (mainly in the southern end), with true thicknesses of three to 12 metres (reaching up to 20 metres locally). The Goose underground resource (100 to 500 metres at depth) extends 700 metres to the south of the Goose pit. The ore zones show the same characteristics as the Goose pit, which is two to five main zones sub-parallel and undulating. The average thickness rarely exceeds three to five metres.

The Vault deposit is located seven kilometres northeast of the Portage and Goose deposits. It is planar and shallow-dipping with a defined strike of 1,100 metres. The deposit has been disturbed by two sets of normal faults striking east-west and north-south and dipping moderately to the southeast and steeply to the east, respectively. The main lens has an average true thickness of eight to 12 metres, reaching as high as 18 metres locally. The hanging wall lenses are typically three to five metres, and up to seven metres, in true thickness.

Exploration

Overall, there was a decrease of approximately 542,000 ounces of gold in reserves at Meadowbank in 2013 after mining 457,000 ounces of gold. The net decrease was primarily due to an increased cut-off grade resulting from the fall in gold prices in 2013. Measured and indicated resources at the Meadowbank mine decreased by 3.1 million tonnes to 7.3 million tonnes grading 3.28 grams of gold per tonne. This decrease was also primarily due to the decrease in gold price used to estimate the reserves and resources. Inferred mineral resources decreased by 0.3 million tonnes to 3.3 million tonnes of ore grading 3.96 grams of gold per tonne.

At the Portage pit, 13,455 metres of diamond drilling was done in 2013. The diamond drill holes were drilled throughout the year primarily to complete the delineation grid. No drilling was conducted at the Goose pit during 2013. In 2014, the Company expects to spend $0.37 million on 2,000 metres of definition (conversion) drilling between the Portage and Goose pit at the Meadowbank mine.

At the Vault project 15,589 metres of diamond drilling was done throughout the year to complete the delineation program within the starter pit. An additional 5,280 metres is planned in 2014 to complete the delineation drilling in the Vault starter pit.

In 2013, 2,492 metres of exploration drilling was conducted at the Vault East Zone. No significant mineralization was found and the drilling program was stopped. No additional drilling is expected at the Vault East Zone in 2014.

Meliadine Project

The Meliadine project is an advanced exploration property located near the western shore of Hudson Bay in the Kivalliq region of Nunavut, about 25 kilometres north of the hamlet of Rankin Inlet and 290 kilometres southeast of the Meadowbank mine. The closest major city is Winnipeg, Manitoba, about 1,500 kilometres to the south.

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

The mineral reserves and resources of the Meliadine project are estimated at December 31, 2013 to contain proven and probable mineral reserves of 2.8 million ounces of gold in 12.0 million tonnes of ore grading 7.38 grams of gold per tonne. In addition, the project had 19.0 million tonnes of indicated mineral resources grading 5.05 grams of gold per tonne and 11.7 million tonnes of inferred mineral resources grading 7.20 grams of gold per tonne at December 31, 2013.

The Meliadine property is a large land package that is nearly 80 kilometres long. It consists of 80,223 hectares of mineral rights, of which 76,793 hectares are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by Aboriginal Affairs and Northern Development Canada and referred to as Crown Land. The Crown Land is made up of mining claims covering 25,507 hectares and mineral leases covering 51,286 hectares. There are also

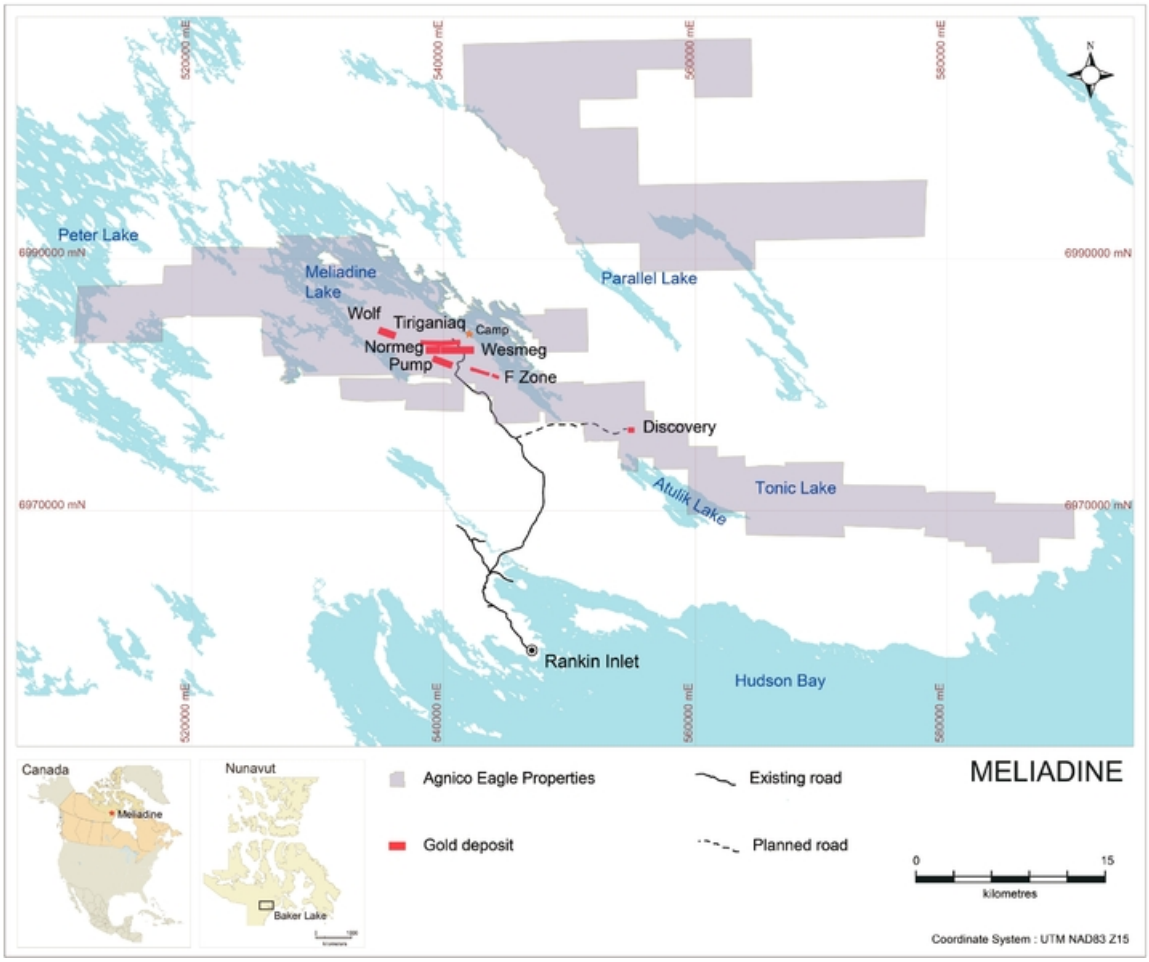
3,430 hectares of subsurface NTI concessions administered by a division of the Nunavut territorial government. In 2013, C$126,734 was paid to Aboriginal Affairs and Northern Development Canada for the mining lease; NTI requires annual rental fees of C$13,721 and exploration expenditures of C$102,909. The same fee amounts will be due in 2014.

The Kivalliq region has an arid arctic climate. The Meliadine property is mainly covered by glacial overburden with the presence of deep-seated permafrost. The property is about 60 metres above sea level in low-lying topography with numerous lakes. Surface waters are usually frozen by early October and remain frozen until early June. Surface geological work can be carried out from mid-May to mid-October, while exploration drilling can take place throughout the year, though is reduced in December and January due to cold and darkness.

Equipment, fuel and dry goods are transported on the annual warm-weather 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.

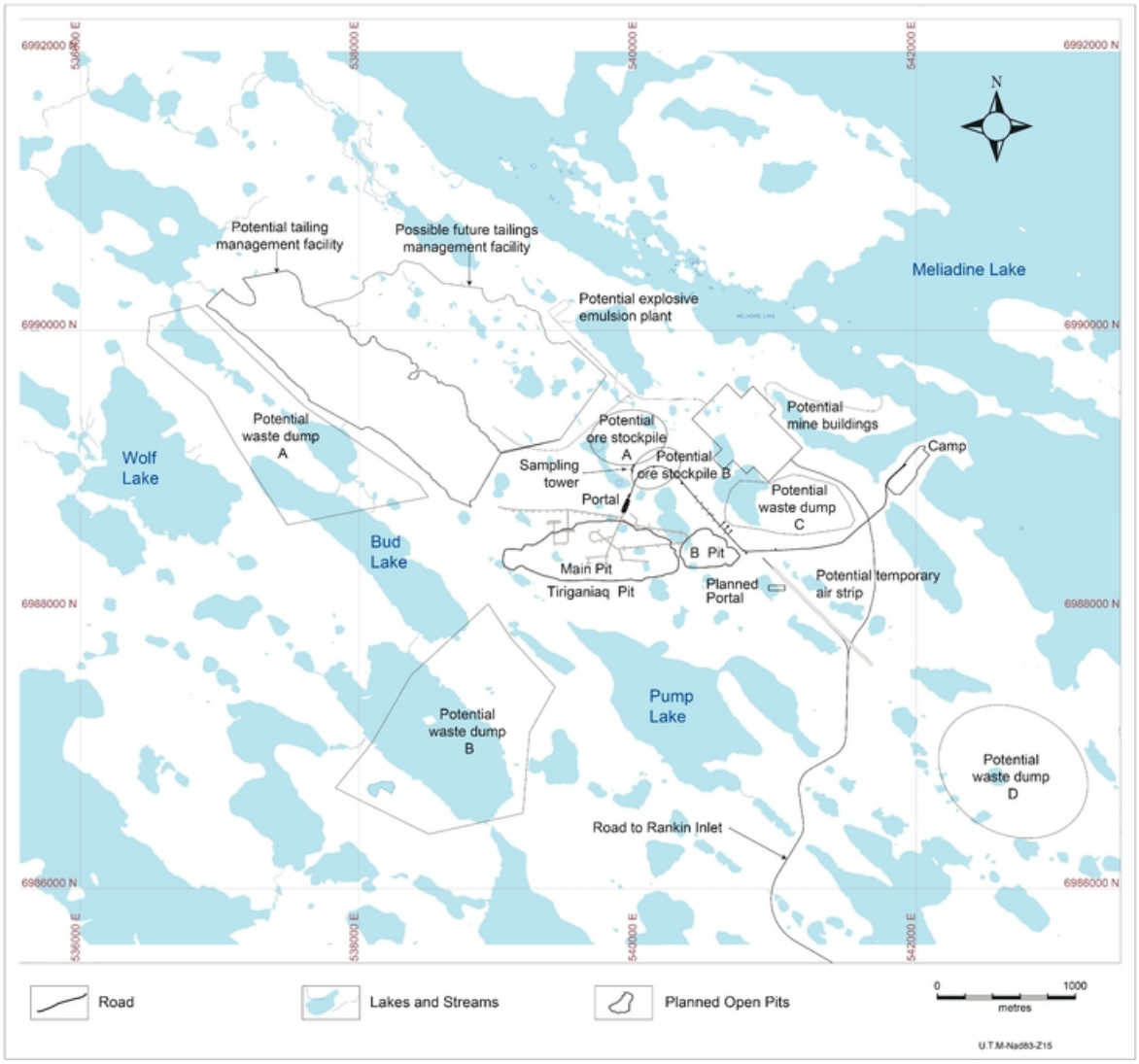
Personnel, perishables and lighter goods arrive at the Rankin Inlet regional airport by commercial or charter airline, from which they can be transported by road directly to the Meliadine project exploration camp. In October 2013 the company completed construction of a 23.8-kilometre-long all-weather gravel road linking Rankin Inlet with the project site. This road was constructed to support ongoing exploration activities at the Meliadine project property and significantly reduces the transportation and logistical costs for exploration and development work. Exploration personnel for the Meliadine project are mainly sourced from other parts of Canada on a fly-in/fly-out rotation from Montreal and Val d'Or, Quebec and Winnipeg, Manitoba, although there is preferential employment of qualified people from the Kivalliq region. The hamlet of Rankin Inlet has developed a strong community of entrepreneurs who provide a wide variety of services, such as freight expediting, equipment supply and outfitting.

Location Map of the Meliadine Project (as at December 31, 2013)



Mining and Milling Facilities

Surface Plan of the Meliadine Project (as at December 31, 2013)



Surface Facilities

Current facilities at the Meliadine project include the exploration camp located on the shore of Meliadine Lake, approximately 2.3 kilometres east of the Tiriganiaq deposit. The self-contained camp consists of four wings of new trailers that can accommodate up to 200 personnel and includes new kitchen facilities, complete with diesel generators.

Power for the exploration camp is currently provided by diesel generators on an as-required basis. Potable water for the exploration camp is pumped from Meliadine Lake and water for the previous underground operations and surface drill programs is pumped from Pump Lake. The current water licences allow for a maximum daily water use of 589 cubic metres.

The exploration camp has an incinerator on site to burn all flammable materials, such as camp and food wastes. Incinerator ashes, plastics and metal objects, along with all hazardous solid and liquid wastes are held at the Meliadine project site and transported to a waste management company in southern Canada.

Sewage has been treated through a Biodisk treatment system since the summer of 2010. Routine water sampling has been conducted since the mid-1990s and reported on a monthly basis to the authorities.

The decommissioning of the Meliadine East camp on Atulik Lake began during the summer of 2010, and was completed by spring 2011. The core shack and storage building remain at the former camp site.

An underground portal allowing access to an exploration decline was built at the Tiriganiaq deposit in 2007 and 2008 in order to extract a bulk sample for study purposes. A waste rock and ore storage pad was built during excavation of the decline and a sampling tower was installed for processing the bulk sample. There is a two-kilometre-long road between the Meliadine project exploration camp and the portal site. Another underground bulk sample of 4,600 tonnes of ore was taken from the Tiriganiaq deposit via this portal in 2011. 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.

Environmental Matters (including Inuit Impact and Benefit Agreement)

Land and environmental management in the region of the Meliadine project is governed by the provisions of the Nunavut Land Claim Agreement (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 NCLA). 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 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 licenses from the NWB, covering ongoing water use for its Meliadine project exploration camp, the underground bulk sampling program and for ongoing exploration drilling activities.

In 2011, the Company together with the KIA, initiated the environmental assessment process for the Meliadine project with the objective of obtaining a project certificate from the Government of Canada for the construction, operation and ultimate decommissioning of the full project. The project certificate is required before obtaining the permits required to construct, operate and decommission a gold mine at Meliadine. In May 2011, the KIA referred the Meliadine project to the NIRB for screening under the NLCA. On May 4, 2011, the NIRB received the Meliadine project proposal from the Company. On June 8, 2011, the NIRB received a positive conformity determination from the Nunavut Planning Commission for the Meliadine project in relation to the Keewatin Regional Land Use Plan.

In 2011, the NIRB issued a screening decision report to then-Minister of Indian and Northern Affairs Canada (now Minister of Aboriginal Affairs and Northern Development Canada or the "Minister"), recommending a review and, on September 14, 2011, the Minister referred the Meliadine project proposal to the NIRB for a review of the ecosystemic and socio-economic impacts of the project. NIRB finalized terms of reference for this review and the required Environmental Impact Statement ("EIS") in early 2012.

In April 2013, the Company submitted the draft EIS for the Meliadine project to NIRB. The Meliadine project underwent technical review by NIRB and other intervening parties leading to a pre-hearing conference held by NIRB in December 2013. In January 2014, NIRB issued its pre-hearing conference report outlining the items that need to be addressed by the Company to finalize the final EIS. The Company anticipates submitting the final EIS by late April 2014, and final public hearings are expected to be held in August 2014. The Company expects the NIRB to issue a decision on the Meliadine project by the end of 2014. The Company believes that if the NIRB decision is positive then a project certificate could be issued by the first quarter of 2015. The project certificate would set out the terms and conditions under which a mine at Meliadine could proceed to construction and operation.

The various licenses, permits and authorizations required to construct, operate and ultimately decommission the project can only be issued once a project certificate is received from the NIRB. These include the Type A water license from the NWB, a commercial production land use lease from the KIA, authorizations under the *Fisheries Act* from Fisheries and Oceans Canada and *Navigable Waters Protection Act* authorizations from Transport Canada.

In addition to these construction and operating licenses, permits and authorizations, the Company must negotiate an Inuit Impact and Benefit Agreement ("IIBA") for the Meliadine project and an Inuit water compensation agreement in accordance with the NLCA. The Company initiated negotiations with the KIA on the IIBA in January 2012 and negotiations have continued throughout 2012, 2013 and will continue in 2014. The Company anticipates it can reach an agreement with the KIA if it decides to build a mine at Meliadine. The Company and the KIA have discussed the water compensation agreement and will formally initiate these negotiations once a project certificate has been issued.

Capital Expenditures

Total capital expenditures at the Meliadine project in 2013 were $61.4 million ($83.3 million in 2012), including capitalized drilling, road construction, ramp development, permitting, camp operation and the technical study.

Capital expenditures of $42.0 million have been approved for the Meliadine project in 2014, including $16.8 million for further ramp development and $7.4 million for the updated technical study, which is expected to be completed in 2014, but excluding capitalized drilling.

Development

The existing underground exploration ramp at the Tiriganiaq deposit was further developed in 2013. Construction of a permanent portal with upgraded infrastructure was completed in the third quarter of 2013, and the existing 80 metre ramp was further developed during the year. The capital cost for the ramp development in 2013 was $9.4 million.

Extension of the ramp is continuing, with a further 1,440 metres of ramp development (to a depth of 275 metres below surface) expected to be developed in 2014. The ramp will eventually allow cost-effective exploration and conversion drilling of the deeper parts of the Tiriganiaq and Wesmeg/Normeg zones.

Geology, Mineralization and Exploration

Geology and Mineralization

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

The Pyke Fault appears to control gold mineralization on the Meliadine project property. At the southern edge of the fault is a series of oxide iron formations that host the seven Meliadine project 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, which are currently being considered in various studies.

Exploration

A feasibility study completed in 2011 confirmed the viability of the Meliadine project at an operating rate of 3,000 tonnes per day. Internal studies that incorporate the recent exploration results are currently underway to optimize the project throughput and viability.

In 2013, the Company spent $20.4 million on 337 diamond drill holes (79,959 metres) at Meliadine. This includes $6.1 million on 152 holes (26,872 metres) of conversion drilling, $11.3 million on 156 holes (47,711 metres) of exploration drilling around the known deposits (Tiriganiaq, Wesmeg/Normeg, F Zone, Pump and Discovery), and $1.4 million on 29 holes (5,376 metres) of exploration drilling on regional targets.

Overall, there was a decrease of approximately 145,000 ounces of gold in reserves at Meliadine in 2013. The decrease was primarily due to an increased cut-off grade used for the estimates that resulted from the fall in gold prices in 2013. Indicated resources at Meliadine increased by 1.8 million tonnes to 19.0 million tonnes grading 5.05 grams of gold per tonne, a 28% increase in the gold grade from 3.94 grams gold per tonne in 2012. The increase was related to successful

conversion of inferred resources and reclassification of some reserves, partially offset by the effects of a higher cut-off grade. Inferred mineral resources decreased by 3.1 million tonnes to 11.7 million tonnes of ore grading 7.20 grams of gold per tonne, largely due to conversion to indicated resources.

In 2014, a total of $8.3 million is budgeted for 33,000 metres of drilling at the Meliadine project, including $5.4 million for 25,000 metres of conversion drilling and $2.8 million for 8,000 metres of regional exploration drilling.

Southern Business

Pinos Altos Mine

The Pinos Altos mine achieved commercial production in November 2009. It is located on an 11,000-hectare property 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, 2013, the Pinos Altos mine, including the Creston Mascota deposit, was estimated to contain proven and probable mineral reserves of 2.3 million ounces of gold and 59.4 million ounces of silver comprised of 28.7 million tonnes of ore grading 2.46 grams of gold per tonne and 64.32 grams of silver per tonne. The Pinos Altos property is made up of two blocks: the Agnico Eagle Mexico Concessions (22 concessions, 26,810.2 hectares), and the Pinos Altos Concessions (18 concessions, 5,053.1 hectares).

Location Map of the Pinos Altos Mine (as at December 31, 2013)

Approximately 54% of the current Pinos Altos mineral reserves and resources are subject to a net smelter royalty of 3.5% payable to Pinos Altos Explotación y Exploración S.A. de C.V. ("PAEyE") and the remaining 46% of the current mineral reserves and 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 2006 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 totalling $35.5 million were made to PAEyE and the Asociación de Pequeños Propietarios Forestales de Pinos Altos S de R.L. in 2009 as a result of this agreement.

In 2006, the Company concluded negotiations with communal land owners (ejidos) and others for the purchase of 5,745 hectares of land contained within the Agnico Eagle Mexico and Pinos Altos Concessions. In addition, a temporary occupation agreement with a 30-year term expiring in 2036 was negotiated with ejido Jesus del Monte for 1,470 hectares of land covered by these same concession blocks. The acquisition of these surface rights for the geologically prospective lands within the district surrounding the Pinos Altos property will facilitate future exploration and mining development in these areas.

The Pinos Altos mine is directly accessible by a paved interstate highway that links the cities of Chihuahua and Hermosillo and is connected to a state power grid that is within ten kilometres of the Pinos Altos property. The Company anticipates existing and planned underground mine workings will intercept water resources sufficient to sustain the requirements for future operation. The land position is sufficient for construction of all planned surface, infrastructure and mining facilities at the Pinos Altos mine, including its tailings impoundment area. The Company further believes that a sufficient local and trained workforce is available in northern Mexico to continue to support the operation of the mine.

The Pinos Altos property is characterized by moderate to rough terrain with mixed forest (pine and oak) and altitudes that vary from 1,770 metres to 2,490 metres above sea level. The climate is sub-humid, with about one metre of annual precipitation. The average annual temperature is 18.3 degrees Celsius. Exploration and mining work can be carried out year-round.

In August 2007, on the basis of an independently reviewed feasibility study, the Company approved construction of a mine at Pinos Altos. The mine achieved commercial production in November 2009.

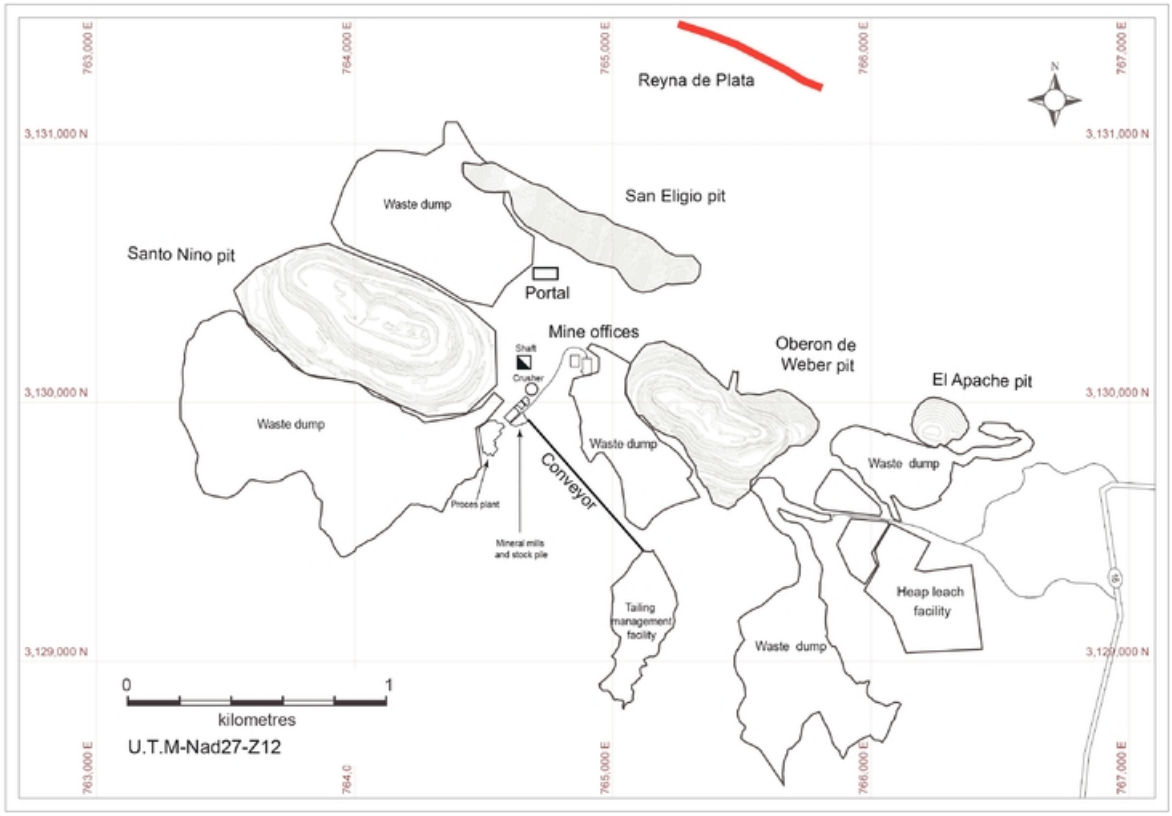
Based on a feasibility study prepared in 2009, the Company decided to build a stand-alone heap leach operation at the satellite open pit Creston Mascota deposit. Capital costs in connection with the project were approximately $65 million. The first gold pour from the Creston Mascota deposit occurred on December 28, 2010 and commercial production from the Creston Mascota deposit was achieved in the first quarter of 2011. The Creston Mascota deposit is expected to produce approximately 40,000 ounces of gold per year during the period from 2014 to 2016.

On September 30, 2012, a movement of ore material was detected on the lower levels of the Creston Mascota leach pad (Phase #1). As a result of this movement, leaching operations were temporarily suspended at Creston Mascota until the upper level of the leach pad (Phase #2) could be prepared as an isolated containment area. These modifications were completed in early 2013 and resumption of leaching operations began during the second quarter of 2013. The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the Pinos Altos area as satellite operations.

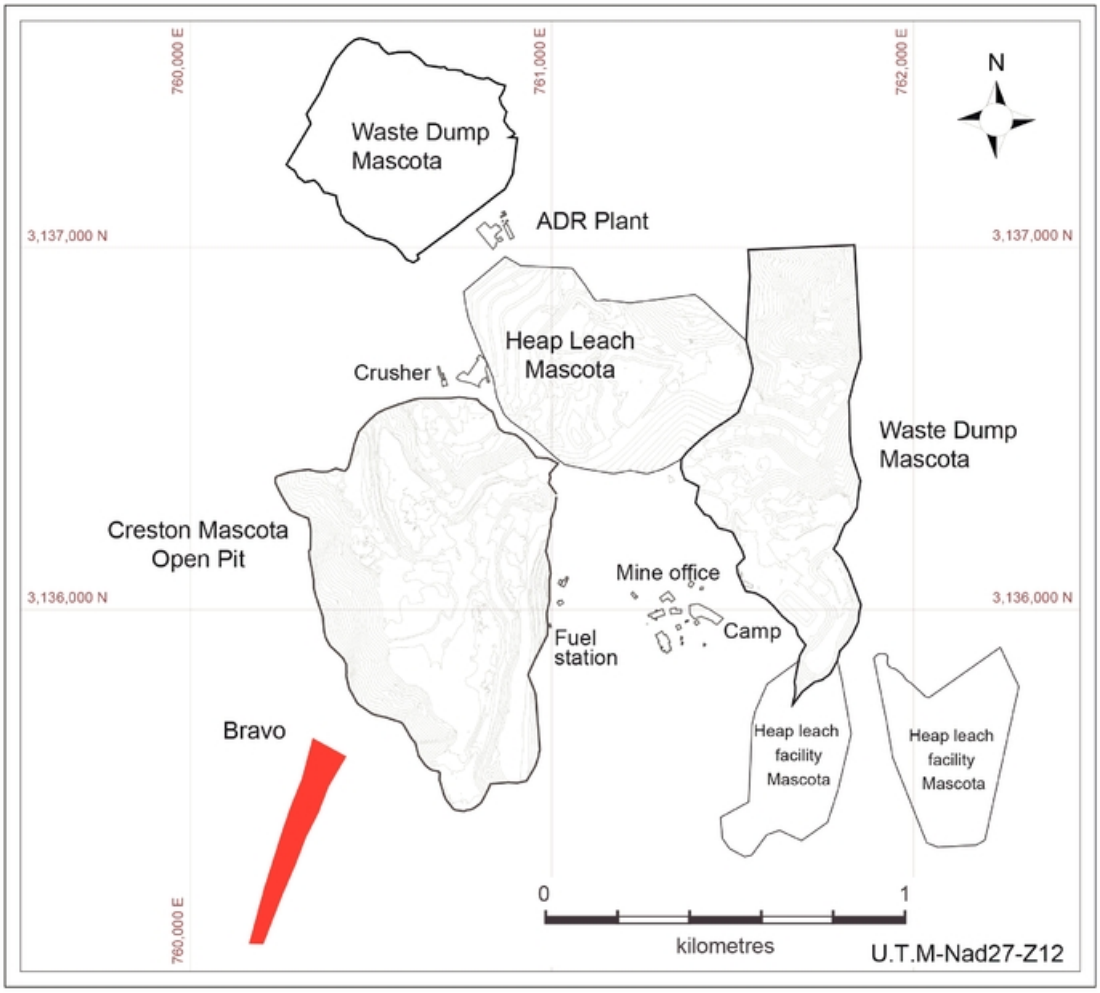
The Company has engaged the local communities in the area with hiring, local contracts, education support and medical support programs to ensure that the mine provides long-term benefits to the residents living and working in the region. Approximately 70% of the operating workforce at Pinos Altos are locally hired and 100% of the permanent workforce at the Company operations in Mexico are Mexican nationals.

Mining and Milling Facilities

Surface Plan of the Pinos Altos Mine (as at December 31, 2013)



Surface Plan of the Creston Mascota Deposit (as at December 31, 2013)



Milling operations during 2013 at Pinos Altos processed on average 5,262 tonnes per day as compared to the original design rate of 4,000 tonnes per day. The underground mine at Pinos Altos produced an average 3,160 tonnes of ore per day as compared to its designed rate of 3,000 tonnes per day. The open pit mines at Pinos Altos and the Creston Mascota deposit produced 20.2 million tonnes of ore, overburden and waste in 2013, which was in accordance with the mine plan for the year.

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 2013 continues to indicate that the equipment, mining methods and personnel selected for the project are satisfactory for future production phases. 12.8 million tonnes of ore, overburden and waste were mined during 2013, meeting the expectations of the mine plan.

The underground mine, which commenced operations in the second quarter of 2010, uses the long hole sublevel stoping method to extract the ore. The Company has considerable expertise with this mining method, having used the same method at the LaRonde mine in Quebec. This method has also been used at various other Mexican mining operations. The stope height is 30 metres and the stope width is 15 metres. Ore is hauled to the surface utilizing underground trucks via a

ramp system. The paste backfill system and ventilation system were commissioned in the fourth quarter of 2010. During 2013, approximately 1.15 million tonnes of ore were produced from the underground portion of the mine, averaging 3,160 tonnes per day. Currently, the planned capacity of the underground mine is 3,000 tonnes of ore per day. However, construction of a shaft hoisting facility to increase the mining capacity to 4,500 tonnes of ore per day was initiated in 2012, with completion of this project expected in 2016. The shaft hoisting capacity should reduce the number of underground trucks required and is expected to continue to maintain mill feed rates at 4,500 tonnes per day in future years as the open pit mines at Pinos Altos become depleted. Approximately 38 kilometres of total lateral development have been completed as of December 31, 2013.

Surface Facilities

The principal mineral processing facilities at the Pinos Altos mine are 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. The Pinos Altos mill processed an average of 5,262 tonnes of ore per day during 2013. Low grade ore at Pinos Altos is processed in a heap leach system designed to accommodate approximately five million tonnes of mineralized material over the life of the project. The production from heap leach operations is expected to be relatively minor, contributing about 1% of total metal production planned for the remaining life of the mine (not including production from the Creston Mascota leach operation).

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

As noted above, a separate heap leach operation and ancillary support facilities were built at the Creston Mascota deposit, which is 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 2013, a total of 1.3 million tonnes of ore was mined from the Creston Mascota deposit, averaging 3,750 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. The Creston Mascota deposit is expected to produce approximately 40,000 ounces of gold per year during the period from 2014 to 2016.

Over the 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 93% and 45%, respectively. The Company anticipates precious metals recovery from low grade ore processed in the Pinos Altos heap leach facility will average about 68% for gold and 12% for silver. Heap leach recoveries for Creston Mascota ore are expected to average 63% for gold and 8% for silver.

Production and Mineral Recoveries

During 2013, the Pinos Altos mine, including the Creston Mascota deposit, had payable production of 215,800 ounces of gold and approximately 2.4 million ounces of silver from the Pinos Altos mill and the heap leach pads at the Pinos Altos and Creston Mascota deposits, with total cash costs of $423 per ounce of gold produced.

The Pinos Altos mill processed 1.92 million tonnes of ore grading 2.82 grams of gold per tonne and 82.43 grams of silver per tonne. The processing facility averaged 5,262 tonnes per day and operated 93% of available time. In the mill, gold recovery averaged approximately 94.75% and silver recovery averaged approximately 43.90%

The following table sets out the metal recoveries at the Pinos Altos mill in 2013.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.82 g/t	94.75%	165,262 oz
Silver	82.43 g/t	43.90%	2,250,000 oz

An additional 805,248 tonnes of ore was processed and placed on the heap leach pad at Pinos Altos in 2013, with an average grade of 0.71 grams of gold per tonne and 22.94 grams of silver per tonne. Cumulative recovery for gold and silver on the heap leach pad at Pinos Altos are approximately 69% and approximately 13%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 68% for gold and 12% for silver will be achieved when leaching is completed in 2029.

An additional 1.28 million tonnes of ore were processed and placed on the heap leach pad at the Creston Mascota deposit in 2013, with an average grade of 1.43 grams of gold per tonne and 13.11 grams of silver per tonne. Cumulative metals recovery for gold and silver on the heap leach pad at the Creston Mascota deposit are approximately 46% and 7%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 63% for gold and 8% for silver will be achieved when leaching is completed.

Production during 2014 at the Pinos Altos mine including the Creston Mascota deposit is expected to be approximately 185,000 ounces of gold and 2,093,000 ounces of silver from 3,508,000 tonnes grading 1.94 grams of gold per tonne and 46.45 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $580; the expected gold recovery is 84.7% and the expected silver recovery is 40.0%. Minesite costs of $42 per tonne are expected.

Environmental 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 Mexican environmental agency. As of December 31, 2013, all permits necessary for the operation of the Pinos Altos mine, including the operations at the Creston Mascota deposit, had been received. Pinos Altos uses the 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.

Following an audit process by a third party, the operations at both the Pinos Altos mine and the Creston Mascota deposit have received the "Industria Limpia" certification from the Mexican environmental authorities. This certification is based on compliance with environmental requirements.

Capital Expenditures

Combined capital expenditures at the Pinos Altos and Creston Mascota deposit during 2013 were approximately $57.7 million, excluding capitalized drilling. Combined capital expenditures included sustaining capital for development underground and project capital expenses for the Pinos Altos shaft project and the expansion of the Creston Mascota leach pad.

In 2014, the Company expects capital expenditures at Pinos Altos, including the Creston Mascota deposit, to be approximately $64.0 million, excluding capitalized drilling. Capital expenditures in 2014 are primarily being used for underground mine development, shaft construction, tailings expansion and the development of the Phase III leach pad at the Creston Mascota deposit.

Development

As of December 31, 2013, for the mine life to date, more than 105.6 million tonnes of ore, overburden and waste had been removed from the open pit mine at Pinos Altos and approximately 38 kilometres of lateral development had been completed in the underground mine. At the Creston Mascota deposit, approximately 25.4 million tonnes of ore, overburden, and waste had been removed from the open pit mine as of December 31, 2013.

Geology, Mineralization and Exploration

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 mining operation and Moris mine.

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 discordantly 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 from the Santo Nino fault.

Mineralization

Gold and silver mineralization at the Pinos Altos mine consists of low sulphidation epithermal type hydrothermal veins and breccias. 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 grade and thickness over roughly 550 metres. From previous drilling done by Penoles, 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 surface. The vein is followed 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 stockworks. There is no andesite in this sector. Unlike the other lenses, the San Eligio lens dips towards the north. The lateral extent seems to be continuous for 950 metres. Its average width is five metres and never exceeds 15 metres. Surface mapping and prospecting has suggested good potential for additional mineralization on strike and at depths below 150 metres. Visible gold has been seen in the drill core.

Several other promising zones are associated with the horst feature in the northwest part of the property. 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 about 1,000 metres long and 4 to 40 metres wide, and extends from surface to more than 200 metres depth.

The Cubiro mineralization is two kilometres west of the Creston Mascota deposit. Cubiro is a surface deposit that 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 wide. The Cubiro deposit is split by a fault that caused 200 metres of displacement to the west, which has been traced by drilling. 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 is four to 35 metres wide and almost 900 metres long, with over 350 metres of vertical depth. Sinter is being evaluated for its open pit mining and heap leach potential.

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

Exploration

Overall, there was a decrease of approximately 448,000 ounces of gold in reserves at Pinos Altos (including Creston Mascota) in 2013 after mining 251,000 ounces of gold. The net decrease was a result of using a higher cut-off grade (necessitated by a lower gold price assumption) for the reserves estimation as well as the setting aside of previous reserves in an underground support pillar. The reserve grade increased 11% from 2.21 grams of gold per tonne to 2.46 grams of gold per tonne. Indicated resources at Pinos Altos decreased by 4.0 million tonnes to 13.9 million tonnes grading 1.54 grams of gold per tonne and 33.63 grams of silver per tonne due to a more conservative approach at the Sinter deposit. The inferred resources declined to 17.7 million tonnes grading 1.28 grams of gold per tonne and 26.28 grams of silver per tonne. Drilling and evaluation will continue in 2014.

In 2013, minesite exploration activities were primarily focused on conversion of the resources at Santo Nino, Oberon de Weber, San Eligio and Creston Mascota. A total of 25,900 metres of minesite exploration drilling and 17,900 metres of definition (conversion) drilling were completed during the year. Regional exploration in 2013 focused on the Penasco Blanco, Veta Escalon, Veta Colorada and Veta Flor prospects. Diamond drilling consisted of 5.7 kilometres.

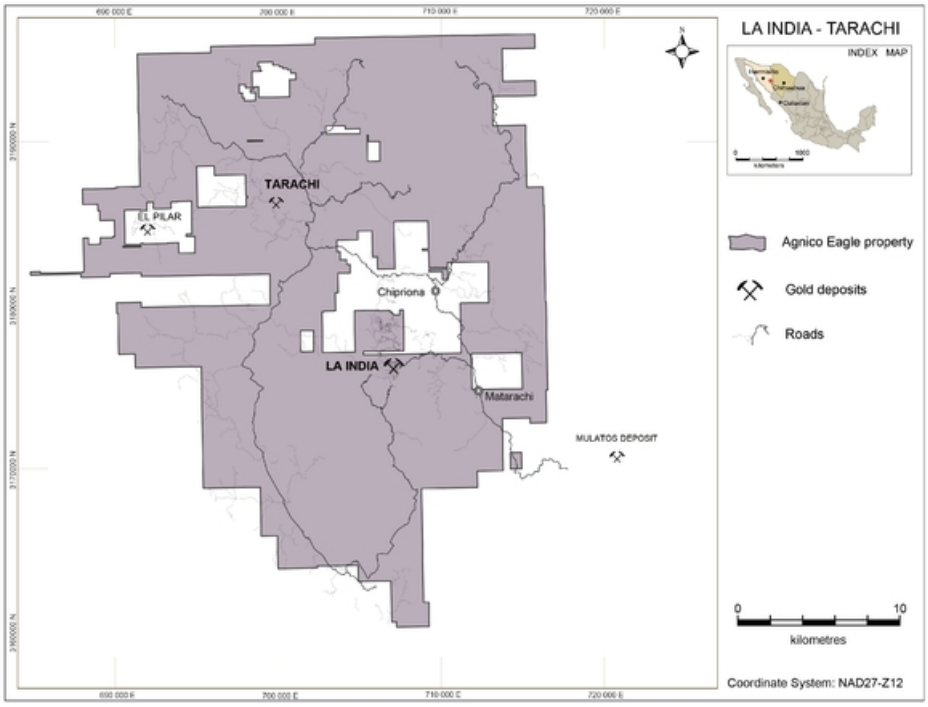
In 2014, the Company expects to spend approximately $4.2 million on exploration at the Pinos Altos mine, including $2.3 million on 9,000 metres of conversion drilling and $1.9 million on 7,000 metres of exploration drilling.

La India Mine

Construction began at La India in September 2012 and commercial production is expected in the first quarter of 2014. The La India mine is expected to produce approximately 50,000 ounces of gold in 2014, and 90,000 ounces of gold in each of 2015 and 2016. At December 31, 2013, the La India mine was estimated to contain proven and probable mineral reserves of 0.8 million ounces of gold comprised of 27.1 million tonnes of ore grading 0.87 grams of gold per tonne.

The La India property consists of 53 mining concessions totalling approximately 60,407 hectares in the Mulatos Gold Belt in Sonora, Mexico. The La India mine project includes the Tarachi deposit and several other prospective targets in the belt. At Tarachi, indicated resources are 47.2 million tonnes grading 0.39 grams of gold per tonne and inferred resources are 81.7 million tonnes grading 0.36 grams of gold per tonne. A metallurgical testing program on Tarachi composite samples has been initiated.

Location Map of the La India Mine (as at December 31, 2013)



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.

The La India mine is located in the municipality of Sahuaripa, southeastern Sonora State, between the small rural towns of Tarachi and Matarachi, which offer basic infrastructure in the form of roads, rural telephone service, small grocery stores and unpaved air strips. More services are available in the town of Sahuaripa located 60 kilometres by gravel road (approximately 2.5 hours) northwest of the La India mine project. The population of the district is estimated to be a few thousand, with most of the inhabitants involved in cattle ranching, farming, forestry and mining and exploration. An adequate supply of labour for mining operations can be drawn from the region. Trained exploration personnel for the La India mine are mainly sourced from northern Mexico, including Hermosillo, Sonora.

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. Grayd 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-compliant resource estimate.

Infill drilling at La India from November 2011 to May 2012 allowed the Company to confirm and expand the mineral resources reported in the December 2010 preliminary economic assessment. On August 31, 2012, the Company completed a feasibility study for the construction of a multi-pit mine and heap leach operation on the La India deposit.

Engineering studies and operating and capital cost estimates were developed to exploit only the oxide mineralization at La India; there is no current plan to mine sulphide minerals. Metallurgical test results indicate an estimated overall gold recovery of 80%. Total cash costs are expected to be $497 per ounce of gold produced net of byproduct silver credits. The pre-production capital cost is estimated at $166 million (including capitalized production expenses prior to commercial production) and the sustaining capital is estimated to be approximately $6 million per year over the life of the mine.

The 2012 feasibility study estimated that, on an after-tax basis, the cumulative net cash flow would become positive during the third year after the start of commercial production, with construction starting in 2012 and production starting in 2014. In other words, the estimated payback period of capital for the La India mine would be within three years after the start of commercial production. The 2012 feasibility study was based on a gold price of $1,379 per ounce, a silver price of $26.49 per ounce, and an exchange rate of 13.00 Mexican Pesos per $1.00. This payback period calculation does not take into account any interest costs or inflation.

As of December 31, 2013, the La India mine construction was essentially completed and pre-production commissioning operations of the mine and processing facility had commenced.

The climate at La India is semi-arid with seasonal temperatures ranging from 35 degrees Celsius to minus two degrees Celsius, and heavy rainfall from July to September. Exploration activities may be conducted year-round.

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 project resources lie within privately owned or ejido possessed land. Surface access lease agreements have been executed with the property owners or possessors for all identified target areas. The existing agreements permit exploration activities only; if mining activity is contemplated in this exploration area the Company will be required to negotiate further to acquire the surface rights needed for project development.

Mining and Milling Facilities

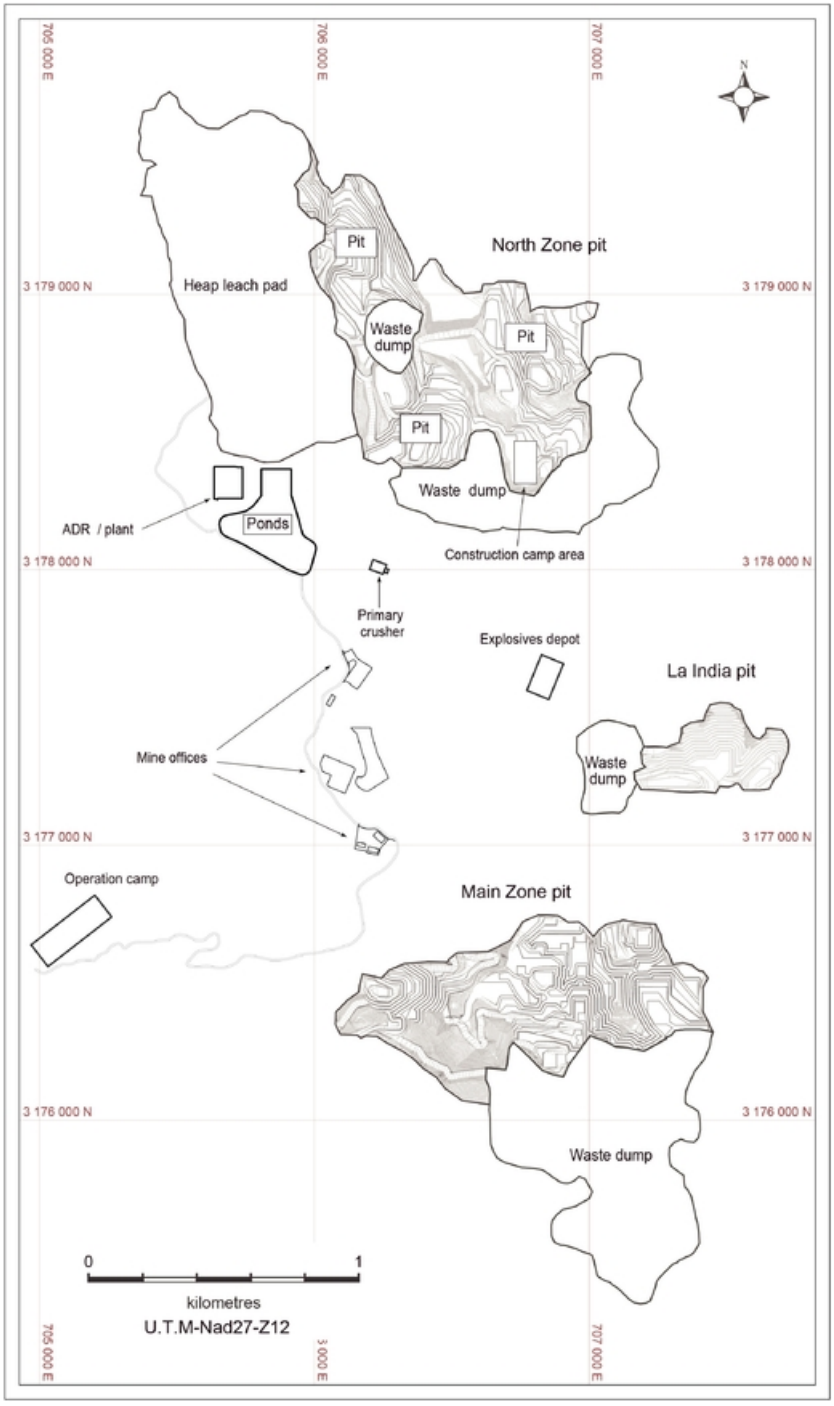
Mining Methods

Operations at the La India mine use traditional open pit mining techniques with bench heights of six metres with front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes will vary between 45 degrees and 50 degrees.

Surface Facilities

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

Surface Plan of the La India Mine (as at December 31, 2013)



Surface facilities at the La India mine include a three-stage ore crushing facility, a 50 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 generated power 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. Non-organic waste from the camp is disposed in the Matarachi Ejido landfill.

Production and Mineral Recoveries

For the brief pre-production period at the end of 2013, the La India mine had payable production of 3,180 ounces of gold from approximately 595,000 tonnes of ore stacked on the leach pad grading 0.97 grams of gold per tonne. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate gold recovery of 80% will be achieved when leaching is completed.

Gold production during 2014 at the La India mine is expected to be approximately 50,000 ounces from 3,173,000 tonnes grading 0.84 grams of gold per tonne, at estimated total cash costs per ounce of approximately $743, with gold recovery expected to be 58.2%. Minesite costs of $12 per tonne are expected.

Environmental Matters

Baseline environmental information has been collected at the La India site since late 2008. This information includes surface water sampling, archeological assessment and soil, fauna and flora assessments.

The La India mine is not located in an area with a special federal environmental protection designation. Both the Manifesto de Impacto Ambiental (an environmental impact statement) and Cambio de Uso de Suelo (a land use change permit) required for project development were granted by the authorities in 2012.

Some historic mining has been observed in the area but the remaining waste dumps and tailings are small and are not considered to present significant environmental issues.

Capital Expenditures

Capital expenditures at the La India mine during 2013 were approximately $115.0 million excluding capitalized drilling, which was spent on construction and preproduction activities. The Company expects capital expenditures to be approximately $6.0 million in 2014, excluding capitalized drilling. The capital expenditures in 2014 are to be used for the construction of water harvesting dams and the acid rock drainage treatment system.

Development

Processing at La India began in September 2013 and commercial production is expected in the first quarter of 2014.

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 and by five separate agreements whereby the Company can earn a 100% interest in certain concessions by making cash and share payments. Payment has been made in full for the claims that host all of the measured, indicated and inferred resources. Some concessions are subject to underlying net smelter royalties varying between 1% and 3%, some of which may be purchased by the Company which would result in net smelter royalties of up to 2% remaining.

For the Tarachi deposit, payments totalling $2.5 million and shares with value equivalent to $967,500 over a six year period are required for the Company to earn a 100% interest in the relevant concessions. To date, $480,000 has been paid toward these concessions. Some concessions are subject to an underlying net smelter royalty of 2%, some of which may be purchased by the Company, which would result in net smelter royalties of up to 1% remaining.

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

Geology, Mineralization and Exploration

Geology and Mineralization

The La India mine lies within the Sierra Madre Occidental ("SMO") province, an extensive Eocene to Miocene volcanic field from the United States-Mexico border to central Mexico. The La India mine lies within the western limits of the SMO 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 and felsic extrusive volcanic strata with interbedded epiclastic volcaniclastic strata of similar composition. The mineral occurrences present in the mine area, and the deposit type being sought, are volcanic-hosted epithermal, high-sulphidation gold-silver deposits. Such deposits may be present as veins and/or disseminated deposits. 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 and North) aligned north-south within a genetically 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.

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

Overall, there was a slight decrease of approximately 17,400 ounces of gold in reserves at La India in 2013 after mining ore containing 18,600 ounces of gold. The net reduction was a result of the production and an increased cut-off grade resulting from lower gold prices in 2013, partially offset by conversion drilling. Measured and indicated resources at the La India mine increased by 13.0 million tonnes to 56.2 million tonnes grading 0.38 grams of gold per tonne, largely due to a new geological model at the Tarachi deposit. Inferred resources increased in 2013 to 82.1 million tonnes grading 0.36 grams of gold per tonne. Drilling and evaluation will continue in 2014.

In 2013, the Company completed 15.0 kilometres of drilling through 194 diamond drill holes at the La India mine. This included 6.2 kilometres of mine site exploration drilling at a cost of $2.3 million at Main Zone and La India Zone, and 8.8 kilometres of definition (conversion) drilling at a cost of $1.8 million at Main Zone. In 2013, there was also exploration drilling of 4.9 kilometres through 17 diamond drill holes at the El Pilar, Arroyo Hondo and Cordon de Viruela targets and mapping and sampling at the Tarachi deposit at a cost of $3.4 million.

The Company expects to spend approximately $4.4 million on 14.0 kilometres of conversion drilling and $1.0 million on 3.0 kilometres of exploration drilling at the La India mine in 2014. At the Tarachi deposit in 2014, the budget is $2.1 million for 4.0 kilometres of exploration drilling. An additional $2.3 million is planned for 4.0 kilometres of exploration drilling in the Tarachi region in 2014.

Regional Exploration Activities

During 2013, the Company continued to actively explore in Quebec, Nunavut, Nevada, Finland, Sweden and Mexico. The Canadian exploration activities were focused on the Goldex, Maritime, Cadillac, Lapa and Perron properties in Quebec, as well as on the Meadowbank, IVR and Meliadine properties in Nunavut. In the United States, exploration activities during 2013 were concentrated on the West Pequop and Summit projects located in northeast Nevada. In Mexico, regional exploration was focused on the La India property where mining started late in the year. In Finland, regional exploration was focused to the north of the Kittila mine along the Kiistala fault, and on the Hanhimaa property immediately west of the Kittila mine property. In southern Sweden, the Company explored the Solvik project. At the LaRonde, Goldex, Lapa, Meadowbank, Pinos Altos and Kittila mines, the Company continued exploration programs around the mines. Most of the exploration budget was spent on drilling programs near the mine infrastructure along previously recognized gold trends.

At the end of 2013, the Company's land holdings in Canada consisted of 65 projects comprised of 2,365 mineral titles covering an aggregate of 250,530 hectares. Land holdings in the United States consisted of five properties comprised of 2,902 mineral titles covering an aggregate of 61,504 hectares. Land holdings in Finland consisted of three groups of properties comprised of 305 mineral titles covering an aggregate of 28,136 hectares. Land holdings in Sweden consisted of one project comprised of eight mineral titles covering an aggregate of 9,111 hectares. Land holdings in Mexico consisted of ten projects comprised of 122 mining concession titles covering an aggregate of 142,668 hectares.

The total amount of expenditures incurred on exploration activities at the Company's exploration properties and on corporate development activities in 2013 was $39.3 million, which included drilling 213 holes for an aggregate of approximately 58 kilometres.

The budget for expenditures on exploration activities at the Company's exploration properties and on corporate development activities in 2014 is approximately $43.4 million, including approximately 59 kilometres of drilling. For further details of the components of the 2014 exploration budget, see the Company's news release dated February 12, 2014.

Mineral Reserves and Mineral Resources

Cautionary Note to U.S. Investors Concerning Estimates of Measured and Indicated Mineral Resources

This section uses the terms "measured mineral resources" and "indicated mineral resources". Investors are advised that while these terms are recognized and required by Canadian regulations, the SEC does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves**.

Cautionary Note to U.S. Investors Concerning Estimates of Inferred Mineral Resources

This section uses the term "inferred mineral resources". Investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty 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 rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is economically or legally mineable**.

Information on Mineral Reserves and Mineral Resources of the Company

The scientific and technical information set out in this AIF has been approved by the following "qualified persons" as defined by NI 43-101: reserves and resources – Daniel Doucet, P.Eng., Corporate Director, Reserve Development; environmental – Louise Grondin, Senior Vice-President, Environment and Sustainable Development; mining operations, Southern Business – Tim Haldane, Senior Vice-President, Latin America; metallurgy – Paul Cousin, Vice-President, Metallurgy; and mining operations, Northern Business – Christian Provencher, Vice-President, Canada. The Company's mineral reserves estimate was derived from internally generated data or geology reports. Four of the Company's reserve and resource estimates (Goldex, Meliadine, Meadowbank and La India) have been audited by independent consultants.

In prior periods, reserves and resources for all properties were generally estimated using historic three-year average metals prices and foreign exchange rates in accordance with the SEC guidelines. These guidelines require the use of prices that reflect current economic conditions at the time of reserve determination, which the Staff of the SEC has interpreted to mean historic three-year average prices. Given the current lower commodity price environment, the Company has decided to use price assumptions that are below the three-year averages for its 2013 reserve and resource estimates. The assumptions used for the 2013 mineral reserves and resources estimate at all mines and advanced projects reported by the Company in this AIF were $1,200 per ounce gold, $18.00 per ounce silver, $0.82 per pound zinc, $3.00 per pound copper, $0.91 per pound lead and exchange rates of C$1.03 per $1.00, 12.75 Mexican pesos per $1.00 and $1.32 per €1.00. The assumptions used for the 2012 mineral reserves and resources estimates for the Lapa, Goldex, Meadowbank, Meliadine and Creston Mascota properties reported by the Company were based on three-year average prices for the period ending December 31, 2012 of $1,490 per ounce of gold, $29.00 per ounce of silver, $0.95 per pound of zinc, $3.67 per pound of copper, $1.00 per pound of lead and exchange rates of C$1.00 per $1.00, 12.75 Mexican pesos per $1.00 and $1.34 per €1.00. The assumptions used for the 2012 mineral reserves and resources estimates for the LaRonde, Kittila, Pinos Altos, La India and Tarachi properties reported by the Company in 2012 used more conservative metal price assumptions of $1,345 per ounce of gold, $25.00 per ounce of silver, $0.95 per pound of zinc, $3.49 per pound of copper, $0.99 per pound of lead and exchange rates of C$1.00 per $1.00, 13.00 Mexican pesos per

$1.00 and $1.30 per €1.00. The assumptions used for the 2011 mineral reserves and resources estimate reported by the Company were based on three-year average prices for the period ending December 31, 2011 of $1,255 per ounce of gold, $23.00 per ounce of silver, $0.91 per pound of zinc, $3.25 per pound of copper, $0.95 per pound of lead and exchange rates of C$1.05 per $1.00, 12.86 Mexican pesos per $1.00 and $1.37 per €1.00. Other assumptions used for estimating 2012 and 2011 mineral reserve and resource information may be found in the Company's annual filings in respect of the years ended December 31, 2012 and December 31, 2011, respectively.

Set out below are the reserve estimates as of December 31, 2013, as calculated in accordance with NI 43-101 (tonnages and contained gold quantities are rounded to the nearest thousand):

	National Instrument 43-101		
Property	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven Reserves			
Northern Business			
LaRonde mine (underground)	5,978,000	3.48	668,000
Lapa mine (underground)	1,011,000	5.99	195,000
Goldex mine (underground)	119,000	1.52	6,000
Kittila mine (open pit)	222,000	3.50	25,000
Kittila mine (underground)	882,000	4.46	126,000
Kittila mine total proven	1,104,000	4.27	151,000
Meadowbank mine (open pit)	1,128,000	2.88	104,000
Meliadine project (open pit)	34,000	7.31	8,000
Southern Business			
Pinos Altos mine (open pit)	365,000	0.97	11,000
Pinos Altos mine (underground)	1,601,000	2.90	149,000
Pinos Altos mine total proven	1,966,000	2.54	161,000
La India mine (open pit)	228,000	0.64	5,000
Total Proven Reserves	**11,568,000**	**3.49**	**1,298,000**

Probable Reserves

Northern Business			
LaRonde mine (underground)	18,149,000	5.50	3,212,000
Lapa mine (underground)	456,000	5.92	87,000
Goldex mine (underground)	7,485,000	1.52	367,000
Kittila mine (open pit)	147,000	3.45	16,000
Kittila mine (underground)	30,373,000	4.66	4,547,000
Kittila mine total probable	30,520,000	4.65	4,563,000
Meadowbank mine (open pit)	15,692,000	3.26	1,647,000
Meliadine project (open pit)	4,965,000	6.03	963,000
Meliadine project (underground)	6,978,000	8.34	1,870,000
Meliadine project total probable	11,943,000	7.38	2,833,000
Southern Business			
Pinos Altos mine (open pit)	10,835,000	2.09	728,000
Pinos Altos mine (underground)	15,903,000	2.69	1,377,000
Pinos Altos mine total probable	26,738,000	2.45	2,105,000
La India mine (open pit)	26,868,000	0.87	753,000
Total Probable Reserves	**137,850,000**	**3.51**	**15,567,000**
North total proven and probable reserves	**93,618,000**	**4.60**	**13,841,000**
South total proven and probable reserves	**55,800,000**	**1.69**	**3,024,000**
Total Proven and Probable Reserves	**149,418,000**	**3.51**	**16,865,000**

In the tables above and below setting out mineral reserve information about the Company's mineral projects, tonnage information is rounded to the nearest thousand tonnes and the total contained gold ounces stated do not include equivalent gold ounces for byproduct metals contained in the mineral reserve. For all reserves and resources other than inferred mineral resources, the reported metal grades in the estimates 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.

Mineral Reserves and Mineral Resources

Northern Business

LaRonde Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
LaRonde Extension Orebody (below Level 245)			
Proven mineral reserves – tonnes	4,600,000	3,600,000	1,600,000
Average grade – gold grams per tonne	3.79	3.49	3.36
Probable mineral reserves – tonnes	17,800,000	21,300,000	25,000,000
Average grade – gold grams per tonne	5.56	5.16	5.04
LaRonde Orebody (above Level 245)			
Proven mineral reserves – tonnes	1,400,000	2,700,000	3,700,000
Average grade – gold grams per tonne	2.43	2.26	2.27
Probable mineral reserves – tonnes	300,000	1,200,000	2,900,000
Average grade – gold grams per tonne	2.75	2.04	2.18
Total proven and probable mineral reserves – tonnes	**24,100,000**	**28,800,000**	**33,200,000**
Average grade – gold grams per tonne	**5.00**	**4.54**	**4.40**
Total contained gold ounces	**3,880,000**	**4,206,000**	**4,700,000**

Notes:

(1) The 2013 proven and probable mineral reserves set out in the table above are based on a net smelter return cut-off value of the ore that varies between C$98 per tonne and C$111 per tonne depending on the deposit. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The Company's historical metallurgical recovery rates at the LaRonde mine from January 1, 2009 to December 31, 2013 averaged 90.6% for gold, 87.6% for silver, 87.5% for zinc and 81.2% for copper. The historical metallurgical recovery rate for lead from January 1, 2009 to December 31, 2013 was 17.5%. The Company estimates that a 12.5% change in the gold price would result in an approximate 1.8% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the LaRonde mine contained indicated mineral resources of 4,242,000 tonnes grading 2.12 grams of gold per tonne and inferred mineral resources of 10,536,000 tonnes grading 4.61 grams of gold per tonne.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the LaRonde mine by category at December 31, 2013 with those at December 31, 2012. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	**Probable**	**Total**
December 31, 2012	6,323	22,462	28,786
Processed in 2013	2,319	–	2,319
Revision	1,974	(4,313)	(2,339)
December 31, 2013	5,978	18,149	24,127

(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 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 the System for Electronic Document Analysis and Retrieval ("SEDAR") on March 23, 2005.

(5) At December 31, 2013, the Bousquet project contained indicated mineral resources of 12,748,000 tonnes grading 2.31 grams of gold per tonne and inferred mineral resources of 4,567,000 tonnes grading 4.04 grams of gold per tonne.

Lapa Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	1,011,000	1,129,000	1,044,000
Average grade – gold grams per tonne	5.99	6.25	6.45
Probable mineral reserves – tonnes	456,000	939,000	1,340,000
Average grade – gold grams per tonne	5.92	5.58	6.61
Total proven and probable mineral reserves – tonnes	**1,466,000**	**2,068,000**	**2,384,000**
Average grade – gold grams per tonne	**5.97**	**5.95**	**6.54**
Total contained gold ounces	**281,000**	**395,000**	**501,000**

Notes:

(1) The 2013 mineral reserve estimates were calculated using an assumed metallurgical gold recovery of 78% and a cut-off grade of 3.9 grams of gold per tonne, and the resource estimates were calculated using an assumed metallurgical gold recovery of 76% and a cut-off grade of 3.0 grams of gold per tonne. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The operating cost per tonne estimate for the Lapa mine in 2013 was C$119.86. The Company estimates that a 12.5% change in the gold price would result in an approximate 1.5% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the Lapa mine contained indicated mineral resources of 1,550,000 tonnes grading 4.28 grams of gold per tonne and inferred mineral resources of 976,000 tonnes grading 5.49 grams of gold per tonne.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Lapa mine by category at December 31, 2013 with those at December 31, 2012. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	**Probable**	**Total**
December 31, 2012	1,129	939	2,068
Processed in 2013	641	–	641
Revision	522	(483)	39
December 31, 2013	1,011	456	1,466

(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 Lapa mine may be found in the Technical Report on the Lapa Gold Project, Cadillac Township, Quebec, Canada filed with Canadian securities regulatory authorities on SEDAR on June 8, 2006.

Goldex Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	119,000	59,000	–
Average grade – gold grams per tonne	1.52	1.70	–
Probable mineral reserves – tonnes	7,485,000	6,936,000	–
Average grade – gold grams per tonne	1.52	1.55	–
Total proven and probable mineral reserves – tonnes	**7,605,000**	**6,995,000**	–
Average grade – gold grams per tonne	**1.52**	**1.55**	–
Total contained gold ounces	**372,000**	**349,000**	–

Notes:

(1) The suspension of mining operations at the Goldex mine on October 19, 2011 resulted in a restatement, as of that date, of all Goldex proven or probable reserves (as stated on December 31, 2010) that had not already been mined, as measured or indicated resources, except stockpiled ore on surface; the stockpiled ore was processed by the end of October 2011.

(2) On July 25, 2012, the Board of Directors approved the development of underground mining operations in the M and E Zones, where initial reserves were estimated in a feasibility study completed on October 14, 2012. Mining operations resumed on the M and E Zones in September 2013 as well as initial milling, and the Goldex mine achieved commercial production in the fourth quarter of 2013.

(3) The 2013 proven and probable mineral reserves set forth in the table above were estimated using an assumed metallurgical gold recovery of 93%. In 2013, the mining costs were estimated to be C$39.72 per tonne for the E and M Zones. The cut-off grade used for mineral reserves was 1.10 grams of gold per tonne. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The Company estimates that a 12.5% change in the gold price would result in an approximate 5.9% change in mineral reserves.

(4) In addition to the mineral reserves set out above, at December 31, 2013, the Goldex mine contained measured mineral resources of 12,360,000 tonnes grading 1.86 grams of gold per tonne, indicated mineral resources of 17,744,000 tonnes grading 2.03 grams of gold per tonne and inferred mineral resources of 26,068,000 tonnes grading 1.64 grams of gold per tonne.

(5) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Goldex mine by category at December 31, 2013 with those at December 31, 2012. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	**Probable**	**Total**
December 31, 2012	59	6,936	6,995
Processed in 2013	528	–	528
Revision	588	549	1,138
December 31, 2013	119	7,485	7,605

(6) 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 Goldex mine may be found in the Technical Report on Restatement of the Mineral Resources at Goldex Mine, Quebec, Canada as at October 19, 2011 filed with the Canadian securities regulatory authorities on SEDAR on December 5, 2011 and 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.

Kittila Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	1,104,000	1,461,000	702,000
Average grade – gold grams per tonne	4.27	4.59	5.09
Probable mineral reserves – tonnes	30,520,000	31,662,000	33,862,000
Average grade – gold grams per tonne	4.65	4.49	4.65
Total proven and probable mineral reserves – tonnes	**31,624,000**	**33,122,000**	**34,564,000**
Average grade – gold grams per tonne	**4.64**	**4.49**	**4.66**
Total contained gold ounces	**4,714,000**	**4,783,000**	**5,177,000**

Notes:

(1) The 2013 proven and probable mineral reserve and mineral resource estimates were calculated using a metallurgical gold recovery of 89%. Gold cut-off grades used were 2.14 grams per tonne, undiluted (1.90 grams per tonne, diluted) for open pit reserves and between 3.50 grams per tonne and 3.69 grams per tonne, undiluted (between 2.97 grams per tonne and 3.16 grams per tonne, diluted), depending on the deposit, for underground reserves. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The open pit operating cost was estimated to be €48.36 per tonne in 2013, while the underground cost averaged €78.07 per tonne in 2013. The Company estimates that a 12.5% change in the gold price would result in an approximate 14.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the Kittila mine contained measured mineral resources of 511,000 tonnes grading 2.69 grams of gold per tonne, indicated mineral resources of 10,519,000 tonnes grading 2.79 grams of gold per tonne and inferred mineral resources of 7,522,000 tonnes grading 4.12 grams of gold per tonne.

(3) The breakdown of proven and probable mineral reserves between planned open pit operations and underground operations at the Kittila mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2013 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit	222,000	3.50	25,000
Proven mineral reserves	Underground	882,000	4.46	126,000
Total proven mineral reserves		**1,104,000**	**4.27**	**151,000**
Probable mineral reserves	Open pit	147,000	3.45	16,000
Probable mineral reserves	Underground	30,373,000	4.66	4,547,000
Total probable mineral reserves		**30,520,000**	**4.65**	**4,563,000**

(4) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Kittila mine by category at December 31, 2013 with those at December 31, 2012. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	**Probable**	**Total**
December 31, 2012	1,461	31,662	33,122
Processed in 2013	934	–	934
Revision	578	(1,142)	(564)
December 31, 2013	1,104	30,520	31,624

(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 presented 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.

Meadowbank Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	1,128,000	1,764,000	1,931,000
Average grade – gold grams per tonne	2.88	1.56	1.49
Probable mineral reserves – tonnes	15,692,000	23,560,000	22,563,000
Average grade – gold grams per tonne	3.26	2.91	2.91
Total proven and probable mineral reserves – tonnes	**16,819,000**	**25,324,000**	**24,494,000**
Average grade – gold grams per tonne	**3.24**	**2.82**	**2.79**
Total contained gold ounces	**1,751,000**	**2,294,000**	**2,201,000**

Notes:

(1) The 2013 mineral reserve and mineral resource estimates were calculated using a cut-off grade that used a metallurgical gold recovery of 91% or 94%, depending on the deposit. The economic cut-off grade used to determine the open pit reserves varied from 1.45 grams of gold per tonne to 1.53 grams of gold per tonne, depending on the deposit, and is 1.10 to 1.25 grams of gold per tonne as a marginal cut-off grade, depending on the deposit. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The estimated ore-based operating costs used for the 2013 mineral reserve estimate varied between C$53.85 per tonne and C$55.09 per tonne, depending on the deposit, with an additional haulage cost of C$1.24 per tonne for Vault deposit reserves. The Company estimates that a 12.5% change in the gold price would result in an approximate 0.01% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the Meadowbank mine contained indicated mineral resources of 7,275,000 tonnes grading 3.28 grams of gold per tonne and inferred mineral resources of 3,313,000 tonnes of ore grading 3.96 grams of gold per tonne.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Meadowbank mine by category at December 31, 2013 with those at December 31, 2012. 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 2013.

	Proven	**Probable**	**Total**
December 31, 2012	1,764	23,560	25,324
Processed in 2013	4,143	–	4,143
Revision	3,507	(7,868)	(4,362)
December 31, 2013	1,128	15,692	16,819

(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 Meadowbank mine may be found in the Technical Report on the Mineral Resources and Mineral Reserves at Meadowbank Gold Mine, Nunavut, Canada as at December 31, 2011 filed with Canadian securities regulatory authorities on SEDAR on March 23, 2012.

Meliadine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	34,000	34,000	34,000
Average grade – gold grams per tonne	7.31	7.31	7.31
Probable mineral reserves – tonnes	11,943,000	13,266,000	12,434,000
Average grade – gold grams per tonne	7.38	6.98	7.18
Total proven and probable mineral reserves – tonnes	**11,977,000**	**13,300,000**	**12,468,000**
Average grade – gold grams per tonne	**7.38**	**6.98**	**7.18**
Total contained gold ounces	**2,841,000**	**2,987,000**	**2,877,000**

Notes:

(1) The 2013 mineral reserve and mineral resource estimates were calculated using metallurgical gold recovery curves for Tiriganiaq, F Zone, Discovery, Pump and Wolf deposits. The curves give a maximum recovery of 96% for Tiriganiaq and 92% for F Zone, 96% for Discovery, 90% for Pump and 96% for Wolf. The 2013 mineral resource estimates for Normeg and Wesmeg deposits were calculated using a fixed metallurgical gold recovery of 94% for open pit resources and 96% for underground resources. For Tiriganiaq deposit, the cut-off grade used to determine the open pit reserves was 2.48 grams of gold per tonne, undiluted (1.99 grams of gold per tonne, diluted), and the cut-off grade used to determine the underground reserves was 5.88 grams of gold per tonne, undiluted (4.35 grams of gold per tonne, diluted). For F Zone, the cut-off grade used to determine the open pit reserves was 2.59 grams of gold per tonne, undiluted (2.07 grams of gold per tonne, diluted). Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade and at 100% of the applicable reserve cut-off grade for open pit resource estimates. The estimated operating cost used for the 2013 mineral reserve estimate was C$74.71 per tonne for open pit and C$165.65 per tonne for underground. The Company estimates that a 12.5% change in the gold price would result in an approximate 3.5% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the Meliadine project contained indicated mineral resources of 18,986,000 tonnes grading 5.05 grams of gold per tonne and inferred mineral resources of 11,711,000 tonnes of ore grading 7.20 grams of gold per tonne.

(3) The breakdown of mineral reserves between contemplated open pit operations and underground operations at the Meliadine project (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2013 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit stockpile	34,000	7.31	8,000
Probable mineral reserves	Open pit	4,965,000	6.03	963,000
Probable mineral reserves	Underground	6,978,000	8.34	1,870,000
Total probable mineral reserves		**11,943,000**	**7.38**	**2,833,000**
Total proven and probable mineral reserves		**11,977,000**	**7.38**	**2,841,000**

(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 Meliadine project may be found in the Technical Report on the December 31, 2010 Mineral Resource and Mineral Reserve Estimate, Meliadine Gold Project, Nunavut, Canada filed with the Canadian securities regulatory authorities on SEDAR on March 8, 2011.

Southern Business

Pinos Altos Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold and Silver			
Proven mineral reserves – tonnes	1,966,000	3,067,000	1,987,000
Average gold grade – grams per tonne	2.54	2.54	1.83
Average silver grade – grams per tonne	82.17	81.31	51.59
Probable mineral reserves – tonnes	26,738,000	35,074,000	44,792,000
Average gold grade – grams per tonne	2.45	2.18	2.07
Average silver grade – grams per tonne	63.00	58.90	59.17
Total proven and probable mineral reserves – tonnes	**28,703,000**	**38,141,000**	**46,779,000**
Average gold grade – grams per tonne	**2.46**	**2.21**	**2.06**
Average silver grade – grams per tonne	**64.32**	**60.71**	**58.85**
Total contained gold ounces	**2,266,000**	**2,714,000**	**3,103,000**
Total contained silver ounces	**59,354,000**	**74,441,000**	**88,508,000**

Notes:

(1) The 2013 proven and probable mineral reserve estimates at the Pinos Altos mine (including the Creston Mascota deposit) are based on a net smelter return cut-off value of the open pit ore between $10.44 per tonne and $30.96 per tonne, depending on the deposit, and a net smelter return cut-off value of the underground ore of $56.05 per tonne. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The operating cost per tonne estimate for the Pinos Altos mine in 2013 was $37.46 without deferred stripping ($35.80 with deferred stripping). The metallurgical gold recovery used in the reserve estimates varied between 59% and 96%, depending on the deposit. The metallurgical silver recovery used in the reserve estimates varied between 11% and 45%, depending on the deposit. The Company estimates that a 12.5% change in the gold price would result in an approximate 1.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the Pinos Altos mine contained indicated mineral resources of 13,935,000 tonnes grading 1.54 grams of gold per tonne and 33.63 grams of silver per tonne and inferred mineral resources of 17,707,000 tonnes grading 1.28 grams of gold per tonne and 26.28 grams of silver per tonne.

(3) The proven and probable mineral reserves of the Pinos Altos mine set out in the table above include proven mineral reserves from the Creston Mascota deposit of 286,000 tonnes grading 0.61 grams of gold per tonne and 7.17 grams of silver per tonne and probable mineral reserves from the Creston Mascota deposit of 6,826,000 tonnes grading 1.31 grams of gold per tonne and 13.90 grams of silver per tonne. The indicated mineral resource at the Pinos Altos mine also includes indicated mineral resources from the Creston Mascota deposit of 2,435,000 tonnes grading 0.66 grams of gold per tonne and 4.96 grams of silver per tonne. The inferred mineral resource at the Pinos Altos mine also includes inferred mineral resources from the Creston Mascota deposit of 808,000 tonnes grading 0.81 grams of gold per tonne and 5.77 grams of silver per tonne.

(4) The breakdown of mineral reserves between planned open pit operations and underground operations at the Pinos Altos mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2013 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Silver Grade (g/t)**	**Contained Gold (oz)**	**Contained Silver (oz)**
Proven mineral reserves	Open pit stock pile	365,000	0.97	20.59	11,000	241,000
Proven mineral reserves	Underground	1,601,000	2.90	96.19	149,000	4,953,000
Total proven mineral reserves		**1,966,000**	**2.54**	**82.17**	**161,000**	**5,194,000**
Probable mineral reserves	Open pit	10,835,000	2.09	42.84	728,000	14,923,000
Probable mineral reserves	Underground	15,903,000	2.69	76.74	1,377,000	39,237,000
Total probable mineral reserves		**26,738,000**	**2.45**	**63.00**	**2,105,000**	**54,161,000**

(5) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Pinos Altos mine (including Creston Mascota) by category at December 31, 2013 with those at December 31, 2012. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	Probable	Total
December 31, 2012	3,067	35,074	38,141
Processed in 2013	4,002	–	4,002
Revision	2,900	(8,336)	(5,436)
December 31, 2013	1,966	26,738	28,703

(6) 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 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.

La India Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2013	**2012**	**2011**
Gold			
Proven mineral reserves – tonnes	228,000		
Average grade – gold grams per tonne	0.64		
Probable mineral reserves – tonnes	26,868,000	33,457,000	–
Average grade – gold grams per tonne	0.87	0.72	–
Total proven and probable mineral reserves – tonnes	**27,096,000**	**33,457,000**	**–**
Average grade – gold grams per tonne	**0.87**	**0.72**	**–**
Total contained gold ounces	**758,000**	**776,000**	**–**

Notes:

(1) The 2013 mineral reserve and mineral resource estimates for the La India mine (including the Tarachi deposit) were calculated using an average metallurgical gold recovery of 75% for the oxide and 45% for the sulphide. The economic cut-off grade used to determine the open pit reserves was 0.3 grams of gold per tonne and 0.2 grams of gold per tonne as the marginal cut-off grade. Gold cut-off grades used for resource estimates were fixed at 75% of the applicable reserve cut-off grade. The estimated operating cost used for the 2013 mineral reserve estimate was $7.23 per tonne. The Company estimates that a 12.5% change in the gold price would result in an approximate 2.5% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2013, the La India mine (including the Tarachi deposit) contained measured mineral resources of 4,970,000 tonnes grading 0.33 grams of gold per tonne, indicated mineral resources of 51,266,000 tonnes grading 0.38 grams of gold per tonne and inferred mineral resources of 82,089,000 tonnes of ore grading 0.36 grams of gold per tonne.

(3) 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.

(4) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the La India mine by category at December 31, 2013 with those at December 31, 2012. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2013.

	Proven	Probable	Total
December 31, 2012	–	33,457	33,457
Processed in 2013	595	–	595
Revision	824	(6,590)	(5,766)
December 31, 2013	228	26,868	27,096

Principal Products and Distribution

The Company 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 from the production and sale of byproduct metals, namely silver, zinc, copper and lead. The gold produced by the Company is sold in refined form, primarily in the London spot market. As a result, the Company is not dependant on any particular purchaser of its principal product.

Employees

As of December 31, 2013, the Company had 6,030 employees comprised of 4,259 permanent employees, 1,196 contractors, 501 temporary employees and 74 students. Of the permanent employees, 808 were employed at the LaRonde mine, 198 at the Lapa mine, 211 at the Goldex mine, 400 at the Kittila mine, 672 at the Meadowbank mine (with 667 at Baker Lake and Meadowbank and 5 in Quebec), 43 at the Meliadine project, 1,234 at the Pinos Altos mine, 328 at the La India mine, 25 in the exploration group in Canada and the United States, 31 in the exploration group in Mexico, 199 at the regional technical office in Abitibi and 110 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2013, 2012 and 2011 was 4,259, 4,045 and 3,600, respectively.

Competitive Conditions

The precious metal exploration and mining business is a 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 acquire mineral properties 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 2013, 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. This integration began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy referred to as the "Sustainable Development Policy" that reflects the Company's commitment to responsible mining practices. This policy replaced the environmental and health and safety policies. The Sustainable Develompent Policy will lead to the achievement of more sustainable practices through oversight and accountability.

This process will be completed through the development and implementation of a formal Health, Safety and Environmental Management System, termed the Responsible Mining Management System (the "RMMS"), across all divisions of the Company. The aim of the RMMS is to further promote a culture of accountability and leadership in managing health, safety, environmental and social acceptability matters. RMMS implementation will be supported by software widely used in the Canadian mining industry that is consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System.

The RMMS will incorporate the Company's commitments as a signatory to the International Cyanide Management Code (the "Cyanide Code"), a voluntary program which addresses the safe production, transport, storage, handling and disposal of cyanide. The Company became a signatory to the Cyanide Code in September 2011 and is seeking to have the Kittila, Pinos Altos and Meadowbank mines audited and certified under the Cyanide Code by an independent third party within the three year deadline. Internal audits have been performed at each of these mines and management plans are being implemented prior to the external audit to be carried out in 2014.

The RMMS will also integrate 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 was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under six performance elements: crisis management; energy and greenhouse gas emissions management; tailings management; biodiversity conservation management; health and safety; and aboriginal relations and community outreach. A gap analysis audit of the TSM Initiative will be carried out in 2014. This will be followed by an external audit at the beginning of 2015.

The Company's LaRonde, Lapa and Goldex operations are participating in a sustainable development initiative (BNQ 21000) consistent with ISO 26000, GRI sustainable development reporting guidelines and the United Nations Global Compact guidelines. As well, since 2009, the Company has prepared Corporate Social Responsibility Reports detailing its health, safety, environmental and social performance. Those reports are made public through the Global Reporting Initiative.

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

Employee Health and Safety

There were no fatalities at any of the Company's sites in 2013. The Company's overall health and safety performance, as measured by accident frequency, improved during 2013. A combined lost-time accident frequency rate of 1.7 was achieved, a 30% reduction from 2012 and substantially below the target rate of 2.8. This is the best lost-time accident frequency rate ever recorded by the Company. Extensive health and safety training was also provided to all employees during 2013.

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, in Canada and abroad, to strengthen the risk-based training program. Developed by the Quebec Mining Association, 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 2013, the Quebec Mining Association ("AMQ") acknowledged the Company's strong performance in this area, recognizing 24 of the Company's supervisors from the LaRonde, Lapa and Goldex mines for keeping their workers safe. The supervisors received AMQ security trophy awards for 50,000, 100,000 and 150,000 hours supervised without a lost-time accident.

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 2013, the corporate crisis management plan was updated to align with industry best practices and the TSM Initiative requirements. The TSM Initiative also contains a Health and Safety protocol. A gap analysis of compliance with the protocol will be conducted in 2014 and an external audit will be part of the external TSM Initiative audit to be carried out at the beginning of 2015.

The Pinos Altos mine won the Silver Helmet award at the 2013 Annual Safety Contest of the Mexican Chamber of Mines, for maintaining the best safety statistics for underground mines in Mexico with more than 500 workers during 2012.

Community

The Company's ultimate 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 2013, the overall company average for local hiring was 81%. 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 has entered into significant community development agreements with respect to the Meadowbank mine in Nunavut. In particular, a Development Partnership Agreement is in place with the Nunavut government to maximize socio-economic benefits. As well, the Meadowbank IIBA provides for direct socio-economic benefits with the KIA, in addition to ongoing consultation and grievance processes. Negotiations are underway for such an agreement at the Meliadine project.

The Company also works closely with neighboring communities to develop alternative employment and business opportunities to help diversify local economies. For example, at the Pinos Altos mine in Mexico, the Company helped a group of local women start up a sewing cooperative to help fill the demand for clothing manufacturing from both the local mining industry and surrounding communities. The success of the clothing cooperative in Mexico led to the development of a similar program in Arviat, Nunavut. The Meadowbank mine has teamed up with the Arviat Kiluk sewing workshop, which will provide the Meadowbank mine with a range of commercial sewing services, including sewing repairs and work-wear. The Arviat Kiluk will also design and produce new promotional products with the Company's logo, including sealskin vests, mitts and computer bags.

In 2012, the Company began a substantial three-year investment in an educational program known as Mining Matters' Aboriginal Education and Outreach Programs in the Kivalliq region of Nunavut. The goal of the program is to show young people that there are interesting jobs and careers for them in the north, and that the mining industry can be a key source of these opportunities.

In 2013, with the support of the Kivalliq Mine Training Society, the Meadowbank team has developed a unique upward mobility training program for Inuit employees. This program provides training and career path opportunities for Inuit with limited education and work experience in the area of heavy equipment operatations, mill operations and site services. Skills acquired through the program are easily transferable to other sectors of the Nunavut economy.

For the sixth year in a row, the Pinos Altos mine was certified as a Socially Responsible Company by the Mexican Centre for Philanthropy (Centro Mexicano para la Filantropía) and the Alliance for Social Responsibility of Enterprises (Alianza por la Responsabilidad Social Empresarial en México). This certification recognizes the excellence of the social responsibility practices at the Pinos Altos mine. Agnico Eagle Mexico was also recognized by the Canadian Chamber of Commerce in Mexico with the 2013 Outstanding Business Award (COBA) for Corporate Social Responsibility.

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 local sewing cooperative and donating material for the construction of new classrooms or for the repair of existing classrooms.

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, 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. 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.

The Company's total liability for reclamation and closure cost obligations at December 31, 2013 was $150.8 million and the Company's reclamation expenditures for the year ended December 31, 2013 were $9.9 million. For more information please see note 6 to the Annual Financial Statements.

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

RISK FACTORS

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 precious metals (gold and silver), zinc, copper and lead. Gold prices, which have the greatest impact on the Company's financial performance, fluctuate widely and are affected by numerous factors beyond the Company's control, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, investment demand, the relative exchange rate of the U.S. dollar with 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. 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. 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 total cash costs per ounce of production at one or more of its projects at that time and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its exploration, development and mining activities at such projects or at other projects. In addition, such fluctuations may require changes to the mine plans. The Company's current mine plans are all based on a gold price of $1,200 per ounce and reserve and resource estimates are based on a gold price of $1,200 per ounce (see "Description of the Business – 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 these 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 reserves and resources to be reduced. Further, the prices received from the sale of the Company's byproduct metals produced at its LaRonde mine (zinc, silver, copper and lead) and its Pinos Altos mine (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. These byproduct 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 price risk management policy, approved by the Board of Directors, the Company may review this practice on a project by project basis. See "Risk Profile – Metal 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 byproduct 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").

	2014 (to March 21)	2013	2012	2011	2010	2009
High price ($ per ounce)	1,385	1,694	1,792	1,895	1,421	1,212
Low price ($ per ounce)	1,327	1,192	1,540	1,319	1,058	810
Average price ($ per ounce)	1,350	1,411	1,669	1,572	1,125	972

On March 21, 2014, the London P.M. Fix was $1,336 per ounce of gold.

The assumptions that underlie the estimate 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" and under the heading "Risk Profile" in the Annual MD&A.

Based on 2014 production estimates, the approximate sensitivities of the Company's after-tax income to a 10% change in certain metal prices from 2013 market average prices are as follows:

	Income per share
Gold	$0.70
Silver	$0.03
Zinc	$0.01
Copper	$0.01

Sensitivities of the Company's after-tax income to changes in metal prices will increase with increased production.

The Company is largely dependent upon its mining and milling operations at its Meadowbank mine in Nunavut and Pinos Altos mine in Mexico, and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's operations at the Meadowbank mine in Nunavut accounted for approximately 39% of the Company's gold production in 2013 and are expected to account for approximately 36% of the Company's gold production in 2014. The Pinos Altos mine in northern Mexico accounted for approximately 20% of the Company's gold production in 2013 and is expected to account for approximately 16% of the Company's gold production in 2014. Also, in 2013 the Meadowbank mine and the Pinos Altos mine accounted for approximately 32% and 24%, respectively, of the Company's operating margin. In 2011, gold production at the Meadowbank mine was approximately 90,000 ounces below the Company's expectations as a result of issues that included a fire that destroyed the minesite's kitchen facilities and above anticipated dilution. Any adverse condition affecting mining or milling conditions at the Meadowbank or Pinos Altos mines could be expected to have a material adverse effect on the Company's financial performance and results of operations (see "– The Company's recently opened mines, mine construction projects and expansion projects are subject to risks associated with new mine development, which may result in delays in the start-up of mining operations, delays in existing operations and unanticipated costs" and "– 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" below). Gold production at the Meadowbank mine is also subject to risks relating to operating in a remote location (see "– The Company may experience difficulties operating its Meadowbank mine and developing the Meliadine project as a result of their remote location" below). The Company also anticipates using revenue generated by its operations at the Meadowbank and Pinos Altos mines to finance a substantial portion of its capital expenditures in 2014, including projects at the Kittila and Pinos Altos mines and the Meliadine project.

Unless the Company acquires or develops other significant gold-producing assets, the Company will continue to be dependent on its operations at the Meadowbank and Pinos Altos mines for a substantial portion of its gold production and cash flow provided by operating activities. The Company's current life of mine plans for the Meadowbank and Pinos Altos mines contemplate the termination of gold production in 2017, and 2027, respectively, and there can be no assurance that the Company's current exploration and development programs at Meadowbank or Pinos Altos will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

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

The Company's Meadowbank mine is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. The closest major city is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. The Company constructed a 110-kilometre all-weather road from Baker Lake, which provides summer shipping access via Hudson Bay to the Meadowbank mine. However, the Company's operations are constrained by the remoteness of the mine, particularly as the port of Baker Lake is only accessible approximately 2.5 months per year. Most of the materials that the Company requires for the operation of the Meadowbank mine 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, it may result in a slowdown or stoppage of operations at the Meadowbank mine. Furthermore, if major equipment fails, items necessary to replace or repair such equipment

may have to be shipped through Baker Lake during this window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment at the Meadowbank mine 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 project, 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 advanced exploration program, and may require if it determines to build a mine in the future, must be transported through the port of Rankin Inlet during its six-week shipping season. If the Company cannot identify and procure suitable equipment and materials within a timeframe that permits transporting them to the project within this shipping season, it could result in delays and/or cost increases in the exploration program and, if the Company determines to build a mine, any construction or development on the property.

The remoteness of the Meadowbank mine and Meliadine project 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. If the Company is unable to attract and retain sufficient personnel or sub-contractors on a timely basis, the Company's operations at the Meadowbank mine and future development plans at the Meliadine project may be adversely affected.

The Company's recently opened mines, mine construction projects and expansion projects are subject to risks associated with new mine development, which may result in delays in the start-up 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, and the Company's ability to achieve and maintain full production rates at these mines is subject to a number of risks and uncertainties. Production from these mines in 2014 may be lower than anticipated if the anticipated full production rate cannot be achieved.

The LaRonde mine extension, which commenced operation in late 2011, is one of the deepest operations in the Western Hemisphere with an expected maximum depth of 3,110 metres and, in 2014, 80% of the LaRonde mine's production is anticipated to be from the LaRonde mine extension. The operations of the LaRonde mine extension rely on new infrastructure for hauling ore and materials to the surface, including a winze (or internal shaft) and a series of ramps linking mining deposits to the Penna Shaft that services current operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical 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 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. While production in 2012 and 2013 was not below expected levels, the LaRonde mine extension has not yet begun to operate at expected steady-state levels.

The further development of the Kittila and Pinos Altos mines, as well as the development of the new mining zones at the Goldex mine, requires the construction and operation of new underground mining infrastructure and, in the case of Kittila, an expansion of milling operations. Also, the La India mine is in the process of ramping up operations at its new open pit and heap leach facilities. The construction and operation of underground mining facilities, the expansion of milling facilities and the ramp-up of production at open pit and heap leach facilities are subject to a number of 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.

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 fall below estimated levels 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 semi-autogenous grinding mill. In addition, production may be reduced if, during the course of mining or processing, unfavourable weather conditions, ground conditions, high 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. While the Company met production forecasts in 2013, it failed to do so in seven of the previous ten years primarily due to: a rock fall, production drilling challenges and lower than planned mill recoveries in 2003; higher than expected dilution in 2004; increased stress levels in a sill pillar requiring the temporary closure of production sublevels in 2005; delays in the commissioning of the Goldex production hoist and the Kittila autoclave in 2008; and autoclave issues at Kittila, filtering issues at Pinos Altos and dilution issues at Lapa in 2009. In 2010, gold production was below the initial anticipated range primarily as a result of lower throughput at the Meadowbank mine 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 2011, gold production of 985,460 ounces was below the initial anticipated range of 1.13 to 1.23 million ounces primarily as a result of 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 impacted production, and lower than expected grades at the Meadowbank and LaRonde mines. Although gold production in 2012 and 2013 exceeded the Company's forecasts, gold production in 2012 was reduced due to the temporary suspension of heap leach operations at Creston Mascota as a result of issues with the phase one leach pad liner and in 2013 was reduced due to an extended maintenance shutdown at Kittila during the second quarter, during which the mine only operated for 14 days and a 16-day unplanned shutdown related to the LaRonde hoist drive. 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.

The Company's total cash costs and all-in sustaining costs per ounce of gold production 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 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 or Mexican peso, smelting and refining charges, production royalties, the price of gold and byproduct metals and the cost of inputs used in mining operations. At the LaRonde mine, the Company's total cash costs and all-in sustaining costs per ounce of production are affected by the prices and production levels of byproduct zinc, silver and copper, the revenue from which is offset against the cost of gold production. Total cash costs and all-in sustaining costs per ounce from the Company's operations at the Pinos Altos and La India mines are affected by the exchange rate between the U.S. dollar and the Mexican peso and the price and production level of byproduct silver, the revenue from which is offset against the cost of gold production. Total cash costs and all-in sustaining costs per ounce from the Company's operations at its mines in Canada and the Kittila mine are affected by changes in the exchange rates between the U.S. dollar and the Canadian dollar and the Euro, respectively. Total cash costs 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), steel, chemical reagents and energy. All of these factors are beyond the Company's control. If the Company's total cash costs 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 mining activities.

Total cash costs 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 producers. Management uses these generally accepted industry measures in evaluating operating performance and believes that they are realistic indicators of such performance and useful in allowing year over year comparisons. These data also reflect the Company's ability to generate cash flow and operating income at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP or IFRS, as the case may be, and is not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP or IFRS. See the Annual MD&A for reconciliation of total cash costs and all-in sustaining costs per ounce and minesite costs per tonne to their closest US GAAP measure and "Introductory Notes – Note to Investors Concerning Certain Measures of Performance" for a discussion of non-US GAAP measures.

The Company may experience operational difficulties at its operations in Finland and Mexico.

The Company's operations include a mine in Finland and two mines in northern Mexico. Collectively, these mines accounted for approximately 33% of the Company's gold production in 2013 and are expected to account for 32% of the Company's gold production in 2014. 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; hostage taking; and 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.

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

The figures for 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 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. Monthly average gold prices have been above $1,200 per ounce since May 2010; however, prior to that time, monthly average gold prices were below $1,200 per ounce. Prolonged declines in the market price of gold (or applicable byproduct 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. The Company used an assumed $1,300 gold price to test for impairment of its mines as at December 31, 2013 and recorded pre-tax impartment charges of $269.3 million at the Meadowbank mine, $200.1 million at the Meliadine project and $67.9 million at the Lapa mine. Market price fluctuations of gold (or applicable byproduct 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.

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 actual production experience is gained.

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 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 or geological 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: 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, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities (including any prior bribery or corruption activities) associated with acquired assets and businesses. 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 it complies with certain covenants. These covenants include 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, the terms of such indebtedness are no more onerous to the Company than those under the bank credit facility and such indebtedness does not require principal payments until at least 12 months following the then existing maturity date of the bank credit facility. 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 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 its long-lived assets, such as mining properties, plant and equipment and mine development costs, and goodwill on an asset group and reporting unit basis, respectively, at all of its projects and operations. Testing for impairment involves a comparison of the recoverable amount of the asset group or reporting 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. As at December 31, 2013, the Company tested for impairment of its mines and recorded pre-tax impairment charges of $269.3 million at the Meadowbank mine, $200.1 million at the Meliadine project and $67.9 million at the Lapa mine.

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 resources and reserves, 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.

The Company's transition to reporting its financial results under IFRS may also have an effect on the frequency and amount of impairment charges. Under US GAAP, a two-step approach is used for long-lived asset impairment testing whereby long-lived assets are first tested for recoverability based on their expected undiscounted cash flows. If a long-lived asset's expected undiscounted cash flow exceeds the recorded carrying amount, no impairment charge is required. If the expected undiscounted cash flow is lower than the recorded carrying amount, the long-lived assets are written down to their estimated fair value. IFRS prescribes a one-step approach for asset impairment testing and measurement whereby an asset's recoverable amount is compared directly against its recorded carrying amount. Under IFRS, an asset's recoverable amount is determined as the higher of the estimated fair value less costs to sell or value in use (which is measured using discounted cash flows). If an asset's recoverable amount is less than the recorded carrying amount, an impairment charge is required. The difference in the approach to asset impairment testing and measurement may result in more frequent impairment charges under IFRS, where asset carrying values previously supported under US GAAP on an undiscounted cash flow basis cannot be supported on a discounted cash flow basis. For additional risks associated with the Company's transition to IFRS, see "– The change to reporting financial results under IFRS may result in unanticipated changes in the Company's previously reported profitability, results of operations and financial condition and may affect comparability to industry peers" below.

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, Lapa, Goldex and Meadowbank mines, as well as the Meliadine project, are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2009 to January 1, 2014, the Noon Buying Rate fluctuated from a high of C$1.3000 per $1.00 to a low of C$0.9449 per $1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. Based on the Company's anticipated 2014 after-tax operating results, a 10% change in the U.S. dollar/Canadian dollar exchange rate from the 2013 market average exchange rate would affect net income by approximately $0.24 per share. 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 – Metal Prices and Foreign Currencies" in the Annual MD&A for a description of the assumptions underlying the sensitivity and the strategies used to mitigate the effects of risks. 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 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.

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 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 the Company's material assets or, in certain circumstances, pay dividends. In addition, the Company's guaranteed senior unsecured notes limit, among other things, the Company's ability to permit the creation of certain liens, carry on business unrelated to mining or dispose of the Company's 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, 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 Company's C$175 million uncommitted letter of credit facility. At March 21, 2014, there was approximately $151 million drawn under the bank credit facility (including outstanding letters of credit) and approximately C$170 million drawn under the letter of credit facility. 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 it could cause an event of default under the Company's guaranteed senior unsecured notes and the uncommitted letter of credit facility. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of credit facility 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 profitability 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 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 lands available for claim staking, leasing or acquisition in the areas where the Company contemplates conducting exploration 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.

Production at the Company's mines and mine 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 labour 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 a number of 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 attract and retain such personnel.

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

The capital required for operations (including potential expansions) and the development of the Meliadine project and the exploration and development of the Company's properties, including continuing exploration and development projects in Quebec, Nunavut, Finland, Sweden, Mexico and Nevada, will require substantial expenditures. The Company expects that capital expenditures will be approximately $416 million in 2014. As at March 21, 2014, the Company had approximately $1.049 billion available to be borrowed under its bank credit facility. Based on current funding available to the Company and expected cash from operations, the Company believes it has sufficient funds available to fund its projected 2014 capital expenditures for all of its current properties. However, if cash from operations is lower than expected or capital costs at these mines or projects exceed current estimates, or if the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties, or if advances from the bank credit facility are unavailable, the Company may be required 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.

The continuing weakness in the global credit and capital markets could have a material adverse impact on the Company's liquidity and capital resources.

The credit and capital markets experienced significant deterioration in 2008, including, without limitation, the failure of significant and established financial institutions in the United States and abroad, and have continued to show weakness and volatility. These severe disruptions in the credit and capital markets have had a negative impact on the availability and terms of credit and capital. If uncertainties in these markets continue, or these markets deteriorate further, it could have a material adverse effect on the Company's liquidity, ability to raise capital and costs of capital. 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.

Due to the nature of the Company's mining operations, the Company may face liability, delays and increased production costs from environmental and industrial accidents and pollution, 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 hazardous substances such as cyanide), industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls, pit wall failures and flooding and gold bullion losses. Such occurrences could result in 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, waste rock, mine closure and management of closed mine sites (whether the Company operated the mine site or acquired it after operations were conducted by others). The Company carries insurance to protect itself against certain risks of mining and processing in amounts that it considers to be adequate but which may not provide adequate coverage in certain unforeseen circumstances. The Company may also become subject to liability for 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.

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, delay 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, 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, mine safety 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 and features. 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 impact on the Company, 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.

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. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its 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, although the Company believes that it has sufficient surface rights for its operations, the Company may be unable to operate its properties as permitted or to enforce its rights in respect of its properties.

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 operates in some areas currently or traditionally inhabited or used by indigenous peoples and subject to indigenous rights or claims. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development of the Company's current or future properties. Such opposition may be directed through legal or administrative proceedings, or though protests or other campaigns against the Company's activities. Any such actions may have an adverse impact on the Company's operations. Although the Company attempts to develop and maintain good working relationships with all stakeholders, there can be no assurance that these relationships can be successfully managed.

Increased regulation of greenhouse gas emissions and climate change issues may adversely affect the Company's operations.

The Company operates in jurisdictions where regulatory requirements have taken effect or are proposed to monitor, report and/or reduce greenhouse gas emissions. Increased regulation of greenhouse gas emissions and climate change issues may adversely affect the Company's operations. For example, Canada has targeted to reduce greenhouse gas emissions by 17% from 2005 levels by 2020 through a sector-by-sector approach and intends to participate in the negotiation of a new international climate treaty, which would come into force in 2020. Canada's federal and provincial regulations also impose mandatory greenhouse gas emissions reporting requirements and Quebec recently adopted a cap-and-trade regulation, which took effect January 1, 2013. Similarly, Finland participates in the European Union's cap-and-trade system and Mexico has enacted climate change legislation with a greenhouse gas emission reduction target of 30% (from business-as-usual levels) by 2020.

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. In Quebec, the Company uses primarily hydroelectric power and is not a large producer of greenhouse gases. As a result, Quebec's new regulatory requirements are not expected to have a material adverse impact on the Company. The Meadowbank mine produces approximately 196,000 tonnes of greenhouse gases per year from the production of electricity from diesel power generation, which is approximately 55% of the Company's total direct greenhouse gas emissions. It is expected that any mining operation at the Meliadine project will also use diesel power generation. The Pinos Altos mine purchases electricity that is largely fossil-fuel generated and is the Company's second highest greenhouse gas producer (at about 105,000 tonnes of greenhouse gases per year), which is approximately 29% of the Company's total direct greenhouse gas emissions. None of the Company's other operations emit more than 30,000 tonnes of greenhouse gases per year. While these new 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 not be adopted as currently proposed, 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.

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. Currently, the Company is the subject of certain class action lawsuits relating to the Company's disclosure prior to the suspension of mining operations at the Goldex mine in October 2011, as described under "Legal Proceedings and Regulatory Actions" below. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, either by judicial determination or settlement, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

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 an adverse effect on its future cash flows, earnings, results of operations and financial condition.

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

While the Company's general policy is not to sell forward its future gold production, the Company has used, and may in the future use, various byproduct metal derivative strategies, such as selling future contracts or purchasing put options. The Company continually evaluates the potential short and long term benefits of engaging in such derivative strategies based upon current market conditions. No assurance can be given, however, that the use of byproduct 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 byproduct 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 byproduct 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 byproduct metal derivatives positions qualify for hedge accounting treatment under US GAAP and therefore any year-end mark-to-market adjustments are recognized in the "Gain on derivative financial instruments" line item of the consolidated statements of income and comprehensive income. See "Risk Profile – Financial Instruments" 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 byproduct metals the Company sells;
- events affecting economic circumstances in Canada, the United States and elsewhere;
- trends in the mining industry and the markets in which the Company operates;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions and financings;
- quarterly variations in operating results;
- 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 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, 2013.

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.

The change to reporting financial results under IFRS may result in unanticipated changes in the Company's previously reported profitability, results of operations and financial condition and may affect comparability to industry peers.

The Company has decided to convert its basis of accounting to IFRS, with a transition date of January 1, 2013. The Company anticipates reporting under IFRS for interim and annual periods beginning in the third quarter of 2014.

The change to reporting financial results under IFRS may result in unanticipated changes in the Company's previously reported profitability, results of operations and financial condition and may affect comparability of its results to its peers. The conversion to IFRS may have an effect on the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also have an effect on business activities, such as foreign currency, certain contractual arrangements, debt covenants, capital requirements and compensation arrangements.

IFRS, and the interpretation thereof, are constantly evolving. As a result, the Company expects that there may be additional new or revised standards in relation to provisions, financial instruments, fair value, revenue recognition and consolidation prior to the issuance of its first financial statements reported under IFRS. The future impacts of IFRS will also depend on the particular circumstances prevailing in those years. The Company monitors and evaluates other IFRS accounting developments. However, the change to IFRS may result in unanticipated and, potentially, material and adverse changes in the Company's previously reported profitability, results of operations and financial condition and may affect comparability to industry peers.

DIVIDENDS

The Company's current policy is to pay quarterly dividends on its common shares and, on February 12, 2014, the Company announced that it had declared a quarterly dividend of $0.08 per common share, payable on March 17, 2014. In 2013, the dividend paid was $0.88 per common share (quarterly payments of $0.22 per common share). In 2012, the dividend paid was $0.80 per common share (quarterly payments of $0.20 per common share). In 2011, the dividend paid was $0.64 per common share (quarterly payments of $0.16 per common share). 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 directors of the Company. 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, 2013 is BBB (low) with a stable 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 stable 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 the above rating agency by the Company and information obtained by the ratings agency from publicly available sources. The credit rating given to the Company's Notes by the rating agency 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 Company's corporate debt 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 the rating agency lowers the credit rating on the Company's corporate debt, 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".

MARKET FOR SECURITIES

Common Shares

The Company's common shares are listed and traded on the Toronto Stock Exchange (the "TSX") and on the New York Stock Exchange (the "NYSE") under the symbol "AEM". On March 21, 2014 the closing price of the common shares was C$36.59 on the TSX and $32.36 on the NYSE.

The following table sets forth the high and low sale prices and the average daily trading volume for the Company's common shares on the TSX and the NYSE since January 1, 2013.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2013						
January	52.74	45.63	881,501	53.33	45.82	1,326,612
February	46.16	39.31	1,108,535	46.26	38.58	1,352,477
March	42.17	39.66	931,822	41.20	38.57	1,515,895
April	41.21	31.21	1,328,068	40.54	30.87	2,168,343
May	33.70	28.75	956,057	32.01	27.92	1,874,144
June	34.16	26.32	1,378,578	33.28	25.15	1,953,987
July	31.05	28.10	1,189,534	30.18	26.64	2,114,278
August	34.57	26.41	1,104,227	32.88	25.43	1,860,727
September	32.16	27.09	1,455,075	30.63	26.28	1,958,625
October	32.77	24.85	1,706,278	31.36	24.05	2,139,988
November	30.74	27.56	1,135,232	29.48	26.20	1,777,286
December	29.10	26.75	1,522,969	27.54	25.13	2,010,690
2014						
January	35.34	28.03	1,724,788	31.62	26.00	2,595,509
February	38.14	34.52	1,828,754	34.30	31.08	2,853,743
March (to March 21)	38.51	35.82	1,535,306	34.84	32.16	1,960,293

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 Sebastopol, California, 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 Sutter Gold Mining Inc. (a mining exploration company traded on the TSX Venture Exchange and the OTCQX), Reunion Gold Corporation (a mining exploration company traded on the TSX Venture Exchange) and McEwen Mining Inc. (a gold and silver producing company traded on the NYSE Arca and the TSX). *Area of expertise:* Corporate Finance and Mineral Economics.

Sean Boyd, CA, of Toronto, Ontario, is the Vice-Chairman, President 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, President and Chief Executive Officer in February 2012, Mr. Boyd served as 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. *Area of expertise:* Executive Management, Finance.

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 became a director of Agnico Eagle on February 14, 2011. *Area of expertise:* Investment Management.

Clifford J. Davis, of Kemble, Ontario, is an independent director of Agnico Eagle. Mr. Davis is a mining industry veteran and formerly a member of the senior management teams of New Gold Inc., Gabriel Resources Ltd. and TVX Gold Inc. Mr. Davis is a graduate of the Royal School of Mines, Imperial College, London University (B.Sc., Mining Engineering). Mr. Davis has been a director of Agnico Eagle since June 17, 2008 and is also a director and member of the Compensation Committee and the Nominating and Corporate Governance Committee of Zenyatta Ventures Ltd. *Area of expertise:* Mining.

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 became a director of Agnico Eagle on January 1, 2011. *Area of expertise:* Corporate Finance and Business Strategy.

Bernard Kraft, CA, of Toronto, Ontario, is an independent director of Agnico Eagle. Mr. Kraft is a retired senior partner of the Toronto accounting firm Kraft, Berger LLP, Chartered Accountants and now serves as a consultant to that firm. He is also a principal in Kraft Yabrov Valuations Inc. Mr. Kraft is recognized as a Designated Specialist in Investigative and Forensic Accounting by the Canadian Institute of Chartered Accountants. Mr. Kraft is a member of the Canadian Institute of Chartered Business Valuators, the Association of Certified Fraud Examiners and the American Society of Appraisers. Mr. Kraft has been a director of Agnico Eagle since March 12, 1992, and is also a director and a member of the Audit Committee of Harte Gold Corp. *Area of expertise:* Audit and Accounting.

Mel Leiderman, FCPA, FCA, TEP, ICD.D, of Toronto, Ontario, is an independent director of Agnico Eagle. Mr. Leiderman is the senior partner 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. *Area of expertise:* Audit and Accounting.

Deborah McCombe, P. Geo. of Toronto, Ontario, is an independent director of Agnico Eagle. Mrs. McCombe is the President and CEO of Roscoe Postle Associates Inc. ("RPA") She has over 30 years' experience in exploration project management, feasibility studies, reserve estimation, due diligence studies and valuation studies. 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 Chair of 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; a member of the CIM Standing Committee on Reserve Definitions and is a member of the Canadian Securities Administrators Mining Technical Advisory and Monitoring Committee. Ms. McCombe holds a degree in Geology from University of Western Ontario.Ms. McCombe became a director of Agnico Eagle on February 12, 2014. *Area of expertise:* Executive Management and Mining.

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. 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. *Area of expertise:* Management and Business Strategy.

Dr. Sean Riley, of Antigonish, Nova Scotia, is an independent director of Agnico Eagle. Dr. Riley has served as President of St. Francis Xavier University since 1996. 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 became a director of Agnico Eagle on January 1, 2011. *Area of Expertise*: Management and Business Strategy.

J. Merfyn Roberts, CA , of London, England, is an independent director of Agnico Eagle. Mr. Roberts has been 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. He has been a director of Agnico Eagle since June 17, 2008, and is also a director and a member of the Audit Committee of Eastern Platinum Limited and Newport Exploration Limited and a director of Blackheath Resources Inc. *Area of expertise:* Investment Management.

Howard R. Stockford, P.Eng., of Toronto, Ontario, is an independent director of Agnico Eagle. Mr. Stockford is a retired mining executive with 50 years of experience in the industry. Most recently, he was Executive Vice-President of Aur Resources Inc. ("Aur") and a director of Aur from 1984 until August 2007, when it was taken over by Teck Cominco Limited. Mr. Stockford has previously served as President of the Canadian Institute of Mining, Metallurgy and Petroleum and is a member of the Association of Professional Engineers of Ontario, the Prospectors and Developers Association of Canada and the Society of Economic Geologists. Mr. Stockford is a graduate of the Royal School of Mines, Imperial College, London University, U.K. (B.Sc., Mining Geology). Mr. Stockford has been a director of Agnico Eagle since May 6, 2005. *Area of expertise:* Executive Management, Mining.

Pertti Voutilainen, M.Sc., M.Eng. , of Espoo, Finland, is an independent director of Agnico Eagle. Mr. Voutilainen is a mining industry veteran. Until 2005, he was the Chairman of the board of directors of Riddarhyttan Resources AB. Previously, Mr. Voutilainen was the Chairman of the board of directors and Chief Executive Officer of Kansallis Banking Group and President after its merger with Union Bank of Finland until his retirement in 2000. He was also employed by Outokumpu Corp., Finland's largest mining and metals company, for 26 years, including as Chief Executive Officer for 11 years. Mr. Voutilainen holds the honorary title of Mining Counselor (Bergsrad), which was awarded to him by the President of the Republic of Finland in 2003. Mr. Voutilainen is a graduate of Helsinki University of Technology (M.Sc.), Helsinki University of Business Administration (M.Sc.) and Pennsylvania State University (M. Eng.). He has been a director of Agnico Eagle since December 13, 2005. *Area of expertise:* Mining and Finance.

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, Bernard Kraft, Mel Leiderman and Dr. Sean Riley.

The members of the Compensation Committee are Martine A. Celej, Robert J. Gemmell and Howard R. Stockford.

The members of the Corporate Governance Committee are Bernard Kraft, James D. Nasso, J. Merfyn Roberts and Pertti Voutilainen.

The members of the Health, Safety, Environmental and Sustainable Development Committee are Clifford J. Davis, Deborah McCombe, James D. Nasso and Howard R. Stockford.

Executive Officers

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

Donald G. Allan, of Toronto, Ontario, is Senior Vice-President, Corporate Development of Agnico Eagle, a position he has held since December 14, 2006. Prior to that, Mr. Allan had been Vice-President, Corporate Development since May 6, 2002. Prior to that, Mr. Allan spent 16 years as an investment banker covering the mining and natural resources sectors with the firms Salomon Smith Barney and Merrill Lynch. Mr. Allan is a graduate of the Amos Tuck School, Dartmouth College (M.B.A.) and the University of Toronto (B.Comm.). Mr. Allan is also qualified as a Chartered Accountant.

Alain Blackburn, P.Eng., of Oakville, Ontario, is Senior Vice-President, Exploration of Agnico Eagle, a position he has held since December 14, 2006. Prior to that, Mr. Blackburn had been Vice-President, Exploration since October 1, 2002. Prior to that, Mr. Blackburn served as Agnico Eagle's Manager, Corporate Development from January 1999 and Exploration Manager from September 1996 to January 1999. Mr. Blackburn joined Agnico Eagle in 1988 as Chief Geologist at the LaRonde mine. Mr. Blackburn is a graduate of Université du Quebec de Chicoutimi (P.Eng.) and Université du Quebec en Abitibi-Temiscamingue (M.Sc.).

Picklu Datta, CA, of Toronto, Ontario is Senior Vice-President, Treasury and Finance of Agnico Eagle. Mr. Datta was previously Vice-President, Treasurer and prior to that, he was Vice-President, Controller of Agnico Eagle. Mr. Datta joined the Company in April 2005 and has worked in the mining industry for approximately ten years. Before joining the mining industry, Mr. Datta worked at Philip Morris Companies in New York City for approximately eight years and the technology industry for three years in various financial management roles. Mr. Datta obtained his Bachelor of Commerce degree from the University of Toronto and acquired his Chartered Accountancy designation by articling with Price Waterhouse Coopers.

Louise Grondin, Ing. P.Eng., of Toronto, Ontario, is Senior Vice-President, Environment and Sustainable Development of Agnico Eagle, a position she has held since January 1, 2011. Prior to that, Ms. Grondin was Vice President, Environment and Sustainable Development and before that she was the Regional Environmental Manager and Environmental Manager, LaRonde Division. 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 since 1984 and of the Ordre des Ingénieurs du Québec since 2001.

Tim Haldane, P.Eng., of Tucson, Arizona, is Senior Vice-President, Latin America of Agnico Eagle. Prior to joining Agnico Eagle in May 2006, he was Vice President, Development for Glamis Gold Inc. Mr. Haldane has participated in numerous acquisition and development activities in North America and Central America, most recently including the Pinos Altos, Creston Mascota, and La India Projects for Agnico Eagle. He is a graduate of the Montana School of Mines and Technology (B.S. Metallurgical Engineering) and has 34 years of experience in the precious metals and base metals industries.

R. Gregory Laing, B.A., LL.B., of Oakville, Ontario, is General Counsel, Senior Vice-President, Legal and Corporate Secretary of Agnico Eagle, a position he has held since December 14, 2006, prior to which, Mr. Laing had been General Counsel, Vice-President, Legal and Corporate Secretary since September 19, 2005. Prior to that, 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 director of West Red Lake Gold Mines Inc. (a mining exploration company), traded on the Canadian National Stock Exchange. Mr. Laing is a graduate of the University of Windsor (LL.B.) and Queen's University (B.A.).

Marc Hubert Legault, P.Eng, of Mississauga, Ontario, is Senior Vice-President, Project Evaluations of Agnico Eagle, a position he has held since February 2012. His principal responsibility and occupation in this position is to lead the project evaluation business group to identify, study and recommend the highest quality acquisition opportunities for the Company.

Prior to that, he was Vice-President, Project Development since 2007. 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 in 1985) and Queen's University at Kingston (B.Sc.H. in Geological Engineering in 1982). Marc is a registered Professional Engineer. He is also a director of Golden Goliath Resources Ltd., a mining exploration company listed on the TSX Venture Exchange.

Jean Luk Pellerin, of Toronto, Ontario, is Senior Vice-President, Human Resources. Mr. Pellerin joined Agnico Eagle in January 2012. Prior to that, he spent four years at Transat A.T. Inc. as Senior Vice-President, Human Resources and Chief Talent Officer. Before Transat, Mr. Pellerin spent six years in consulting at the helm of his own firm and as National Partner with Mercer Consulting. Prior to that, he held senior management and executive positions at Bombardier Inc., Domtar Corporation and General Electric. Mr. Pellerin has also taught in the MBA program at the H.E.C. Montreal in the Master's program in Organizational Development, as well as at American University and at the McGill International Executive Institute. Mr. Pellerin is a graduate of the University of Laval in Industrial Relations.

Jean Robitaille, of Oakville, Ontario, is Senior Vice-President, Technical Services and Project Development of Agnico Eagle, a position he has held since June 2008. Prior to that, he served Agnico Eagle in various capacities since 1988, most recently as 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 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, and 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, he was a mining analyst at Dominion Bond Rating Service for more than five years. Mr. Smith's professional experience also includes a variety of engineering positions in the mining industry, both in Canada and abroad. He is a graduate of Queen's University (B.Sc.) and the University of Arizona (M.Sc.). Mr. Smith is also a Professional Engineer.

Yvon Sylvestre, of Mississauga, Ontario, is Senior Vice-President, Operations, a position he has held since February 2012. Prior to that, he was 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 Trollus division of Inmet Mining Corporation.

Shareholdings of Directors and Executive Officers

As at March 21, 2014, the directors and executive officers of Agnico Eagle, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 265,475 common shares or approximately 0.15% of the 174,322,464 issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive 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 executive 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 executive 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 executive 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 executive 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, executive officer or shareholder.

No director or executive 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, 2013 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.

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. Kraft, Mr. Leiderman and Dr. Riley), 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. Kraft are Chartered Accountants; Mr. Leiderman is currently in private practice and Mr. Kraft, while retired, remains active in the

profession and the Board has determined that both of them qualify as 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 accountant, 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 2013 were pre-approved by the Audit Committee.

External Auditor Service Fees

Ernst & Young LLP has served as the Company's independent public accountant for each of the fiscal years ended December 31, 2013 and 2012. Fees paid to Ernst & Young LLP in 2013 and 2012 are set out below.

	Year Ended December 31,	
	2013	**2012**
	(C$ thousands)	
Audit fees	2,118	2,466
Audit-related fees[(1)]	23	23
Tax fees[(2)]	293	400
All other fees[(3)]	56	167
Total[(4)]	**2,490**	**3,056**

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

On November 7, 2011 and November 22, 2011, the Company and certain current and former senior officers, some of whom also are or were directors of the Company, were named as defendants in two putative class action lawsuits, styled Jerome Stone v. Agnico-Eagle Mines Ltd., et al., and Chris Hastings v. Agnico-Eagle Mines Limited, et al., respectively, which were filed in the United States District Court for the Southern District of New York. On February 6, 2012, the Court ordered that the two complaints be consolidated under the caption In re Agnico-Eagle Mines Ltd. Securities Litigation, and lead counsel was appointed. On April 6, 2012, a Consolidated Complaint was issued against the Company and certain of its current and former senior officers and directors. The Consolidated Complaint alleged that the Company had violated federal securities law in connection with its disclosure related to the Goldex mine. The Consolidated Complaint sought, among other things, damages on behalf of persons who purchased or acquired securities of the Company in transactions on a U.S. securities exchange during the period July 28, 2010 to October 19, 2011. On January 14, 2013, the District Court granted the Company's motion to dismiss the Consolidated Complaint and all claims therein with prejudice and denied the plaintiffs' request for leave to amend the Consolidated Complaint. On February 12, 2013, the plaintiffs filed a Notice of Appeal to the United States Court for Appeals for the Second Circuit. On October 3, 2013, the United States Court of Appeals for the Second Circuit issued a summary order affirming the dismissal of the Consolidated Complaint for the reasons stated in the District Court's January 14, 2013 opinion. The time for plaintiffs to file a petition for a writ of certiorari, requesting review by the United States Supreme Court, has expired, and the judgment dismissing plaintiffs' Consolidated Complaint with prejudice is now final and no longer appealable.

On March 8, 2012 and April 10, 2012, a Notice of Action and Statement of Claim (collectively, the "Ontario Claim") were issued by William Leslie, AFA Livforsakringsaktiebolag and certain other entities against the Company and certain of its current and former officers and directors. On September 27, 2012, the plaintiffs issued a Fresh as Amended Statement of Claim. The Fresh as Amended Statement of Claim alleges that the Company's public disclosure concerning water flow issues at its Goldex mine was misleading. The Ontario Claim was issued by the plaintiffs on behalf of all persons and entities who acquired securities of the Company during the period March 26, 2010 to October 19, 2011, excluding persons resident or domiciled in the Province of Quebec at the time they purchased or acquired such securities. The plaintiffs seek, among other things, damages of C$250 million and to certify the Ontario Claim as a class action. On April 17, 2013 an Order was granted on consent certifying a class action proceeding and granting leave for the claims under Section 138 of the *Securities Act* (Ontario) to proceed. The Company intends to vigorously defend the action on the merits.

On April 12, 2012, two senior officers of the Company were served with a Motion for Leave to Institute a Class Action and for the Appointment of a Representative Plaintiff (the "Quebec Motion"). The action is on behalf of all persons and entities with fewer than 50 employees resident in Quebec who acquired securities of the Company between March 26, 2010 and October 19, 2011. The proposed class action is for damages of C$100 million arising as a result of allegedly misleading disclosure by the Company concerning its operations at the Goldex mine. On October 15, 2012, the plaintiffs served an amended Quebec Motion seeking leave to commence an action under the *Securities Act* (Quebec) in addition to seeking authorization to institute a class action. On October 1, 2013, the Quebec court certified the class action on terms identical to those set out in the consent Order granted in Ontario on April 17, 2013. No date has been set for the hearing to argue the class action on the merits. The Company intends to vigorously defend the action on the merits.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF, since January 1, 2011, no director, executive officer or 10% shareholder of the Company or any associate or affiliate of any such person or company, 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 following contracts constitute the only material contracts to which it is a party.

Credit Facility

On August 4, 2011, 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 (the "Credit Facility"). The Credit Facility was subsequently amended on July 20, 2012. The Credit Facility matures and all indebtedness thereunder is due and payable on June 22, 2017. 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 0.50% to 1.75% depending on certain financial ratios and through LIBOR advances, bankers' acceptances and letters of credit, priced at the applicable rate plus a margin that ranges from 1.50% to 2.75% depending on certain financial ratios. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.3375% to 0.61875% of the undrawn portion of the facility, depending on certain financial ratios. Where credit exposure for all lenders is in the aggregate equal to or greater than 50% of the aggregate commitments, the standby fee and letter of credit fee shall be increased by 0.125%, provided that, if and so long as the Company has a credit rating by S&P of at least BBB, DBRS of at least BBB or Moody's of at least Baa2, such increase shall not apply. Payment and performance of the Company's obligations under the Credit Facility are guaranteed by each of its significant 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 an event 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 as well as a minimum tangible net worth. Events of default under the Credit Facility include, among other things:

- 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 any financial 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 $50 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 21, 2014, there was approximately $151 million in the aggregate drawn under the Credit Facility (including outstanding letters of credit).

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 "Letter of Credit Facility"). On November 5, 2013, the Company amended the Letter of Credit Facility to increase the maximum aggregate amount that may be outstanding thereunder at any time to C$175 million. Under the terms of the Letter of Credit Facility, the Company may request to be issued one or more letters of credit in a maximum aggregate amount outstanding at any time not exceeding C$175 million. The 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 related to reclamation obligations. If the Company fails to pay any amount of a reimbursement obligation under the 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 prime rate (as calculated under the Letter of Credit Facility). Payment and performance of the Company's obligations under the Letter of Credit Facility are guaranteed by the Guarantors.

Events of default under the Letter of Credit Facility include, among other things:

- the failure to pay any amount drawn under the 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 Letter of Credit Facility;
- 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 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 Letter of Credit Facility.

As at March 21, 2014, there was approximately C$170 million in the aggregate drawn under the 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 the 2010 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"). On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of the 2012 Notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (together with the 2010 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 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;
- engage in any dealings or transactions with any person or entity identified under certain anti-terrorism regulations;

- 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 financial ratios and the same minimum tangible net worth under the Note Purchase Agreements as under the Credit Facility. Events of default under the Note Purchase Agreements include, among other things:

- 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 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.

INTERESTS OF EXPERTS

Ernst & Young LLP, the auditors of the Company, has advised the Company that it is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and has complied with the SEC's rules on auditor independence.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR 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 11, 2014 relating to the annual and special meeting of shareholders of the Company scheduled for May 2, 2014. 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 (the "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 or proxy material. The head of the Corporation's internal audit function and the external auditors shall have direct and ready access to the Chair of the Committee.

The Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the 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. (See Schedule A for current requirements.)

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. (See Schedule B for definition.)

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 Committee by the Board of Directors. The Board of Directors shall designate one member of the Audit Committee as the chair of the Audit Committee (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 and/or shares or restricted share units 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.4 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 Committee's performance;

Documents/Reports Review

4. review the Corporation's financial statements and related management's discussion and analysis, Form 20-F, Annual Report and any other annual reports or other 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 issuer's disclosure of financial information extracted or derived from the issuer'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 financial information (paying particular attention to the use of 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 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 Committee;

16. oversee the work of the external auditors engaged for the purpose of preparing an audit report or performing other audit, review and attest services for the issuer;

17. evaluate the qualifications, performance and independence of the external auditors which are to report directly to the Committee, including (i) reviewing and evaluating the lead partner on the external auditors' engagement with the Corporation, (ii) considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, (iii) determine the rotation of the lead audit partner and the 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 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 policies 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 commencing in 2007, based on the Internal Audit Charter;

22. review and discuss the Company's Code of Business Conduct and Ethics and fraud policy and the actions taken to monitor and enforce compliance with the Code and policy;

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. overseeing and assessing management's controls and processes to prevent and detect fraud;

25. receiving periodic reports from the internal auditors 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 and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the interim and annual filings with applicable securities regulatory authorities;

31. review disclosures made by the Chief Executive Officer and Chief Financial Officer 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 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 Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;

36. establish procedures to receive, record and handle complaints concerning accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission by employees of concerns regarding questionable auditing or accounting matters;

37. retain and determine the compensation of any independent counsel, accountants or other advisors to assist in its oversight responsibilities (the Committee shall not be required to obtain the approval of the Board of Directors for such purposes);

38. discuss any management or internal control letters or proposals to be issued by the external auditors of the Corporation;

Disclosure Controls and Procedures

39. obtain and review the statement of Corporate Disclosure Controls, Procedures and Policies prepared by the disclosure committee and, if appropriate, approve the disclosure controls and procedures set out in such statement and any changes made thereto;

40. receive confirmation from the CEO and CFO that reports to be filed with Canadian Securities commissions, the SEC 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;

41. 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;

42. 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

43. 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;

44. review legal compliance matters with the Corporation's legal counsel;

45. review with the Corporation's legal counsel any legal matter that the Committee understands could have a significant impact on the Corporation's financial statements;

46. conduct or authorize investigations into matters within the Committee's scope of responsibilities;

47. perform any other activities in accordance with the Charter, the Corporation's by-laws and governing law the Committee or the Board of Directors deems necessary or appropriate;

Related Party Transactions

48. review the financial reporting of any transaction between the Corporation and any officer, director or other "related party" (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

49. report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and

50. 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 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 generally accepted accounting principles. 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 99.1

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Note to Investors Concerning Estimates of Mineral Reserves and Mineral Resources
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Exhibit 99.2



AGNICO EAGLE

Annual Audited Consolidated Financial Statements

(Prepared in accordance with United States GAAP)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors (the "Board") and Shareholders of Agnico Eagle Mines Limited:

We have audited Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 (the "COSO criteria"). Agnico Eagle Mines Limited'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 management certification report on internal control over financial reporting. Our responsibility is to express an opinion on Agnico Eagle Mines Limited's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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.

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 generally accepted accounting principles. 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 generally accepted accounting principles, and that revenues 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.

In our opinion, Agnico Eagle Mines Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013 based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Agnico Eagle Mines Limited as of December 31, 2013 and December 31, 2012, and the consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2013, and our report dated March 21, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
March 21, 2014

MANAGEMENT CERTIFICATION

Management of Agnico Eagle Mines Limited (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, 2013. 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 1992. Based on its assessment, management concluded that, as of December 31, 2013, 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, 2013 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 21, 2014

By /s/ SEAN BOYD

Sean Boyd
Vice Chairman, President and
Chief Executive Officer

By /s/ DAVID SMITH

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board and Shareholders of Agnico Eagle Mines Limited:

We have audited the accompanying consolidated balance sheets of Agnico Eagle Mines Limited as of December 31, 2013 and December 31, 2012, and the related consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Agnico Eagle Mines Limited at December 31, 2013 and December 31, 2012 and the consolidated results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013 in conformity with United States generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 and our report dated March 21, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
March 21, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") are expressed in thousands of United States dollars ("US dollars", "US$" or "$"), except where noted, and have been prepared in accordance with United States generally accepted accounting principles ("US GAAP"). Certain information in the consolidated financial statements is presented in Canadian dollars ("C$"). As a precise determination of assets and liabilities depends on future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates and approximations. Actual results may differ from such estimates and approximations. The consolidated financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies referred to below.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and entities in which it has a controlling financial interest, after the elimination of intercompany accounts and transactions. The Company has a controlling financial interest if it owns a majority of the outstanding voting common stock or has significant control over an entity through contractual arrangements or economic interests of which the Company is the primary beneficiary.

Cash and cash equivalents

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. Short-term investments are designated as held to maturity for accounting purposes and are carried at amortized cost, which approximates market value given the short-term nature of these investments. Agnico Eagle 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.

Inventories

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventory amounts are reduced based on average cost or in the case of supplies, the lower of average cost and replacement cost. The current portion of stockpiles, ore on leach pads and inventories are determined based on the expected amounts to be processed within the next twelve months. Stockpiles, ore on leach pads and inventories not expected to be processed or used within the next twelve months are classified as long term.

Ore Stockpiles

Stockpiles consist of coarse ore that has been mined and hoisted from underground or delivered from an open pit that is available for further processing and in-stope ore inventory in the form of drilled and blasted stopes ready to be mucked and hoisted to the surface. The stockpiles are measured by estimating the tonnage, contained ounces (based on assays) and recovery percentages (based on actual recovery rates for processing similar ore). Specific tonnages are verified and compared to original estimates once the stockpile is milled. Ore stockpiles are valued at the lower of net realizable value and mining costs incurred up to the point of stockpiling the ore. The net realizable value of stockpiled ore is calculated by subtracting the estimated future processing and selling costs from the estimated revenue from the ore, which is based on the estimated tonnage and grade of stockpiled ore.

Mining costs include all costs associated with mining operations and are allocated to each tonne of stockpiled ore. Costs fully absorbed into inventory values include direct and indirect materials and consumables, direct labour, utilities and amortization of mining assets incurred up to the point of stockpiling the ore. Royalty expenses and production taxes are included in production costs, but are not capitalized into inventory. Stockpiles are generally processed within twelve months of extraction, with certain exceptions. Due to the structure of certain ore bodies, a significant amount of drilling and blasting may be undertaken in the early years of a mine's life, which can result in a long-term stockpile. The decision to process stockpiled ore is based on a net smelter return analysis. The Company processes its stockpiled ore if its estimated revenue, on a per tonne basis and net of estimated smelting and refining costs, is greater than the related mining and milling costs. The Company has never elected to not process stockpiled ore and does not anticipate departing from this practice in the future. Stockpiled ore on the surface is exposed to the elements, but the Company does not expect its condition to deteriorate significantly as a result.

Pre-production stripping costs are capitalized until an "other than *de minimis*" level of mineral is produced, after which time such costs are either capitalized to inventory or expensed. The Company considers various relevant criteria to assess when an "other than *de minimis*" level of mineral is produced. The criteria considered include: (1) the number of ounces mined compared to total ounces in mineral reserves; (2) the quantity of ore mined compared to the total quantity of ore expected to be mined over the life of the mine; (3) the current stripping ratio compared to the expected stripping ratio over the life of the mine; and (4) the ore grade compared to the expected ore grade over the life of the mine.

Major development expenditures, including stripping costs to prepare unique and identifiable areas outside the current mining area for future production that are considered to be pre-production mine development, are capitalized.

Concentrates and dore bars

Concentrate and dore bar inventories consist of concentrates and dore bars for which legal title has not yet passed to third-party smelters. Concentrate and dore bar inventories are measured based on assays of the processed concentrates and are valued based on the lower of net realizable value and the fully absorbed mining and milling costs associated with extracting and processing the ore.

Supplies

Supplies, consisting of mine stores inventory, are valued at the lower of average cost and replacement cost.

Mining properties, plant and equipment and mine development 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 production begins, using the units-of-production method, based on estimated proven and probable mineral reserves. 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.

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. Interest costs incurred for the construction of significant projects are capitalized.

Mine development costs incurred after the commencement of production are capitalized or deferred to the extent that these costs benefit the mining of the entire ore body. Costs incurred to access single ore blocks are expensed as incurred; otherwise, such vertical and horizontal development is classified as mine development costs.

Agnico Eagle records amortization on mine development costs used in commercial production on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the mine. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves. Plant and equipment is amortized on a straight-line basis over its specifically identified useful life.

Repairs and maintenance expenditures are charged to income as production costs. Assets under construction are not depreciated until the end of the construction period. Upon achieving commercial production, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Mineral exploration costs are charged to income in the year in which they are incurred. When it is determined that a mining property can be economically developed as a result of established proven and probable mineral reserves, the costs of drilling and development to further delineate the ore body on such property are capitalized. The establishment of proven and probable mineral reserves is based on results of final feasibility studies that indicate whether a property is economically feasible. Upon commencement of the commercial production of a development project, these costs are transferred to the appropriate asset category and are amortized to income using the methodology described above. Mine development costs, net of salvage values, relating to a property that is abandoned or considered uneconomic for the foreseeable future are written off.

The carrying values of mining properties, plant and equipment and mine development costs are periodically reviewed for possible impairment, when impairment factors exist, based on the future undiscounted net cash flows of the operating mine or development property. If it is determined that the estimated net recoverable amount is less than the carrying value, then a write down to the estimated fair value amount is made with a charge to income. Estimated future cash flows of operating mines and development properties include estimates of recoverable ounces of gold based on proven and probable mineral reserves. To the extent that economic value exists beyond the proven and probable mineral reserves of an operating mine or development property, this value is included as part of the estimated future cash flows. Estimated

future cash flows also involve estimates regarding metal prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, and related income and mining taxes, all based on detailed life-of-mine plans. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows may affect the recoverability of long-lived assets.

Goodwill

Business combinations are accounted for using the purchase method whereby assets acquired and liabilities assumed are recorded at their fair values as of the date of acquisition and any excess of the purchase price over such fair values is recorded as goodwill. Goodwill is not amortized.

The Company performs goodwill impairment tests on an annual basis as well as when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Company estimates the fair values of its reporting units that include goodwill and compares those fair values to each reporting unit's carrying amount. If a reporting unit's carrying amount exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to the carrying amount and any excess of the carrying amount of goodwill over the implied fair value is charged to income.

Financial instruments

Agnico Eagle uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in byproduct metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. Agnico Eagle does not hold financial instruments or derivative financial instruments for trading purposes.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in the consolidated statements of income (loss) and comprehensive income (loss) or in shareholders' equity as a component of accumulated other comprehensive loss, depending on the nature of the derivative financial instrument and whether it qualifies for hedge accounting. Financial instruments designated as hedges are tested for effectiveness on a quarterly basis. Gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

Revenue recognition

Revenue is recognized when the following conditions are met:

(a) persuasive evidence of an arrangement to purchase exists;

(b) the price is determinable;

(c) the product has been delivered; and

(d) collection of the sales price is reasonably assured.

Revenue from gold and silver in the form of dore bars is recorded when the refined gold or silver is sold and delivered to the customer. Generally, all 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.

Under the terms of the Company's concentrate sales contracts with third-party smelters, final prices for the metals contained in the concentrate are determined based on the prevailing spot market metal prices on a specified future date, which is established as of the date that the concentrate is delivered to the smelter. The Company records revenues under these contracts based on forward prices at the time of delivery, which is when transfer of legal title to concentrate passes to the third-party smelters. The terms of the contracts result in differences between the recorded estimated price at delivery and the final settlement price. These differences are adjusted through revenue at each subsequent financial statement date.

Revenues from mining operations consist of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from byproduct metals sales are shown net of smelter charges as part of revenues from mining operations.

Foreign currency translation

The functional currency for each of the Company's operations is the US dollar. Monetary assets and liabilities of Agnico Eagle's operations denominated in a currency other than the US dollar are translated into US dollars using the exchange rate in effect at period end. Non-monetary assets and liabilities are translated at historical exchange rates, while revenues and expenses are translated at the average exchange rate during the period, with the exception of amortization, which is translated at historical exchange rates. Exchange gains and losses are included in income, except for gains and losses on foreign currency contracts used to hedge specific future commitments in foreign currencies. Gains and losses on these contracts are accounted for as a component of the related hedge transactions.

Reclamation costs

On an annual basis, the Company assesses cost estimates and other assumptions used in the valuation of asset retirement obligations ("AROs") at each of its mineral properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the AROs. For closed mines, any change in the fair value of AROs results in a corresponding charge or credit to income, whereas at operating mines the charge is recorded as an adjustment to the carrying amount of the corresponding asset.

AROs arise from the acquisition, development, construction and operation 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 fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ARO is incurred. 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 proven and probable mineral reserves 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. When expected cash flows increase, the revised cash flows are discounted using a current discount factor, whereas when expected cash flows decrease, the reduced cash flows are discounted using the historical discount factor used in the original estimation of the expected cash flows. In either case, any change in the fair value of the ARO is recorded. Agnico Eagle records the fair value of an ARO when it is incurred. AROs are adjusted to reflect the passage of time (accretion), which is calculated by applying the discount factor implicit in the initial fair value measurement to the beginning of period carrying amount of the AROs. For producing mines, accretion expense is recorded in the cost of goods sold each period. Upon settlement of an ARO, Agnico Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that they do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal 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. ERL fair value is measured by discounting the expected related cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. On an annual basis, 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 fair value of the ERL. Any change in the fair value of ERLs results in a corresponding charge or credit to income. Upon settlement of an ERL, Agnico Eagle records a gain or loss if the actual cost differs from the carrying amount of the ERL. Settlement gains/losses are recorded in income.

Other environmental remediation costs that are not AROs or ERLs as defined by the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 410-20 – *Asset Retirement Obligations* and 410-30 – *Environmental Obligations*, respectively, are expensed as incurred.

Income and mining taxes

Agnico Eagle follows the liability method of tax allocation in accounting for income taxes. Under this method of tax allocation, deferred income and mining tax assets and liabilities are measured using the enacted tax rates and laws expected to be in effect when the temporary differences are expected to reverse.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxation authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and international tax audits. The Company recognizes the effect of uncertain tax positions and records tax liabilities for anticipated tax audit issues in Canada and other tax jurisdictions where it is more likely than not based on technical merits that the position would not be sustained. The Company recognizes the amount of any tax benefits that have a greater than fifty percent likelihood of being ultimately realized upon settlement.

Changes in judgment related to the expected ultimate resolution of uncertain tax positions are recognized in the year of such change. Accrued interest and penalties related to unrecognized tax benefits are recorded in income tax expense. The Company adjusts these reserves in light of changing facts and circumstances. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's estimate of the tax liabilities. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

Stock-based compensation

The Company's Employee Stock Option Plan 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) and comprehensive 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 dilutive impact of stock option grants is factored into the Company's reported diluted net income (loss) per share.

Net income (loss) per share

Basic net income (loss) per share is calculated on net income (loss) for the year using the weighted average number of common shares outstanding during the year. The weighted average number of common shares used to determine diluted net income (loss) per share includes an adjustment, using the treasury stock method, for stock options outstanding and warrants outstanding. Under the treasury stock method:

- the exercise of options or warrants is assumed to occur at the beginning of the period (or date of issuance, if later);
- the proceeds from the exercise of options or warrants 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 is (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 (loss) per share calculation.

Pension costs and obligations and post-retirement benefits

In Canada, Agnico Eagle 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% of the designated executives' income is contributed by the Company. The Company does not offer any other post-retirement benefits to its employees.

Agnico Eagle also provides a non-registered supplementary executive retirement defined benefit plan for certain 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, the interest cost of projected benefits, return on plan assets and amortization of experience gains and losses. Pension fund assets are measured at current fair values. Actuarially determined plan surpluses or deficits, experience gains or losses and the cost of pension plan improvements are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Commercial production

The Company assesses each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant and its location. The Company considers various relevant criteria to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. The criteria considered include: (1) the completion of a reasonable period of testing of mine plant and equipment; (2) the ability to produce minerals in saleable form (within specifications); and (3) the ability to sustain ongoing production of minerals. When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventories or expensed, except for sustaining capital costs related to mining properties, plant and equipment or mine development.

OTHER ACCOUNTING DEVELOPMENTS

Recently adopted accounting pronouncements

Disclosures about Offsetting Assets and Liabilities

In November 2011, ASC guidance was issued relating to disclosure on offsetting financial instrument and derivative financial instrument assets and liabilities. Under the updated guidance, entities are required to disclose gross information and net information about both instruments and transactions eligible for offset in the consolidated balance sheets and instruments and transactions subject to an agreement similar to a master netting arrangement. The Company adopted this updated guidance, effective for the fiscal year beginning January 1, 2013. See notes 4 and 15 for disclosure on offsetting financial instrument and derivative financial instrument assets and liabilities.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Loss

In February 2013, ASC guidance was issued relating to the reporting of amounts reclassified out of accumulated other comprehensive loss. Under the updated guidance, entities are required to provide information about the amounts reclassified out of accumulated other comprehensive loss by component and by consolidated statement of income (loss) line item, as required under US GAAP. The Company adopted this updated guidance, effective for the fiscal year beginning January 1, 2013. See the Company's consolidated statements of income (loss) and comprehensive income (loss) for reporting of amounts reclassified out of accumulated other comprehensive loss.

Recently Issued Accounting Pronouncements and Developments

Under Securities and Exchange Commission ("SEC") Staff Accounting Bulletin 74, the Company is required to disclose information related to new accounting standards that have not yet been adopted. Agnico Eagle has evaluated newly issued accounting standards that have not yet been adopted and does not expect them to significantly impact the Company's consolidated financial statements.

International Financial Reporting Standards

As permitted by both the SEC in the United States and the Canadian Securities Administrators ("CSA") in Canada, Agnico Eagle currently prepares and files its consolidated financial statements in accordance with US GAAP. Generally accepted accounting principles for Canadian publicly accountable enterprises became International Financial Reporting Standards ("IFRS") in 2011 and the SEC now accepts financial statements prepared in accordance with IFRS without reconciliation to US GAAP from foreign private issuers. Accordingly, Agnico Eagle has decided to convert its basis of accounting to IFRS to enhance the comparability of its financial statements to the Company's peers in the mining industry.

The Company has commenced the process of converting its basis of accounting from US GAAP to IFRS with a transition date of January 1, 2013. Agnico Eagle anticipates reporting under IFRS for interim and annual periods beginning in the third quarter of 2014, with comparative information restated under IFRS.

The adoption of IFRS may require the Company to make changes in accounting policies that may have an impact on its reported financial position and results of operations. Where accounting policy alternatives are available, Agnico Eagle's primary objective will be the selection of IFRS accounting policies that provide meaningful and transparent information to shareholders.

The Company has developed a detailed IFRS conversion plan which includes the following three phases and the key activities to be performed in each phase:

- **Assessment phase:** During this now completed phase, the Company established a steering committee and IFRS working group, developed a detailed project plan, designed and implemented internal controls over the IFRS conversion plan and evaluated the high level differences between US GAAP and IFRS that may have an impact on the Company.

- **Impact analysis and design phase:** This phase involves the detailed analysis and quantification of the differences between Agnico Eagle's accounting policies under US GAAP and IFRS, the selection of IFRS accounting policies, the assessment of the impact on financial information systems and the development of a strategy for capturing IFRS comparative financial information, the incorporation of IFRS accounting policy and process changes into the Company's internal controls, the assessment of contractual arrangements and budgeting processes for IFRS conversion impacts and the provision of technical training to key finance and other personnel. This phase is in process and is expected to be completed during the second quarter of 2014.

- **Implementation phase:** This phase involves the implementation of changes to the Company's accounting policies and business processes as identified through the impact analysis and design phase and the revision of the Company's Accounting Policies and Procedures Manual to reflect these changes. The implementation phase will culminate in the preparation of IFRS consolidated financial statements including first-time adoption reconciliations from US GAAP in the third quarter of 2014.

Significant identified differences between US GAAP and IFRS and available IFRS accounting policy choices that may have an impact on the Company's consolidated financial statements are outlined below. These differences should not be regarded as a complete list of changes that will result from the transition to IFRS, rather they encompass management's high level evaluation of significant differences between US GAAP and IFRS and available IFRS accounting policy choices as they currently exist. At this stage in the IFRS conversion plan, the Company has not quantified the anticipated impact of these differences on our consolidated financial statements nor has the Company selected the IFRS accounting policies it will adopt.

First-time adoption of IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that IFRS effective at the end of an entity's first IFRS reporting period be applied retrospectively, with specific mandatory exceptions and certain optional exemptions. In accordance with its IFRS conversion plan, Agnico Eagle's first IFRS reporting period will be the third quarter of 2014.

Impairment

Under US GAAP, a two-step approach is used for long-lived asset impairment testing whereby long-lived assets are first tested for recoverability based on their expected undiscounted cash flows. If a long-lived asset's expected undiscounted cash flow exceeds the recorded carrying amount, no impairment charge is required. If the expected undiscounted cash flow is lower than the recorded carrying amount, the long-lived assets are written down to their estimated fair value. US GAAP does not permit the reversal of impairment losses.

Under IFRS, IAS 36 Impairment of Assets ("IAS 36") prescribes a one-step approach for asset impairment testing and measurement whereby an asset's recoverable amount is compared directly against its recorded carrying amount. Under IAS 36, an asset's recoverable amount is determined as the higher of the estimated fair value less costs to sell or value in use (which is measured using discounted cash flows). If an asset's recoverable amount is less than the recorded carrying amount, an impairment charge is required. IAS 36 also requires the reversal of previously recorded impairment losses where circumstances have changed such that the impairments have been reduced.

The difference in the approach to asset impairment testing and measurement may result in more frequent impairment charges under IFRS, where asset carrying values previously supported under US GAAP on an undiscounted cash flow basis cannot be supported on a discounted cash flow basis. However, the impact of any additional asset impairments recorded under IFRS may be partially offset by the requirement to reverse previously recorded impairment losses where circumstances have changed.

Production stripping costs

Under US GAAP, the cost of removing overburden and waste materials to expose ore and access mineral deposits for extraction during the production phase of a surface mine ("production stripping costs") are accounted for as production costs and are included in the cost of the inventory produced during the period in which the stripping costs are incurred.

Under IFRS, IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") requires that production stripping costs relating to improved access to ore be capitalized as part of a non-current stripping activity asset if probable future economic benefits will be realized, the costs can be reliably measured and the component of an ore body for which access has been improved can be identified. To the extent that ore is extracted and inventory is produced in the current period, IFRIC 20 instead prescribes that production stripping costs be accounted for as part of the cost of the inventory produced.

The difference in approach to accounting for production stripping costs will result in a decrease in direct production costs and an increase in amortization expense relating to the recognition of non-current stripping activity assets under IFRS.

Exploration and evaluation

Under US GAAP, the Company accounts for exploration and evaluation ("E&E") expenditures as current period operating expenses until it is determined that a mining property can be economically developed as a result of established proven and probable reserves. Once proven and probable reserves are established based on the results of a final feasibility study, the costs of drilling and development to further delineate the ore body are capitalized.

IFRS 6 Exploration for and Evaluation of Mineral Resources ("IFRS 6") provides guidance related to expenditures incurred during the E&E phase. IFRS 6 requires entities to select and consistently apply an accounting policy that specifies which expenditures are capitalized as E&E assets. However, IFRS 6 provides no specific guidance as to when E&E expenditures are to be capitalized.

Agnico Eagle is in the process of defining the E&E phase within the context of IFRS 6 and developing an accounting policy that outlines the point at which specific types of E&E expenditures will be capitalized.

Revenue Recognition

Revenue recognition criteria under IAS 18 Revenue ("IAS 18") include the probability that economic benefits associated with the transaction will flow to the entity and that the revenue can be measured reliably. The Company does not expect that the point at which it recognizes revenue will change under IFRS.

Property, Plant and Equipment

Under IFRS, IAS 16 Property, Plant and Equipment requires the separate identification and measurement of significant individual components of property, plant and equipment, with individual components depreciated based on their individual useful lives. The Company identified significant individual components of property, plant and equipment under US GAAP in 2013 and will assess whether an adjustment relating to the retrospective application and depreciation of these components is required to its opening January 1, 2013 balance sheet under IFRS.

COMPARATIVE FIGURES

Certain figures in the comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2013 consolidated financial statements.

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts, US GAAP basis)

	As at December 31,	
	2013	**2012**
ASSETS		
Current		
Cash and cash equivalents	$ 139,101	$ 298,068
Short-term investments	2,217	8,490
Restricted cash (note 14)	28,723	25,450
Trade receivables (notes 1 and 4)	67,300	67,750
Inventories:		
Ore stockpiles	39,941	52,342
Concentrates and dore bars	58,543	69,695
Supplies	253,160	222,630
Income taxes recoverable (note 9)	18,682	19,313
Available-for-sale securities (notes 2(b) and 4)	74,581	44,719
Fair value of derivative financial instruments (notes 4 and 15)	5,590	2,112
Other current assets (note 2(a))	116,993	92,977
Total current assets	804,831	903,546
Other assets (note 2(c))	66,394	55,838
Goodwill (notes 10 and 19)	39,017	229,279
Property, plant and mine development (note 3)	4,049,117	4,067,456
	$ 4,959,359	$ 5,256,119
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 11)	$ 173,374	$ 185,329
Reclamation provision (note 6(a))	3,452	16,816
Dividends payable	–	37,905
Interest payable (note 5)	13,803	13,602
Income taxes payable (note 9)	7,523	10,061
Capital lease obligations (note 13(a))	12,035	12,955
Fair value of derivative financial instruments (notes 4 and 15)	467	277
Total current liabilities	210,654	276,945
Long-term debt (note 5)	1,000,000	830,000

Reclamation provision and other liabilities (note 6)	178,236	127,735
Deferred income and mining tax liabilities (note 9)	593,320	611,227
SHAREHOLDERS' EQUITY		
Common shares (notes 7(a), 7(b) and 7(c)):		
Outstanding – 174,181,163 common shares issued, less 227,188 shares held in trust	3,294,007	3,241,922
Stock options (note 8(a))	174,470	148,032
Warrants (note 7(b))	–	24,858
Contributed surplus	37,254	15,665
Retained earnings (deficit)	(513,441)	7,046
Accumulated other comprehensive loss (note 7(d))	(15,141)	(27,311)
Total shareholders' equity	2,977,149	3,410,212
	$ 4,959,359	$ 5,256,119
Contingencies and commitments (notes 6, 9, 12, 13(b) and 21)		

On behalf of the Board:

Sean Boyd CPA, CA, Director

Mel Leiderman CPA, CA, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(thousands of United States dollars, except per share amounts, US GAAP basis)

	Year ended December 31,		
	2013	**2012**	**2011**
REVENUES			
Revenues from mining operations (note 1)	$ 1,638,406	$ 1,917,714	$ 1,821,799
COSTS, EXPENSES AND OTHER INCOME			
Production[(i)]	924,927	897,712	876,078
Exploration and corporate development	44,236	109,500	75,721
Amortization of property, plant and mine development (note 3)	296,078	271,861	261,781
General and administrative (note 16)	115,800	119,085	107,926
Impairment loss on available-for-sale securities (notes 2(b) and 4)	34,272	12,732	8,569
Provincial capital tax	(1,504)	4,001	9,223
Interest expense (note 5)	57,999	57,887	55,039
Interest and sundry expense	8,824	2,389	5,188
(Gain) loss on derivative financial instruments (note 15)	(1,509)	819	(3,683)
Gain on sale of available-for-sale securities (note 2(b))	(74)	(9,733)	(4,907)
Impairment loss (note 18)	537,227	–	907,681
Loss on Goldex mine (note 17)	–	–	302,893
Foreign currency translation (gain) loss	(7,188)	16,320	(1,082)
Income (loss) before income and mining taxes	(370,682)	435,141	(778,628)
Income and mining taxes expense (recovery) (note 9)	35,844	124,225	(209,673)
Net income (loss) for the year	$ (406,526)	$ 310,916	$ (568,955)
Attributed to non-controlling interest	$ –	$ –	$ (60)
Attributed to common shareholders	$ (406,526)	$ 310,916	$ (568,895)
Net income (loss) per share – basic (note 7(e))	$ (2.35)	$ 1.82	$ (3.36)
Net income (loss) per share – diluted (note 7(e))	$ (2.35)	$ 1.81	$ (3.36)
Cash dividends declared per common share (note 7(a))	$ 0.66	$ 1.02	$ –
COMPREHENSIVE INCOME (LOSS)			
Net income (loss) for the year	$ (406,526)	$ 310,916	$ (568,955)
Other comprehensive income (loss):			
Available-for-sale securities and other investments:			
Unrealized loss	(22,553)	(27,029)	(35,444)

Reclassification to impairment loss on available-for-sale securities (notes 2(b) and 4)	34,272	12,732	8,569
Reclassification to realized gain on sale of available-for-sale securities (note 2(b))	(74)	(9,733)	(4,907)
Derivative financial instruments (note 15):			
Unrealized (loss) gain	(284)	6,882	(5,863)
Reclassification to production costs	(117)	(2,738)	1,459
Pension benefits (note 6(b)):			
Unrealized gain (loss)	375	531	(1,595)
Reclassification to general and administrative expense	637	617	540
Income tax expense (recovery) impact of reclassification items (note 9)	(137)	558	(556)
Income tax expense (recovery) impact of other comprehensive income (loss) items (note 9)	51	(2,025)	2,301
Other comprehensive income (loss) for the year	12,170	(20,205)	(35,496)
Comprehensive income (loss) for the year	$ (394,356)	$ 290,711	$ (604,451)
Attributed to non-controlling interest	$ –	$ –	$ (60)
Attributed to common shareholders	$ (394,356)	$ 290,711	$ (604,391)

Note:

(i) Exclusive of amortization, which is shown separately.

See accompanying notes

AGNICO EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands of United States dollars, except share and per share amounts, US GAAP basis)

	Common Shares Outstanding							
	Shares	Amount	Stock Options	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest
Balance December 31, 2010	168,720,355	$3,078,217	$ 78,554	$ 24,858	$ 15,166	$ 440,265	$ 28,390	$ –
Shares issued under employee stock option plan (note 8(a))	308,688	18,094	(4,396)	–	–	–	–	–
Stock options (note 8(a))	–	–	43,536	–	–	–	–	–
Shares issued under the incentive share purchase plan (note 8(b))	360,833	19,229	–	–	–	–	–	–
Shares issued under dividend reinvestment plan	176,110	10,130	–	–	–	–	–	–
Shares issued for purchase of mining property (notes 7(c) and 10)	1,250,477	56,146	–	–	–	–	–	–
Non-controlling interest addition upon acquisition (note 10)	–	–	–	–	–	–	–	12,251
Net loss for the year attributed to common shareholders	–	–	–	–	–	(568,895)	–	–
Net loss for the year attributed to non-controlling interest	–	–	–	–	–	–	–	(60)
Dividends declared (nil per share) (note 7(a))	–	–	–	–	–	(391)	–	–
Other comprehensive loss for the year	–	–	–	–	–	–	(35,496)	–
Restricted share unit plan (note 8(c))	(2,727)	(435)	–	–	–	–	–	–
Balance December 31, 2011	170,813,736	$3,181,381	$ 117,694	$ 24,858	$ 15,166	$(129,021)	$ (7,106)	$ 12,191
Shares issued under employee stock option plan (note 8(a))	416,275	$ 22,968	$ (4,759)	$ –	$ –	$ –	$ –	$ –
Stock options (note 8(a))	–	–	35,097	–	–	–	–	–
Shares issued under the incentive share purchase plan (note 8(b))	507,235	21,671	–	–	–	–	–	–
Shares issued under dividend reinvestment plan	444,555	18,907	–	–	–	–	–	–
Shares issued for purchase of mining property (notes 7(c) and 10)	68,941	2,447	–	–	499	–	–	–

Non-controlling interest eliminated upon acquisition (note 10)	–	–	–	–	–	–	–	(12,191)
Net income for the year	–	–	–	–	–	310,916	–	–
Dividends declared ($1.02 per share) (note 7(a))	–	–	–	–	–	(174,849)	–	–
Other comprehensive loss for the year	–	–	–	–	–	–	(20,205)	–
Restricted share unit plan (note 8(c))	(147,872)	(5,452)	–	–	–	–	–	–
Balance December 31, 2012	172,102,870	$3,241,922	$ 148,032	$ 24,858	$ 15,665	$ 7,046	$ (27,311)	$ –
Shares issued under employee stock option plan (note 8(a))	213,500	$ 9,765	$ (3,292)	$ –	$ –	$ –	$ –	$ –
Stock options (note 8(a))	–	–	29,730	–	–	–	–	–
Shares issued under incentive share purchase plan (note 8(b))	812,946	23,379	–	–	–	–	–	–
Shares issued under dividend reinvestment plan	858,107	25,837	–	–	–	–	–	–
Warrant expiry (note 7(b))	–	–	–	(24,858)	21,589	–	–	–
Net loss for the year	–	–	–	–	–	(406,526)	–	–
Dividends declared ($0.66 per share) (note 7(a))	–	–	–	–	–	(114,118)	–	–
Other comprehensive income for the year	–	–	–	–	–	–	12,170	–
Restricted share unit plan (note 8(c))	(33,448)	(6,896)	–	–	–	157	–	–
Balance December 31, 2013	173,953,975	$3,294,007	$ 174,470	$ –	$ 37,254	$(513,441)	$ (15,141)	$ –

See accompanying notes

AGNICO EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars, US GAAP basis)

	Year Ended December 31,		
	2013	**2012**	**2011**
Operating activities			
Net income (loss) for the year	$ (406,526)	$ 310,916	$ (568,955)
Add (deduct) items not affecting cash:			
Amortization of property, plant and mine development (note 3)	296,078	271,861	261,781
Deferred income and mining taxes (note 9)	(16,550)	72,145	(275,773)
Gain on sale of available-for-sale securities (note 2(b))	(74)	(9,733)	(4,907)
Stock-based compensation (note 8)	44,904	47,632	51,873
Impairment loss on available-for-sale securities (note 2(b))	34,272	12,732	8,569
Impairment loss (note 18)	537,227	–	907,681
Loss on Goldex mine (note 17)	–	–	302,893
Foreign currency translation (gain) loss	(7,188)	16,320	(1,082)
Other	23,817	16,048	22,992
Adjustment for settlement of environmental remediation	(9,081)	(21,449)	(7,616)
Changes in non-cash working capital balances:			
Trade receivables	450	8,149	37,050
Income taxes	717	13,304	(29,867)
Inventories	(23,232)	(44,145)	(43,066)
Other current assets	(23,447)	18,909	(25,838)
Accounts payable and accrued liabilities	(12,695)	(20,928)	31,837
Interest payable	(376)	4,246	(387)
Cash provided by operating activities	438,296	696,007	667,185
Investing activities			
Additions to property, plant and mine development (note 3)	(577,789)	(445,550)	(482,831)
Acquisition of Urastar Gold Corporation, net (note 10)	(10,051)	–	–
Acquisition of Grayd Resource Corporation (note 10)	–	(9,322)	(163,047)
Decrease (increase) in short-term investments	6,273	(1,920)	5
Net proceeds from sale of available-for-sale securities (note 2(b))	171	73,358	9,435
Purchase of available-for-sale securities and warrants (note 2(b))	(59,804)	(2,713)	(91,115)
(Increase) decrease in restricted cash (note 14)	(3,273)	9,991	(32,931)

Cash used in investing activities	(644,473)	(376,156)	(760,484)
Financing activities			
Dividends paid	(126,266)	(118,121)	(98,354)
Repayment of capital lease obligations (note 13(a))	(10,605)	(12,063)	(13,092)
Sale-leaseback financing (note 13(a))	10,928	–	–
Proceeds from long-term debt (note 5)	290,000	315,000	475,000
Repayment of long-term debt (note 5)	(120,000)	(605,000)	(205,000)
Notes issuance (note 5)	–	200,000	–
Long-term debt financing costs (note 5)	–	(3,133)	(2,545)
Repurchase of common shares for restricted share unit plan (note 8(c))	(19,000)	(12,031)	(3,723)
Common shares issued	23,672	32,742	26,536
Cash provided by (used in) financing activities	48,729	(202,606)	178,822
Effect of exchange rate changes on cash and cash equivalents	(1,519)	1,376	(1,636)
Net (decrease) increase in cash and cash equivalents during the year	(158,967)	118,621	83,887
Cash and cash equivalents, beginning of year	298,068	179,447	95,560
Cash and cash equivalents, end of year	$ 139,101	$ 298,068	$ 179,447
Supplemental cash flow information			
Interest paid	$ 58,152	$ 52,213	$ 52,833
Income and mining taxes paid	$ 56,478	$ 56,962	$ 110,889

See accompanying notes

1. TRADE RECEIVABLES AND REVENUES FROM MINING OPERATIONS

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 byproduct metals. The revenue from byproduct metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

Revenues are generated from operations in Canada, Mexico and Finland. 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, copper and lead. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

As 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.

Trade receivables are recognized once the transfer of ownership for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales of dore bars or concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties.

	Year Ended December 31,		
	2013	**2012**	**2011**
Revenues from mining operations:			
Gold	$1,500,354	$1,712,665	$1,563,760
Silver	100,895	140,221	171,725
Zinc	16,685	45,797	70,522
Copper	20,653	19,019	14,451
Lead[(i)]	(181)	12	1,341
	$1,638,406	$1,917,714	$1,821,799

Note:

(i) In 2013, lead revenues of $0.9 million were nettled against lead concentrate direct fees of $1.1 million. Revenues from other metals contained in lead concentrate are included in their respective categories in the above table.

In 2013, precious metals (gold and silver) accounted for 98% of Agnico Eagle's revenues from mining operations (2012 – 97%; 2011 – 95%). The remaining revenues from mining operations consisted of net byproduct metals revenues. In 2013, these net byproduct metals revenues as a percentage of total revenues from mining operations were 1% from zinc (2012 – 2%; 2011 – 4%) and 1% from copper (2012 – 1%; 2011 – 1%).

2. OTHER ASSETS

(a) Other current assets

	As at December 31,	
	2013	2012
Federal, provincial and other sales taxes receivable	$ 71,053	$ 36,400
Prepaid expenses	35,396	36,119
Insurance receivable	1,369	6,553
Receivables from employees	780	1,800
Retirement compensation arrangement plan refundable tax receivable	–	4,044
Other	8,395	8,061
	$ 116,993	$ 92,977

(b) Available-for-sale securities

The Company's investments in available-for-sale securities consist primarily of investments in common shares of entities in the mining industry. The cost basis of available-for-sale securities is determined using the average cost method and they are carried at fair value. Detail on the Company's available-for-sale securities holdings is set out below:

	As at December 31,	
	2013	2012
Available-for-sale securities in an unrealized gain position:		
Cost (net of impairments)	$ 30,583	$ 4,352
Unrealized gains in accumulated other comprehensive loss	11,530	1,902
Estimated fair value	42,113	6,254
Available-for-sale securities in an unrealized loss position:		
Cost (net of impairments)	39,933	48,047
Unrealized losses in accumulated other comprehensive loss	(7,465)	(9,582)
Estimated fair value	32,468	38,465
Total estimated fair value of available-for-sale securities	**$ 74,581**	**$ 44,719**

In 2013, the Company received proceeds of $0.2 million (2012 – $73.4 million; 2011 – $9.4 million) and recognized a gain before income taxes of $0.1 million (2012 – $9.7 million; 2011 – $4.9 million) on the sale of certain available-for-sale securities.

During the course of the year, certain available-for-sale securities fell into an unrealized loss position. In each case, the Company evaluated the near-term prospects of the issuers in relation to the severity and duration of the impairment. During the year ended December 31, 2013, the Company recorded a $34.3 million (2012 – $12.7 million; 2011 – $8.6 million) impairment loss on certain available-for-sale securities that were determined to be other-than-temporarily impaired.

At December 31, 2013, the fair value of available-for-sale securities in an unrealized loss position was $32.5 million (December 31, 2012 – $38.5 million) with total unrealized losses in accumulated other comprehensive loss of $7.5 million (December 31, 2012 – $9.6 million). Based on an evaluation of the severity and duration of the impairment of these available-for-sale securities (less than three months) and on the Company's intent to hold the investments for a period of time sufficient for a recovery of fair value, the Company does not consider these available-for-sale securities to be other-than-temporarily impaired as at December 31, 2013.

(c) Other assets

	As at December 31,	
	2013	**2012**
Deferred financing costs, less accumulated amortization of $11,420 (December 31, 2012 – $8,888)	$12,644	$15,836
Long-term ore in stockpile [(i)]	46,191	32,711
Other	7,559	7,291
	$66,394	$55,838

Note:

(i) Due to the ore body structures at the Pinos Altos, Kittila and Meadowbank mines, the Creston Mascota deposit at Pinos Altos and the La India project, a significant amount of drilling and blasting was undertaken early in their mine lives, resulting in long-term ore in stockpile. At December 31, 2013, long-term ore in stockpile was valued at $2.5 million (December 31, 2012 – $4.1 million) at the Pinos Altos mine, $26.7 million (December 31, 2012 – $7.7 million) at the Kittila mine, $7.8 million (December 31, 2012 – $10.2 million) at the Meadowbank mine, $8.2 million (December 31, 2012 – $10.7 million) at the Creston Mascota deposit at Pinos Altos and $1.0 million (December 31, 2012 – nil) at the La India project.

3. PROPERTY, PLANT AND MINE DEVELOPMENT

	As at December 31, 2013			As at December 31, 2012		
	Cost	**Accumulated Amortization**	**Net Book Value**	**Cost**	**Accumulated Amortization**	**Net Book Value**
Mining properties	$ 1,361,867	$ 89,700	$ 1,272,167	$ 1,356,227	$ 86,839	$ 1,269,388
Plant and equipment	2,286,887	662,394	1,624,493	2,538,328	617,826	1,920,502
Mine development costs	1,038,564	239,898	798,666	918,482	237,967	680,515
Construction in progress:						
Meliadine project	192,413	–	192,413	133,840	–	133,840
La India project	161,378	–	161,378	32,553	–	32,553
Goldex mine M and E Zones [(i)]	–	–	–	30,658	–	30,658
	$ 5,041,109	$ 991,992	$ 4,049,117	$ 5,010,088	$ 942,632	$ 4,067,456

Note:

(i) Upon achieving commercial production at the Goldex mine M and E Zones in October 2013, related costs accumulated in construction in progress were reclassified to mine development costs within property, plant and mine development.

Geographic Information:

	As at December 31,	
	2013	**2012**
Northern Business:		
Canada	$2,312,166	$2,543,171
Finland	763,711	704,031
Southern Business:		
Mexico	962,971	809,556
United States	10,269	10,698
Total	$4,049,117	$4,067,456

In 2013, Agnico Eagle capitalized $2.5 million (2012 – $1.3 million) and expensed $1.4 million (2012 – $1.2 million) of computer software expenditures. The unamortized capitalized cost for computer software at December 31, 2013 was $6.8 million (December 31, 2012 – $5.7 million).

The unamortized capitalized cost for leasehold improvements at December 31, 2013 was $3.3 million (December 31, 2012 – $3.4 million), which is being amortized on a straight-line basis over the life term of the lease plus one renewal period.

The amortization of assets recorded under capital leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income (loss) and comprehensive income (loss).

4. FAIR VALUE MEASUREMENT

ASC 820 – *Fair Value Measurement and Disclosure* defines fair value, establishes a framework for measuring fair value under US GAAP, and requires expanded disclosures about fair value measurements including the following three fair value hierarchy levels:

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).

Fair value is the value at which a financial instrument could be closed out or sold in a transaction with a willing and knowledgeable counterparty over a period of time consistent with the Company's investment strategy. Fair value is based on quoted market prices, where available. If market quotes are not available, fair value is based on internally developed models that use market-based or independent information as inputs. These models could produce a fair value that may not be reflective of future fair value.

The following table sets out the Company's financial assets and liabilities measured at fair value as at December 31, 2013 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables[(i)]	$ –	$ 67,300	$ –	$ 67,300
Available-for-sale securities[(ii)]	74,581	–	–	74,581
Fair value of derivative financial instruments [(iii)]	–	5,590	–	5,590
	$ 74,581	$ 72,890	$ –	$ 147,471
Financial liabilities:				
Fair value of derivative financial instruments [(iii)]	$ –	$ 467	$ –	$ 467

The following table sets out the Company's financial assets and liabilities measured at fair value as at December 31, 2012 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables[(i)]	$ –	$ 67,750	$ –	$ 67,750
Available-for-sale securities[(ii)]	44,719	–	–	44,719
Fair value of derivative financial instruments [(iii)]	–	2,112	–	2,112
	$ 44,719	$ 69,862	$ –	$ 114,581
Financial liabilities:				
Fair value of derivative financial instruments [(iii)]	$ –	$ 277	$ –	$ 277

Notes:

(i) 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).

(ii) Available-for-sale securities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy).

(iii) Derivative financial instruments are recorded at fair value using external broker-dealer quotations (classified within Level 2 of the fair value hierarchy).

In the event that a decline in the fair value of an investment in available-for-sale securities occurs and the decline in value is considered to be other-than-temporary, an impairment charge is recorded in the consolidated statements of income (loss) and comprehensive income (loss) and a new cost basis for the investment is established. The Company assesses whether a decline in value is considered to be other-than-temporary by considering available evidence, including changes in general market conditions, specific industry and investee data, the length of time and the extent to which the fair value has been less than cost, the financial condition of the investee and the near-term prospects of the individual investment. New evidence may become available in future periods which would affect this assessment and thus could result in

material impairment charges with respect to those investments in available-for-sale securities for which the cost basis exceeds its fair value.

As at December 31, 2013, the Company recorded impairment losses related to property, plant and mine development and goodwill (see note 18 for details). The estimated fair values of property, plant and mine development and goodwill used in determining the impairment losses followed the discounted cash flow approach. The total impairment loss recorded during 2013 was $436.3 million, net of tax (2012 – nil; 2011 – $644.9 million). The discounted cash flow approach uses significant unobservable inputs and is therefore considered a Level 3 fair value measurement under the fair value hierarchy.

5. LONG-TERM DEBT

Credit Facility

On June 22, 2010, the Company amended and restated one of its two unsecured revolving bank credit facilities (the "Credit Facility") and terminated its other unsecured revolving bank credit facility, increasing the amount available from an aggregate of $900.0 million to $1,200.0 million.

On July 20, 2012, the Company further amended the Credit Facility, extending the maturity date from June 22, 2016 to June 22, 2017 and amending pricing terms.

At December 31, 2013, the Credit Facility was drawn down by $200.0 million (December 31, 2012 – $30.0 million). Amounts drawn down, together with outstanding letters of credit under the Credit Facility, resulted in Credit Facility availability of $998.9 million at December 31, 2013.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes") which, on issuance, had a weighted average maturity of 11.0 years and a weighted average yield of 4.95%.

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
	$ 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") which, on issuance, had a weighted average maturity of 9.84 years and a weighted average yield of 6.59%.

The following table sets out details of the individual series of the 2010 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$ 115,000	6.13%	4/7/2017
Series B	360,000	6.67%	4/7/2020
Series C	125,000	6.77%	4/7/2022
	$ 600,000		

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility, 2012 Notes and 2010 Notes is guaranteed by each of its significant 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 2012 Notes and 2010 Notes contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets and carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility, 2012 Notes and 2010 Notes also require the Company to maintain a total net debt to EBITDA ratio below a specified maximum value as well as a minimum tangible net worth.

The Company was in compliance with all covenants contained in the Credit Facility, 2012 Notes and 2010 Notes as at December 31, 2013.

Interest on long-term debt

For the year ended December 31, 2013, total interest expense was $58.0 million (2012 – $57.9 million; 2011 – $55.0 million) and total cash interest payments were $58.2 million (2012 – $52.2 million; 2011 – $52.8 million). In 2013, cash interest on the Credit Facility was $1.8 million (2012 – $3.6 million; 2011 – $1.7 million), cash standby fees on the Credit Facility were $4.8 million (2012 – $4.2 million; 2011 – $8.6 million) and cash interest on the 2010 Notes and 2012 Notes was $49.4 million (2012 – $39.5 million; 2011 – $39.5 million). In 2013, interest expenditures of $3.5 million (2012 – $1.5 million; 2011 – $1.0 million) were capitalized to construction in progress.

The Company's weighted average interest rate on all of its long-term debt as at December 31, 2013 was 5.37% (December 31, 2012 – 6.02%; December 31, 2011 – 5.02%).

6. RECLAMATION PROVISION AND OTHER LIABILITIES

Reclamation provision and other liabilities consist of the following:

	As at December 31,	
	2013	**2012**
Reclamation provision (note 6(a))	$ 150,849	$ 101,753
Long-term portion of capital lease obligations (note 13(a))	11,843	12,108
Pension benefits (note 6(b))	15,278	13,734
Other	266	140
Total	$ 178,236	$ 127,735

(a) ***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.

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations:

	2013	**2012**
Asset retirement obligations – long-term, beginning of year	$ 89,720	$ 86,386
Asset retirement obligations – current, beginning of year	4,630	–
Current year additions and changes in estimate, net	44,898	1,495
Current year accretion	4,624	5,068
Liabilities settled	(853)	(254)
Foreign exchange revaluation	(3,678)	1,655
Reclassification from long-term to current, end of year	(1,029)	(4,630)
Asset retirement obligations – long-term, end of year	$ 138,312	$ 89,720

Due to the suspension of mining operations on the Goldex Extension Zone ("GEZ") at the Goldex mine on October 19, 2011 (see note 17 for details), Agnico Eagle recognized an environmental remediation liability. The

following table reconciles the beginning and ending carrying amounts of the Goldex mine's environmental remediation liability:

	2013	2012
Environmental remediation liability – long-term, beginning of year	$ 12,033	$ 19,057
Environmental remediation liability – current, beginning of year	12,186	26,069
Current year additions and changes in estimate, net	1,005	(36)
Liabilities settled	(9,045)	(21,450)
Foreign exchange revaluation	(1,219)	579
Reclassification from long-term to current, end of year	(2,423)	(12,186)
Environmental remediation liability – long-term, end of year	$ 12,537	$ 12,033

(b) ***Pension benefits***

Agnico Eagle provides the Executives Plan for certain senior officers. The funded status of the Executives Plan is based on actuarial valuations performed as of July 1, 2013, projected to December 31, 2013 and covering the period through June 30, 2014.

The components of Agnico Eagle's net pension benefits expense relating to the Executives Plan are as follows:

	Year Ended December 31,		
	2013	2012	2011
Service cost – benefits earned during the year	$ 457	$ 650	$ 996
Interest cost on projected benefit obligation	431	489	663
Amortization of net transition asset	164	169	171
Prior service cost	25	26	26
Loss due to settlement	–	2,921	–
Recognized net actuarial loss	379	340	245
Net pension benefits expense	$ 1,456	$ 4,595	$ 2,101

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 accumulated benefit obligation for the Executives Plan at December 31, 2013 was $9.6 million (December 31, 2012 – $9.7 million).

The funded status of the Executives Plan for 2013 and 2012 is as follows:

	2013	2012
Reconciliation of the market value of plan assets:		
Fair value of plan assets, beginning of year	$ 2,373	$ 2,952
Agnico Eagle's contribution	374	839
Benefit payments	(244)	(520)
Settlements	–	(961)
Effect of exchange rate changes	(157)	63
Fair value of plan assets, end of year	2,346	2,373
Reconciliation of projected benefit obligation:		
Projected benefit obligation, beginning of year	10,818	14,370
Service cost	456	650
Interest cost	431	489
Net actuarial loss	573	675
Benefit payments	(244)	(520)
Settlements	–	(5,148)
Effect of exchange rate changes	(736)	302
Projected benefit obligation, end of year	11,298	10,818
Deficiency of plan assets compared with projected benefit obligation	$ (8,952)	$ (8,445)

The Executives Plan is comprised of the following net amounts recognized in the consolidated balance sheets:

	As at December 31,	
	2013	2012
Accrued employee benefit liability	$ 5,733	$ 5,008
Accumulated other comprehensive loss:		
Transition obligation	159	341
Prior service cost	24	52
Net actuarial loss	3,036	3,044
Net liability	$ 8,952	$ 8,445

Assumptions:

Weighted average discount rate – net periodic pension cost	4.00%	4.45%
Weighted average discount rate – projected benefit obligation	4.90%	4.00%
Weighted average rate of compensation increase	3.00%	3.00%
Estimated average remaining service life for the plan (in years) [(i)]	5.0	6.0

Note:

(i) Estimated average remaining service life for the Executives Plan was developed for individual senior officers.

Executives Plan components expected to be recognized in accumulated other comprehensive loss in 2014:

Transition obligation	$ 159
Prior service cost	24
Net actuarial loss	476
	$ 659

Estimated benefit payments from the Executives Plan over the next ten years are set out below:

Year ended December 31,:	Estimated Executives Plan Benefit Payments
2014	$ 109
2015	$ 107
2016	$ 105
2017	$ 103
2018	$ 102
2019 – 2023	$ 5,295

In addition to the Executives Plan, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5% of certain employees' base employment compensation to a defined contribution plan. In 2013, $12.5 million (2012 – $11.9 million; 2011 – $10.7 million) was contributed to the Basic Plan. Effective January 1, 2008, the Company adopted 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% of the designated executive's earnings for the year (including salary and short-term bonus). In 2013, the Company made $1.2 million (2012 – $0.8 million; 2011 – $0.9 million) in notional contributions to the Supplemental Plan. The Supplemental Plan is accounted for as a cash balance plan.

7. SHAREHOLDERS' EQUITY

(a) Common shares

The Company's authorized share capital includes an unlimited number of common shares. As at December 31, 2013, Agnico Eagle's issued common shares totaled 174,181,163 (December 31, 2012 – 172,296,610), less 227,188 common shares held by a trust in connection with the Company's restricted share unit ("RSU") plan (December 31, 2012 – 193,740 common shares held in trust). The trust is treated as a variable interest entity and, as a result, its holdings of shares are offset against the Company's issued shares in its consolidated financial statements (see note 8(c) for details).

In 2013, the Company declared dividends on its common shares of $0.66 per share (2012 – $1.02 per share; 2011 – nil per share).

(b) Private placements and warrants

On December 3, 2008, the Company closed a private placement of 9.2 million units, with each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company at a price of $47.25 per share at any time during the five-year term of the warrant. As consideration for the lead purchaser's commitment, the Company issued to the lead purchaser an additional 4.0 million warrants. The net proceeds of the private placement were approximately $281.0 million, after deducting share issue costs of $8.8 million. The warrants expired unexercised on December 3, 2013.

(c) Issuance of common shares on take-over bid

On November 18, 2011, the Company issued 1,250,477 common shares with a market value of $56.1 million in connection with the acquisition of 94.77% of the outstanding shares of Grayd Resource Corporation ("Grayd") under a take-over bid. On January 23, 2012, the Company issued an additional 68,941 common shares with a market value of $2.4 million in connection with the compulsory acquisition of the remaining outstanding shares of Grayd it did not already own (see note 10 for details).

(d) Accumulated other comprehensive loss

The following table sets out the changes in accumulated other comprehensive loss by component for the year ended December 31, 2013:

	Cumulative Translation Adjustment	Available-for-sale Securities and Other Investments	Derivative Financial Instruments	Pension Benefits	Total
Accumulated other comprehensive (loss) income, December 31, 2012	$ (16,206)	$ (7,680)	$ 72	$ (3,497)	$ (27,311)
Unrealized other comprehensive (loss) gain	–	(22,553)	(284)	375	(22,462)
Income tax expense (recovery) impact	–	–	150	(99)	51
Reclassifications from accumulated other comprehensive (loss) income to the Consolidated Statements of Income (Loss)	–	34,198	(117)	637	34,718
Income tax expense (recovery) impact	–	–	31	(168)	(137)
Other comprehensive income (loss) for the year	–	11,645	(220)	745	12,170
Accumulated other comprehensive (loss) income, December 31, 2013	$ (16,206)	$ 3,965	$ (148)	$ (2,752)	$ (15,141)

The following table sets out the changes in accumulated other comprehensive loss by component for the year ended December 31, 2012:

	Cumulative Translation Adjustment	Available-for-sale Securities and Other Investments	Derivative Financial Instruments	Pension Benefits	Total
Accumulated other comprehensive (loss) income, December 31, 2011	$ (16,206)	$ 16,350	$ (2,913)	$ (4,337)	$ (7,106)
Unrealized other comprehensive (loss) gain	–	(27,029)	6,882	531	(19,616)
Income tax recovery impact	–	–	(1,885)	(140)	(2,025)
Reclassifications from accumulated other comprehensive (loss) income to the Consolidated Statements of Income (Loss)	–	2,999	(2,738)	617	878
Income tax expense (recovery) impact	–	–	721	(163)	558
Other comprehensive income (loss) for the year	–	(24,030)	2,985	840	(20,205)
Accumulated other comprehensive (loss) income, December 31, 2012	$ (16,206)	$ (7,680)	$ 72	$ (3,497)	$ (27,311)

(e) ***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,		
	2013	2012	2011
Weighted average number of common shares outstanding – basic	172,892,654	171,250,179	169,352,896
Dilutive impact of shares related to RSU plan	–	235,436	–
Weighted average number of common shares outstanding – diluted	172,892,654	171,485,615	169,352,896

Diluted net income (loss) per share has been calculated using the treasury stock method. In applying the treasury stock method, employee stock options and warrants 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 (loss) per share as the impact is anti-dilutive. In 2011, the impact of any additional shares issued under the employee stock option plan, as a result of the conversion of warrants or related to the RSU plan 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 2011. In 2012, 7,742,151 employee stock options and all warrants were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive. In 2013, the impact of any additional shares issued under the employee stock option plan or related to the RSU plan 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 2013.

8. STOCK-BASED COMPENSATION

(a) Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting 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% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board of Directors adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2011, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP by 3,000,000 to 23,300,000. In 2012 and 2013 the shareholders approved a further 2,500,000 and 2,000,000 common shares for issuance under the ESOP, respectively.

Of the 2,803,000 stock options granted under the ESOP in 2013, 700,750 stock options vested immediately. The remaining stock options, all of which expire in 2018, vest in equal installments on each anniversary date of the grant over a three year period. Of the 3,257,000 stock options granted under the ESOP in 2012, 814,250 stock options vested immediately. The remaining stock options, all of which expire in 2017, vest in equal installments on each anniversary date of the grant over a three year period. Of the 2,630,785 stock options granted under the ESOP in 2011, 657,696 stock options vested immediately. The remaining stock options, all of which expire in 2016, 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 new common shares to settle the obligation.

The following summary sets out activity with respect to Agnico Eagle's outstanding stock options:

	2013		2012		2011	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	10,587,126	C$ 56.60	8,959,051	C$ 62.88	6,762,704	C$ 56.94
Granted	2,803,000	52.13	3,257,000	36.99	2,630,785	76.12
Exercised	(213,500)	37.06	(416,275)	43.51	(308,688)	43.62
Forfeited	(540,206)	58.15	(731,000)	59.72	(125,750)	67.47
Expired	(1,352,885)	54.67	(481,650)	47.49	–	–
Outstanding, end of year	11,283,535	C$ 56.02	10,587,126	C$ 56.60	8,959,051	C$ 62.88
Options exercisable at end of year	7,248,295		6,510,464		5,178,172	

The following table sets out 2013 activity with respect to Agnico Eagle's non-vested stock options:

	2013	
	Number of Stock Options	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	4,076,662	C$13.33
Granted	2,803,000	11.21
Vested	(2,661,216)	12.84
Forfeited (non-vested)	(183,206)	11.38
Non-vested, end of year	4,035,240	C$11.44

Cash received for stock options exercised in 2013 was $8.0 million (2012 – $18.2 million; 2011 – $13.6 million).

The total intrinsic value of stock options exercised in 2013 was C$3.1 million (2012 – C$3.6 million; 2011 – C$8.0 million).

The weighted average grant date fair value of stock options granted in 2013 was C$11.21 (2012 – C$8.29; 2011 – C$17.05). The total grant date fair value of stock options vested during 2013 was $34.2 million (2012 – $41.0 million; 2011 – $46.7 million).

The following table summarizes information about Agnico Eagle's stock options outstanding and exercisable at December 31, 2013:

	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 Exercise Price
C$33.39 – C$59.71	7,341,556	2.81 years	C$48.28	3,851,056	C$50.50
C$60.72 – C$83.08	3,941,979	1.14 years	70.43	3,397,239	69.46
C$33.39 – C$83.08	11,283,535	2.23 years	C$56.02	7,248,295	C$59.39

The weighted average remaining contractual term of stock options exercisable at December 31, 2013 was 1.6 years.

The Company has reserved for issuance 11,283,535 common shares in the event that these stock options are exercised.

The number of common shares available for the granting of stock options under the ESOP as at December 31, 2013, December 31, 2012 and December 31, 2011 was 4,807,876, 3,717,785, and 3,262,135, respectively.

Subsequent to the year ended December 31, 2013, on January 2, 2014, 3,177,500 stock options were granted under the ESOP, of which 794,375 stock options vested immediately. The remaining stock options, all of which expire in 2019, vest in equal installments on each anniversary date of the grant over a three year period.

Agnico Eagle estimated the fair value of stock options under the Black-Scholes option pricing model using the following weighted average assumptions:

	2013	2012	2011
Risk-free interest rate	1.50%	1.26%	1.95%
Expected life of stock options (in years)	2.6	2.8	2.5
Expected volatility of Agnico Eagle's share price	35.0%	37.5%	34.70%
Expected dividend yield	1.82%	2.14%	0.89%

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.

The aggregate intrinsic value of stock options outstanding and exercisable at December 31, 2013 was nil.

The total compensation expense for the ESOP recorded in the general and administrative line item of the consolidated statements of income (loss) and comprehensive income (loss) for 2013 was $26.4 million (2012 – $33.8 million; 2011 – $42.2 million). The total compensation cost related to non- vested stock options not yet recognized is $21.2 million as at December 31, 2013 and the weighted average period over which it is expected to be recognized is 1.7 years. Of the total compensation cost for the ESOP, $3.3 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2013 (2012 – $1.3 million; 2011 – $1.4 million).

(b) Incentive Share Purchase Plan

On June 26, 1997, the Company's shareholders approved an incentive share purchase plan (the "Purchase Plan") to encourage directors, officers and employees ("Participants") to purchase Agnico Eagle's common shares at market value. In 2009, the Purchase Plan was amended to remove non-executive directors as eligible Participants.

Under the Purchase Plan, Participants may contribute up to 10% of their basic annual salaries and the Company contributes an amount equal to 50% of each Participant's contribution. All common shares subscribed for under the Purchase Plan are issued by the Company. The total compensation cost recognized in 2013 related to the Purchase Plan was $7.8 million (2012 – $7.2 million; 2011 – $6.4 million).

In 2013, 812,946 common shares were subscribed for under the Purchase Plan (2012 – 507,235; 2011 – 360,833) for a value of $23.4 million (2012 – $21.7 million; 2011 – $19.2 million). In May 2008, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the Purchase Plan to 5,000,000 from 2,500,000. As at December 31, 2013, Agnico Eagle has reserved for issuance 829,907 common shares (2012 – 1,642,853; 2011 – 2,150,088) under the Purchase Plan.

(c) ***Restricted Share Unit 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.

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 shareholders' equity and is amortized as compensation expense over the applicable vesting period.

In 2013, the Company funded the RSU plan by transferring $19.0 million (2012 – $12.0 million; 2011 – $3.7 million) to an employee benefit trust (the "Trust") that then purchased shares of the Company in the open market. The Trust is funded once per year during the first quarter of each year. For accounting purposes, the Trust is treated as a variable interest entity and consolidated in the accounts of the Company. The common shares purchased and held by the Trust are treated as not outstanding for the basic earnings per share ("EPS") calculations but are included in the basic EPS calculations once they have vested. All of the non-vested common shares held by the Trust are included in the diluted EPS calculations, unless the impact is anti-dilutive.

Compensation expense related to the RSU plan was $12.1 million in 2013 (2012 – $6.6 million; 2011 – $3.3 million). Compensation expense related to the RSU plan is included as part of the production, general and administrative and exploration and corporate development line items of the consolidated statements of income (loss) and comprehensive income (loss), consistent with the classification of other elements of compensation expense for those employees who held RSUs.

Subsequent to the year ended December 31, 2013, 293,041 RSUs were granted under the RSU plan which vest in 2017.

9. INCOME AND MINING TAXES

Income and mining taxes expense (recovery) is comprised of the following geographic components:

	Year Ended December 31,		
	2013	**2012**	**2011**
Current income and mining taxes:			
Canada	$ 7,934	$ 8,750	$ 62,382
Mexico	29,968	33,531	3,496
Finland	14,492	9,799	222
	52,394	52,080	66,100
Deferred income and mining taxes:			
Canada	(95,344)	26,041	(341,038)
Mexico	93,665	25,284	54,996
Finland	(14,871)	20,820	10,269
	(16,550)	72,145	(275,773)
Income and mining taxes	$ 35,844	$ 124,225	$ (209,673)

Cash income and mining taxes paid in 2013 were $56.5 million (2012 – $57.0 million; 2011 – $110.9 million).

The income and mining taxes expense (recovery) is different from the amount that would have been calculated by applying the Canadian statutory income tax rate as a result of the following:

	2013	2012	2011
Combined federal and composite provincial tax rates	26.3%	26.3%	27.8%
Increase (decrease) in tax rates resulting from:			
Provincial mining duties	1.4	3.6	5.9
Tax law changes	(13.6)	–	(2.7)
Impact of foreign tax rates	2.4	(1.5)	(0.2)
Permanent differences	(25.1)	1.0	(1.6)
Valuation allowances	(0.9)	1.2	(0.3)
Impact of changes in income tax rates	(0.2)	(2.1)	(2.0)
Actual rate as a percentage of pre-tax income	(9.7)%	28.5%	26.9%

The following table sets out the components of Agnico Eagle's deferred income and mining tax liabilities (assets):

	Liabilities (Assets) as at December 31,	
	2013	2012
Mining properties	$ 808,449	$ 761,508
Net operating and capital loss carryforwards	(129,019)	(102,005)
Mining duties	(68,728)	(36,158)
Reclamation provisions	(44,242)	(42,688)
Valuation allowance	26,860	30,570
Deferred income and mining tax liabilities	$ 593,320	$ 611,227

All of Agnico Eagle's deferred income and mining tax assets and liabilities are denominated in the local currency based on the jurisdiction in which the Company paid taxes, except for Canada, and were translated into US dollars using the exchange rate in effect at the applicable consolidated balance sheet dates. For Canadian income tax purposes, for December 31, 2008 and subsequent years, the Company elected to use the US dollar as its functional currency.

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.

A reconciliation of the beginning and ending amounts of the unrecognized tax benefits is set out below:

	2013	2012	2011
Unrecognized tax benefits, beginning of year	$ 10,867	$ 1,200	$ 1,630
Additions (reductions)	–	9,667	(430)
Unrecognized tax benefit, end of year	$ 10,867	$ 10,867	$ 1,200

The full amount of unrecognized tax benefits, if recognized, would reduce the Company's annual effective tax rate. The Company does not expect its unrecognized tax benefits to change significantly over the next year.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. The 2007 through 2013 taxation years generally remain subject to examination.

10. ACQUISITIONS

Urastar Gold Corporation

On May 16, 2013, the Company completed the acquisition of all of the issued and outstanding common shares of Urastar Gold Corporation ("Urastar") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) for cash consideration of $10.1 million. The Urastar acquisition was accounted for as a business combination and goodwill of $9.8 million was recognized on the Company's consolidated balance sheets.

The transaction costs associated with the acquisition totaling $0.7 million were expensed through the general and administrative line item of the consolidated statements of income (loss) and comprehensive income (loss) during the year ended December 31, 2013.

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	$	10,127

Fair value of assets acquired and liabilities assumed:

Mining properties	$	1,994
Goodwill		9,802
Cash and cash equivalents		76
Trade receivables		731
Other current assets		12
Plant and equipment		2
Accounts payable and accrued liabilities		(791)
Other liabilities		(1,573)
Deferred tax liability		(126)
Net assets acquired	$	10,127

The Company believes that goodwill for the Urastar acquisition arose principally because of the following factors: (1) the going concern value implicit in the Company's ability to sustain and/or grow its business by increasing mineral reserves and mineral resources through new discoveries; and (2) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Pro forma results of operations for the Company assuming the acquisition of Urastar described above had occurred as of January 1, 2012 are detailed below. On a *pro forma* basis, there would have been no effect on the Company's consolidated revenues.

	Year Ended December 31, 2013	Year Ended December 31, 2012
	Unaudited	
Pro forma net income (loss) for the period	$ (409,020)	$ 307,274
Pro forma net income (loss) per share – basic	$ (2.37)	$ 1.79

Grayd Resource Corporation

In September 2011, Agnico Eagle entered into an acquisition agreement with Grayd, a Canadian-based natural resource company listed on the TSX Venture Exchange, pursuant to which the Company agreed to make an offer to acquire all of the

issued and outstanding common shares of Grayd. On October 13, 2011, the Company made the offer by way of a take-over bid circular, as amended and supplemented on October 21, 2011.

On November 18, 2011, Agnico Eagle acquired 94.77% of the outstanding shares of Grayd on a fully-diluted basis, under the take-over bid. The November 18, 2011 purchase price of $222.1 million was comprised of $166.0 million in cash and 1,250,477 Agnico Eagle common shares issued from treasury.

Transaction costs associated with the acquisition totalling $3.8 million were expensed through the interest and sundry expense (income) line item of the consolidated statements of income (loss) and comprehensive income (loss) during the fourth quarter of 2011. The Company has accounted for the purchase of Grayd as a business combination.

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	$	165,954
Agnico Eagle common shares issued for acquisition		56,146
Total purchase price to allocate	$	222,100

Fair value of assets acquired and liabilities assumed:

Mining properties	$	282,000
Goodwill		29,215
Cash and cash equivalents		2,907
Trade receivables		469
Other current assets		1,700
Equipment		56
Accounts payable and accrued liabilities		(9,767)
Deferred tax liability		(72,229)
Non-controlling interest		(12,251)
Net assets acquired	$	222,100

The Company believes that goodwill for the Grayd acquisition arose principally because of the following factors: (1) the going concern value implicit in the Company's ability to sustain and/or grow its business by increasing mineral reserves and mineral resources through new discoveries; and (2) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Pro forma results of operations for Agnico Eagle assuming the acquisition of Grayd described above had occurred as of January 1, 2011 are set out below. On a *pro forma* basis, there would have been no effect on Agnico Eagle's consolidated revenues:

	Year Ended December 31, 2011
	Unaudited
Pro forma net loss attributed to common shareholders	$ (582,762)
Pro forma net loss per share – basic	$ (3.42)

On January 23, 2012, the Company acquired the remaining outstanding shares of Grayd it did not already own, pursuant to a previously announced compulsory acquisition carried out under the provisions of the *Business Corporations Act* (British Columbia). The January 23, 2012 purchase price of $11.8 million was comprised of $9.3 million in cash and 68,941 newly issued Agnico Eagle common shares.

Summit Gold Project

On December 20, 2011, the Company completed the acquisition of 100% of the Summit Gold project from Columbus Gold Corporation, subject to a 2% net smelter returns mineral production royalty reserved by Cordilleran Exploration Company. The Nevada based project's purchase price of $8.5 million, including transaction costs, was comprised entirely of cash. This transaction was accounted for as an asset acquisition.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31,	
	2013	2012
Trade payables	$ 80,242	$ 89,289
Wages payable	35,881	35,752
Accrued liabilities	16,366	27,372
Other liabilities	40,885	32,916
	$ 173,374	$ 185,329

In 2013 and 2012, the other liabilities balance consisted primarily of various employee payroll tax withholdings and other payroll taxes.

12. 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, 2013, the total amount of these guarantees was $174.3 million.

Certain of the Company's properties are subject to royalty arrangements. The following are the most significant royalty arrangements:

The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after Kittila mine operations commenced, the Company is required to pay 2.0% on net smelter returns, defined as revenue less processing costs. The royalty is paid on a yearly basis the following year.

The Company is committed to pay a royalty on production from certain properties in the Abitibi area. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 2.5% to 5.0%.

The Company is committed to pay a royalty on production from certain properties in the Pinos Altos mine area. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 2.5% to 3.5%.

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 purchase commitments as at December 31, 2013:

	Purchase Commitments
2014	$13,023
2015	8,373
2016	5,832
2017	4,290
2018	4,290
Thereafter	7,272
Total	$43,080

13. LEASES

(a) Capital leases

The Company has entered into sale-leaseback agreements with third parties for various fixed and mobile equipment within Canada. These arrangements represent sale-leaseback transactions in accordance with ASC 840-40 – *Sale-Leaseback Transactions*. The sale-leaseback agreements have an average effective annual interest rate of 5.9% and the average length of the contracts is 4.7 years.

All of the sale-leaseback agreements have end of lease clauses that qualify as bargain purchase options that the Company expects to execute. As at December 31, 2013, the total gross amount of assets recorded under sale-leaseback capital leases amounted to $37.6 million (2012 – $33.9 million).

The Company has agreements with third party providers of mobile equipment that are used at the Meadowbank mine. These arrangements represent capital leases in accordance with the guidance in ASC 840-30 – *Capital Leases*. The leases for mobile equipment at the Meadowbank mine are for five years and the effective annual interest rate on these leases is 5.5%.

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as at December 31, 2013:

	Minimum Capital Lease Payments
2014	$12,776
2015	5,678
2016	2,268
2017	2,268
2018	2,268
Thereafter	–
Total minimum lease payments	25,258
Less amount representing interest	1,380
Present value of net minimum lease payments	$23,878

The Company's capital lease obligations are comprised of the following:

	As at December 31,	
	2013	2012
Total future lease payments	$25,258	$ 26,668
Less: interest	1,380	1,605
	23,878	25,063
Less: current portion	12,035	12,955
Long-term portion of capital lease obligations	$11,843	$ 12,108

At December 31, 2013, the gross amount of assets recorded under capital leases, including sale-leaseback capital leases was $51.8 million (2012 – $51.0 million; 2011 – $56.9 million). The charge to income resulting from the amortization of assets recorded under capital leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income (loss) and comprehensive income (loss).

(b) Operating leases

The Company has a number of operating lease agreements involving office space. Some of the leases for office facilities contain escalation clauses for increases in operating costs and property taxes. Future minimum lease

payments required to meet obligations that have initial or remaining non-cancellable lease terms in excess of one year as at December 31, 2013 are as follows:

	Minimum Operating Lease Payments
2014	$1,783
2015	1,032
2016	822
2017	816
2018	836
Thereafter	2,470
Total	$7,759

The portion of operating leases relating to rental expense was $1.6 million in 2013 (2012 – $1.1 million; 2011 – $0.9 million).

14. RESTRICTED CASH

As part of the Company's insurance programs fronted by a third party provider and reinsured through the Company's internal insurance program, the third party provider requires that cash of $6.9 million be restricted as at December 31, 2013 (December 31, 2012 – $4.7 million).

As part of the Company's tax planning, $32.0 million was contributed to a qualified environmental trust ("QET") in December 2011 to fulfill the requirement of financial security for costs related to the environmental remediation of the Goldex mine. During the year ended December 31, 2013, $2.8 million (2012 – $12.0 million) was withdrawn from the QET to fund the environmental remediation expenditures. As at December 31, 2013, $16.8 million (December 31, 2012 – $20.7 million) remained in the QET.

On December 30, 2013, the Company deposited $5.0 million into a restricted account in connection with a Subscription Agreement to acquire 5,000 shares of Tocqueville Bullion Reserve, Ltd. at a price of $1,000 per share. The acquisition was completed subsequent to year end on January 2, 2014.

15. FINANCIAL INSTRUMENTS

From time to time, Agnico Eagle has entered into financial instruments with financial institutions in order to hedge underlying cash flow and fair value exposure arising from changes in commodity prices, interest rates, equity prices or foreign currency exchange rates.

Currency risk management

In 2013 and 2012, financial instruments that subjected Agnico Eagle to market risk and concentration of credit risk consisted primarily of cash and cash equivalents and short-term investments. Agnico Eagle 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.

Agnico Eagle generates almost all of its revenues in US dollars. The Company's Canadian operations, which include the LaRonde, Goldex, Lapa and Meadowbank mines and the Meliadine project have Canadian dollar requirements for capital, operating and exploration expenditures.

The Company uses foreign exchange hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The hedged items represent a portion of the Canadian dollar denominated cash outflows arising from Canadian dollar denominated expenditures in 2013.

As at December 31, 2013, the Company had outstanding foreign exchange zero cost collars with a cash flow hedging relationship that did qualify for hedge accounting under ASC 815 – *Derivatives and Hedging*. The purchase of US dollar put options was financed through selling US dollar call options at a higher level such that the net premium payable to the different counterparties by the Company was nil. At December 31, 2013, the zero cost collars hedged $60.0 million of 2014 expenditures and the Company recognized mark-to-market adjustments in accumulated other comprehensive loss.

Amounts deferred in accumulated other comprehensive loss are reclassified to the production costs line item on the consolidated statements of income (loss) and comprehensive income (loss), as applicable, when the hedged transaction has occurred. Mark-to-market gains (losses) related to foreign exchange derivative financial instruments are recorded at fair value based on broker- dealer quotations that utilize period end forward pricing of the currency hedged.

The Company's other foreign currency derivative strategies in 2013 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 to Canadian dollars. All of these derivative transactions expired prior to year end such that no derivatives were outstanding as at December 31, 2013. The call option premiums were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss).

Commodity price risk management

The Company uses intra-quarter zinc, copper and silver derivative financial instruments associated with the timing of sales of the related products that were recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss). There were no zinc, copper or silver intra-quarter derivative financial instruments outstanding at December 31, 2013 or December 31, 2012.

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instrument contracts to hedge the price on a portion of diesel fuel costs associated with the Meadowbank mine's diesel fuel exposure as it relates to operating costs. Financial contracts that expired in 2013 and totaled 10.5 million gallons of heating oil were entered into at an average price of $2.99 per gallon, which is approximately 55.0% of the Meadowbank mine's expected 2013 diesel fuel operating costs. These contracts did qualify for hedge accounting and the related market-to-market adjustments prior to settlement were recognized in accumulated other comprehensive loss. All heating oil derivative financial instrument contracts settled in 2013.

Amounts deferred in accumulated other comprehensive loss are reclassified to the production costs line item on the consolidated statements of income (loss) and comprehensive income (loss), as applicable, when the derivative financial instrument has settled. Mark-to-market gains (losses) related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period end forward pricing to calculate fair value.

As at December 31, 2013 and 2012, there were no metal derivative positions. The Company may from time to time utilize short-term (including intra-quarter) financial instruments as part of its strategy to minimize risks and optimize returns on its byproduct metal sales.

Other required derivative disclosures can be found in note 7(d), accumulated other comprehensive loss.

The following table provides a summary of the amounts recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss):

	Year Ended December 31,		
	2013	2012	2011
Premiums realized on written foreign exchange call options	$3,375	$1,505	$4,995
Realized loss on foreign exchange forwards	–	–	(1,407)
Realized gain on zinc derivative financial instruments	60	430	3,419
Realized gain on copper derivative financial instruments	–	63	79
Realized loss on silver derivative financial instruments	–	–	(3,403)
Mark-to-market gain on derivative equity contracts [(i)]	1,389	–	–
Mark-to-market loss on warrants[(i)]	(488)	(1,294)	–
Realized loss on warrants	(2,827)	–	–
Realized loss on heating oil derivative financial instruments	–	(1,523)	–
Gain (loss) on derivative financial instruments	$1,509	$(819)	$3,683

Note:

(i) Mark-to-market gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the (gain) loss on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss) and through the other line item of the consolidated statements of cash flow.

Agnico Eagle's exposure to interest rate risk at December 31, 2013 relates to its cash and cash equivalents, short-term investments and restricted cash totaling $170.0 million (2012 – $332.0 million) and the Credit Facility. The Company's short-term investments and cash equivalents have a fixed weighted average interest rate of 0.53% (2012 – 0.47%).

The fair values of Agnico Eagle's current financial assets and liabilities approximate their carrying values as at December 31, 2013.

16. GENERAL AND ADMINISTRATIVE

As a result of a kitchen fire at the Meadowbank mine in March 2011, the Company recognized a loss on disposal of the kitchen of $6.9 million, incurred related costs of $7.4 million and recognized an insurance receivable of $11.2 million. The difference of $3.1 million was recognized in the general and administrative line item of the consolidated statements of income (loss) and comprehensive income (loss) in the first quarter of 2011.

During the subsequent months of 2011, the Company received $2.4 million of insurance proceeds and had a remaining insurance receivable of $8.8 million recorded in the other current assets line item of the consolidated balance sheets as at December 31, 2011. During the year ended December 31, 2012, the Company received $2.2 million of insurance proceeds and had a remaining insurance receivable of $6.6 million as at December 31, 2012. During the year ended December 31, 2013, the Company received $5.2 million of insurance proceeds and had a remaining insurance receivable of $0.7 million as at December 31, 2013.

17. LOSS ON GOLDEX MINE

On October 19, 2011, the Company announced that it was suspending mining operations and gold production at the Goldex mine in Quebec, Canada, effective immediately. This decision followed the receipt of an opinion from a second rock mechanics consulting firm which recommended that underground mining operations be halted. It appeared that a weak volcanic rock unit in the hanging wall above the GEZ of the Goldex mine deposit had failed. This rock failure was thought to extend between the top of the deposit and surface. As a result, this structure allowed an increase in ground water to flow into the mine.

As at September 30, 2011, Agnico Eagle had written off its investment in the Goldex mine (net of expected residual value), written off the underground ore stockpile and recorded a provision for the anticipated costs of environmental remediation. Given the amount of uncertainty in estimating the fair value of the Goldex mine property, plant, and mine development, the Company determined that the fair value was equal to the residual value. All of the remaining 1.6 million ounces of proven and probable mineral reserves at the Goldex mine, other than the ore stockpiled on surface, were reclassified as mineral resources effective September 30, 2011.

The mill processed feed from the remaining surface stockpile at the Goldex mine in October 2011.

Impairment loss on Goldex mine property, plant, and mine development	$	237,110
Loss on underground ore stockpile		16,641
Supplies inventory obsolescence provision		1,915
Increase in environmental remediation liability		47,227
Loss on Goldex mine (before income and mining taxes) for the year ended December 31, 2011	$	302,893

The environmental remediation liability for the anticipated costs of remediation associated with the suspension of operations at the Goldex mine has required management to make estimates and judgments that affect the reported amount. In making judgments in accordance with US GAAP, the Company uses estimates based on historical experience and various assumptions that are considered reasonable in the circumstances. Actual results may differ from these estimates.

In July 2012, the Company's Board approved the development of the M and E Zones at the Goldex mine. The operations in the GEZ remain suspended indefinitely.

18. IMPAIRMENT LOSS

As at December 31, 2013

As at December 31, 2013, the Company identified the continued decline in the market price of gold as an indicator of potential impairment for the Company's long-lived assets and goodwill. As a result of the identification of this indicator, the Company evaluated its long-lived assets and goodwill for impairment on an asset group and reporting unit basis, respectively, using updated assumptions and estimates.

The following impairment losses were recorded as at December 31, 2013 as a result of the impairment evaluation:

	As at December 31, 2013			
	Pre-impairment Carrying Value	Impairment Loss	Post-impairment Carrying Value	Impairment Loss (net of tax)
Property, plant and mine development:				
Meadowbank mine	$732,499	$(269,269)	$463,230	$(194,511)
Lapa mine	136,766	(67,894)	68,872	(41,687)
	$869,265	$(337,163)	$532,102	$(236,198)
Goodwill:				
Meliadine project	$200,064	$(200,064)	$–	$(200,064)
		$(537,227)		$(436,262)

Estimated fair values for the Meadowbank mine and Lapa mine were calculated by discounting the estimated future net cash flows using discount rates of 6.5% and 5.5% (in nominal terms), respectively, commensurate with their individual estimated levels of risk. These calculations were based on estimates of future production levels applying gold prices of $1,238 to $1,300 per ounce (in real terms), foreign exchange rates of US$0.90:C$1.00 to US$0.93:C$1.00, inflation rates of 2.0% and capital, operating and reclamation costs based on updated life-of-mine plans. Average gold recovery rates applied were 92.3% and 78.3% for the Meadowbank mine and Lapa mine, respectively.

Estimated after-tax discounted future net cash flows of reporting units with goodwill were calculated as at December 31, 2013. These calculations were based on estimates of future production levels applying long-term gold prices of $1,238 to $1,300 per ounce (in real terms), foreign exchange rates of US$0.90:C$1.00 to US$0.93:C$1.00, inflation rates of 2.0% and capital, operating and reclamation costs based on updated life-of-mine plans. The average gold recovery rate applied to the Meliadine project was 95.1%. A discount rate of 8.0% was used to calculate the estimated after-tax discounted future net cash flows of the Meliadine project reporting unit, commensurate with its individual estimated level of risk.

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 Government of Canada 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.

Management's estimate of future net cash flows is 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 consolidated financial statements.

As at December 31, 2011

As at December 31, 2011, the Company performed a full review of the Meadowbank mine operations and updated the related life-of-mine plan. This review considered the exploration potential of the area, the mineral reserves and resources,

the projected operating costs in light of the persistently high operating costs experienced since commencement of commercial operations, metallurgical performance and gold price. These served as inputs into pit optimizations to determine which reserves and resources could be economically mined and be considered as mineable mineral reserves. As a result of these factors, an updated mine plan with a shorter mine life was developed and cash flows calculated, resulting in the following impairment losses being recorded as at December 31, 2011:

	As at December 31, 2011			
	Pre-impairment Carrying Value	Impairment Loss	Post-impairment Carrying Value	Impairment Loss (net of tax)
Property, plant and mine development:				
Meadowbank mine	$1,670,838	$(907,681)	$763,157	$(644,903)

The estimated fair value of the Meadowbank mine was calculated as at December 31, 2011 by discounting the estimated future net cash flows using a 7.0% discount rate (in nominal terms), commensurate with the estimated level of risk. This calculation was based on estimates of future gold production applying long-term gold prices of $1,250 to $1,553 per ounce (in real terms), foreign exchange rates of US$0.92:C$1.00 to US$0.97:C$1.00, an inflation rate of 2.0%, increased cost estimates based on revised operating levels and an average gold recovery of 92.9%. Future expected operating costs, capital expenditures and asset retirement obligations were based on the updated life-of-mine plan.

Management's estimate of future cash flows is 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 may have a material effect on the Company's consolidated financial statements.

19. 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 Executive Officer and that represent more than 10% of the combined revenue, profit or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed when the Company believes that the information is useful. Segment results for 2012 and 2011 have been retrospectively revised to reflect organizational changes in 2013 that created three business units consisting of the Northern business unit, the Southern business unit, and the Exploration business unit. However, under this revised organizational structure the Chief Executive Officer also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development and impairment losses) 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, Lapa mine, Goldex mine, Meadowbank mine, Meliadine project and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota deposit at Pinos Altos and La India project
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

The accounting policies of the reportable segments are the same as those described in the accounting policies note. There are no transactions between the reportable segments affecting revenue. Production costs for the reportable segments are net of intercompany transactions.

Corporate and other (including Urastar) assets and specific income and expense items are set out separately below.

The Creston Mascota deposit at Pinos Altos achieved commercial production on March 1, 2011. The LaRonde mine extension achieved commercial production on December 1, 2011. The Goldex mine achieved commercial production on October 1, 2013.

Year ended December 31, 2013	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Impairment Loss	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 329,900	$ (229,911)	$ —	$ —	$ 99,989
Lapa mine	141,167	(69,532)	—	(67,894)	3,741
Goldex mine	21,418	(13,172)	—	—	8,246
Meadowbank mine	591,473	(363,894)	—	(269,269)	(41,690)
Meliadine project	—	—	—	(200,064)	(200,064)
Kittila mine	209,723	(98,446)	—	—	111,277
Total Northern Business	$ 1,293,681	$ (774,955)	$ —	$ (537,227)	$ (18,501)
Southern Business:					
Pinos Altos mine	$ 303,203	$ (130,129)	$ —	$ —	$ 173,074
Creston Mascota deposit at Pinos Altos	41,522	(19,843)	—	—	21,679
Total Southern Business	$ 344,725	$ (149,972)	$ —	$ —	$ 194,753
Exploration	$ —	$ —	$ (44,236)	$ —	$ (44,236)
Segment income (loss)	$ 1,638,406	$ (924,927)	$ (44,236)	$ (537,227)	$ 132,016

Segment income	$ 132,016
Corporate and other:	
Foreign currency translation gain	7,188
Amortization of property, plant and mine development	(296,078)
Interest and sundry expense	(8,824)
Gain on sale of available-for-sale securities	74
Gain on derivative financial instruments	1,509
General and administrative	(115,800)
Impairment loss on available-for-sale securities	(34,272)
Provincial capital tax	1,504
Interest expense	(57,999)
Loss before income and mining taxes	$ (370,682)

Year ended December 31, 2012	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 399,243	$ (225,647)	$ —	$ 173,596
Lapa mine	173,753	(73,376)	—	100,377
Goldex mine	—	—	(37,627)	(37,627)
Meadowbank mine	609,625	(347,710)	—	261,915
Kittila mine	284,429	(98,037)	—	186,392
Total Northern Business	$ 1,467,050	$ (744,770)	$ (37,627)	$ 684,653
Southern Business:				
Pinos Altos mine	$ 363,113	$ (128,618)	$ —	$ 234,495
Creston Mascota deposit at Pinos Altos	87,551	(24,324)	—	63,227
Total Southern Business	$ 450,664	$ (152,942)	$ —	$ 297,722
Exploration	$ —	$ —	$ (71,873)	$ (71,873)
Segment income (loss)	$ 1,917,714	$ (897,712)	$ (109,500)	$ 910,502

Segment income	$ 910,502
Corporate and other:	
Foreign currency translation loss	(16,320)
Amortization of property, plant and mine development	(271,861)
Interest and sundry expense	(2,389)
Gain on sale of available-for-sale securities	9,733
Loss on derivative financial instruments	(819)
General and administrative	(119,085)
Impairment loss on available-for-sale securities	(12,732)
Provincial capital tax	(4,001)
Interest expense	(57,887)
Income before income and mining taxes	$ 435,141

Year ended December 31, 2011	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Loss on Goldex Mine	Impairment Loss	Segment (Loss) Income
Northern Business:						
LaRonde mine	$ 398,609	$ (209,947)	$ —	$ —	$ —	$ 188,662
Lapa mine	167,536	(68,599)	—	—	—	98,937
Goldex mine	217,662	(56,939)	—	(302,893)	—	(142,170)
Meadowbank mine	434,051	(284,502)	—	—	(907,681)	(758,132)
Kittila mine	225,612	(110,477)	—	—	—	115,135
Total Northern Business	$ 1,443,470	$ (730,464)	$ —	$ (302,893)	$ (907,681)	$ (497,568)
Southern Business:						
Pinos Altos mine	$ 321,074	$ (131,044)	$ —	$ —	$ —	$ 190,030
Creston Mascota deposit at Pinos Altos	57,255	(14,570)	—			42,685
Total Southern Business	$ 378,329	$ (145,614)	$ —	$ —	$ —	$ 232,715
Exploration	$ —	$ —	$ (75,721)	$ —	$ —	$ (75,721)
Segment income (loss)	$ 1,821,799	$ (876,078)	$ (75,721)	$ (302,893)	$ (907,681)	$ (340,574)
Segment loss						$ (340,574)
Corporate and other:						
Foreign currency translation gain						1,082
Amortization of property, plant and mine development						(261,781)
Interest and sundry expense						(5,188)
Gain on sale of available-for-sale securities						4,907
Gain on derivative financial instruments						3,683
General and administrative						(107,926)
Impairment loss on available-for-sale securities						(8,569)
Provincial capital tax						(9,223)
Interest expense						(55,039)
Loss before income and mining taxes						$ (778,628)

	Total Assets as at December 31,	
	2013	2012
Northern Business:		
LaRonde mine	$ 878,719	$ 849,304
Lapa mine	78,293	168,712
Goldex mine	120,601	56,819
Meadowbank mine	711,387	1,005,890
Meliadine project	877,923	1,015,485
Kittila mine	870,332	837,002
Total Northern Business	$ 3,537,255	$ 3,933,212
Southern Business:		
Pinos Altos mine	$ 537,560	$ 610,217
Creston Mascota deposit at Pinos Altos	86,185	68,735
La India project	512,450	377,049
Total Southern Business	1,136,195	1,056,001
Exploration	19,838	19,225
Corporate and other	266,071	247,681
Total	$ 4,959,359	$ 5,256,119

	Capital Expenditures Year Ended December 31,		
	2013	2012	2011
Northern Business:			
LaRonde mine	$ 84,292	$ 75,214	$ 90,735
Lapa mine	22,738	18,475	18,397
Goldex mine	65,063	26,822	42,232
Meadowbank mine	76,811	105,095	116,860
Meliadine project	61,412	83,343	73,944
Kittila mine	83,770	60,036	86,514
Total Northern Business	$ 394,086	$ 368,985	$ 428,682
Southern Business:			
Pinos Altos mine	$ 42,835	$ 24,212	$ 32,407
Creston Mascota deposit at Pinos Altos	17,582	5,777	7,559
La India project	116,786	39,236	—
Total Southern Business	$ 177,203	$ 69,225	$ 39,966
Exploration	$ —	$ 55	$ 8,561
Corporate and other	$ 6,500	$ 7,285	$ 5,622
Total	$ 577,789	$ 445,550	$ 482,831

The following table sets out the changes in the carrying amount of goodwill by segment:

	Meliadine project	La India project	Corporate and other	Total
Cost				
Balance at January 1, 2013	$ 200,064	$ 29,215	$ –	$ 229,279
Purchase of Urastar Gold Corporation (note 10)	–	–	9,802	9,802
Balance at December 31, 2013	$ 200,064	$ 29,215	$ 9,802	$ 239,081
Accumulated impairment				
Balance at January 1, 2013	$ –	$ –	$ –	$ –
Impairment loss	(200,064)	–	–	(200,064)
Balance at December 31, 2013	$ (200,064)	$ –	$ –	$ (200,064)
Carrying amount	$ –	$ 29,215	$ 9,802	$ 39,017

20. SUBSEQUENT EVENTS

On January 13, 2014, the Company executed an Asset Purchase Agreement with Alexandria Minerals Corporation ("AMC") to purchase the Akasaba West Property in Quebec, Canada for cash consideration of C$5.0 million. Agnico Eagle assumes pre-existing underlying royalty obligations under the Asset Purchase Agreement relating to specific Akasaba West Property mining claims ranging from a 2% net smelter returns production royalty to a 20% net proceeds of production royalty. The Company also entered into a 2% Net Smelter Return Royalty ("Royalty") Agreement with AMC on January 13, 2014 relating to all Akasaba West Property mineral and metal production after 210,000 ounces of gold has been produced. The Company has the right to purchase one-half of the Royalty from AMC at any time for cash consideration of C$7.0 million.

On January 28, 2014, the Company purchased common shares and warrants in a mining industry entity for total consideration of C$9.3 million.

On February 12, 2014, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.08 per common share, payable on March 17, 2014 to holders of record of the common shares of the Company on March 3, 2014.

21. SECURITIES CLASS ACTION LAWSUITS

On November 7, 2011 and November 22, 2011, the Company and certain current and former senior officers, some of whom also are or were directors of the Company, were named as defendants in two putative class action lawsuits, styled *Jerome Stone v. Agnico-Eagle Mines Ltd.*, et al., and *Chris Hastings v. Agnico-Eagle Mines Limited, et al.*, respectively, which were filed in the United States District Court for the Southern District of New York. On February 6, 2012, the Court ordered that the two complaints be consolidated under the caption *In re Agnico-Eagle Mines Ltd. Securities Litigation*, and lead counsel was appointed. On April 6, 2012, a Consolidated Complaint was issued against the Company and certain of its current and former senior officers and directors. The Consolidated Complaint alleges that the Company had violated

federal securities law in connection with its disclosure related to the Goldex mine. The Consolidated Complaint seeks, among other things, damages on behalf of persons who purchased or acquired securities of the Company during the period July 28, 2010 to October 19, 2011. The Consolidated Complaint has not been certified as a class action, and the Company intends to vigorously defend it. On January 14, 2013, Judge Oetken granted the Company's motion to dismiss the Consolidated Complaint and all claims therein and denied the plaintiffs' request for leave to amend the Consolidated Complaint. On February 12, 2013, the plaintiffs filed a Notice of Appeal to the United States Court for Appeals for the Second Circuit. The appeal was heard on September 23, 2013, and on October 3, 2013 the Court of Appeals for the Second Circuit affirmed the decision below dismissing the Consolidated Complaint. The time for the plaintiffs to file a petition for a writ of certiorari, requesting a review by the United States Supreme Court, has expired and the judgment dismissing the plaintiffs' Consolidated Complaint is now final and no longer appealable.

On March 8, 2012 and April 10, 2012, a Notice of Action and Statement of Claim (collectively, the "Ontario Claim") were issued by William Leslie, AFA Livforsakringsaktiebolag and certain other entities against the Company and certain of its current and former officers, some of whom also are or were directors of the Company. On September 27, 2012, the plaintiffs issued a Fresh as Amended Statement of Claim. The Fresh as Amended Statement of Claim alleges that the Company's public disclosure concerning water flow issues at its Goldex mine was misleading. The Ontario Claim was issued by the plaintiffs on behalf of all persons and entities who acquired securities of the Company during the period March 26, 2010 to October 19, 2011, excluding persons resident or domiciled in the Province of Quebec at the time they purchased or acquired such securities. The plaintiffs seek, among other things, damages of C$250.0 million and to certify the Ontario Claim as a class action. On April 17, 2013 an Order was granted on consent certifying a class action proceeding and granting leave for the claims under Section 138 of the *Securities Act* (Ontario) to proceed. The Company intends to vigorously defend the action on the merits.

On April 12, 2012, two senior officers of the Company, who also are or were directors of the Company, were served with a Motion for Leave to Institute a Class Action and for the Appointment of a Representative Plaintiff (the "Quebec Motion"). The action is on behalf of all persons and entities with fewer than 50 employees resident in Quebec who acquired securities of the Company between March 26, 2010 and October 19, 2011. The proposed class action is for damages of C$100.0 million arising as a result of allegedly misleading disclosure by the Company concerning its operations at the Goldex mine. On October 15, 2012, the plaintiffs served an amended Quebec Motion seeking leave to commence an action under the *Securities Act* (Quebec) in addition to seeking authorization to institute a class action. On October 1, 2013, the Quebec court certified the class action on terms identical to those set out in the consent Order granted in Ontario on April 17, 2013. No date has been set for the hearing to argue the class action on the merits. The Company intends to vigorously defend the action on the merits.

QuickLinks

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MANAGEMENT CERTIFICATION
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
AGNICO EAGLE MINES LIMITED CONSOLIDATED BALANCE SHEETS (thousands of United States dollars, except share amounts, US GAAP basis)

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.3



Management's Discussion and Analysis

(Prepared in accordance with United States GAAP)

for the year ended December 31, 2013

AGNICO EAGLE MINES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated March 21, 2014 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, 2013, prepared in accordance with United States generally accepted accounting principles ("US GAAP"). The annual consolidated financial statements and MD&A are presented in United States dollars ("US dollars", "$" or "US$"), unless otherwise specified. Certain information in this MD&A is presented in Canadian dollars ("C$") or European Union euros ("Euro" or "€"). Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2013 (the "AIF"), is available on the Canadian Securities Administrators' (the "CSA") SEDAR website at www.sedar.com.

NOTE TO INVESTORS CONCERNING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A, referred to herein as "forward-looking statements", constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under the provisions of Canadian provincial securities laws. 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 report include, but are not limited to, the following: the Company's outlook for 2014 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 byproduct 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 of gold produced, all-in sustaining costs per ounce of gold produced, minesite costs per tonne and other expenses; estimates of future capital expenditure, exploration expenditure and other cash needs, and expectations as to the funding thereof; statements regarding the projected exploration, development and exploitation of certain 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, mineral resources and ore grades and statements regarding anticipated future exploration results; estimates of cash flow; estimates of mine life; anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects; estimates of future costs and other liabilities for environmental remediation; statements regarding anticipated legislation and regulation regarding climate change and estimates of the impact on the Company; and other anticipated trends with respect to the Company's capital resources and results of operations.

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, but are not limited to, the assumptions set out elsewhere in this MD&A and in the AIF as well as: that there are no significant disruptions affecting Agnico Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, political changes, mining or milling issues, title issues or otherwise; that permitting, development and expansion at each of Agnico Eagle's mines and mine development projects proceed on a basis consistent with current 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 detailed in this MD&A and in the AIF; that prices for gold, silver, zinc, copper and lead 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 current expectations; that production meets expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery 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 environment 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, among others, the risk factors described in the AIF and in the Company's other documents filed with the Canadian securities commissions and the U.S. Securities and Exchange Commission (the "SEC"). 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 MD&A contains information regarding anticipated total cash costs per ounce of gold produced, all-in sustaining costs per ounce of gold produced 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.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESOURCES

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Mineral Resources

This document uses the terms "measured mineral resources" and "indicated mineral resources". Investors are advised that while these terms are recognized and required by Canadian regulations, the SEC does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves.**

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

This document uses the term "inferred mineral resources". Investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "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 rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is economically or legally mineable.**

NOTE TO INVESTORS CONCERNING NON-US GAAP FINANCIAL PERFORMANCE MEASURES

This MD&A presents certain financial performance measures, including "total cash costs per ounce of gold produced", "minesite costs per tonne", "adjusted net income" and "all-in sustaining costs per ounce of gold produced", that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. For a reconciliation of these financial performance measures to the figures presented in the consolidated financial statements prepared in accordance with US GAAP and a discussion of management's use of this data see "Non-US GAAP Financial Performance Measures". The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing comparisons between periods. Non-US GAAP financial performance measures should be considered together with other data prepared in accordance with US GAAP. This MD&A also contains non-US GAAP financial performance measure information for projects under development incorporating information that will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-US GAAP financial performance measures to the most comparable US GAAP measure.

Executive Summary

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland and exploration activities in Canada, Europe, Latin America and the United States. 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 byproduct metals, primarily silver, zinc and copper.

In 2013, Agnico Eagle recorded total cash costs per ounce of gold produced of $672 on payable gold production of 1,099,335 ounces. The average realized price of gold decreased by 18.1% from $1,667 per ounce in 2012 to $1,366 per ounce in 2013. Throughout its 42-year history, Agnico Eagle's policy has been not to sell forward its future gold production.

Over the past five years, Agnico Eagle has evolved from operating two gold mines in Canada to being an international gold mining company operating six gold mines at the end of 2013. Each mine is located in what the Company believes to be a politically stable country that is 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.

Key Results

- Record annual payable gold production of 1,099,335 ounces during 2013, an increase of 5.3% compared with 2012 payable gold production of 1,043,811 ounces.
- Total cash costs per ounce of gold produced of $672 and all-in sustaining costs per ounce of gold produced of $952 in 2013.
- Proven and probable gold reserves totaled 16.9 million ounces at December 31, 2013 compared with 18.7 million ounces at December 31, 2012. Average gold grade of proven and probable gold reserves increased by 11.1% to 3.51 grams per tonne at December 31, 2013 compared with December 31, 2012.
- An impairment loss totaling $436.3 million (net of tax) was recorded as at December 31, 2013 relating to the Meadowbank Mine, Meliadine project and Lapa mine.
- Commercial production was achieved at the Goldex mine's M and E Zones on October 1, 2013.
- Commercial production is expected at the La India project in the first quarter of 2014 with 3,180 ounces of pre-commercial gold production recorded during 2013.
- 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 maintains a solid financial position and forecasts being fully funded for its currently planned growth.
- The Company has strong senior management continuity as its chief executive officer has 29 years of service with the Company.
- In February 2014, the Company declared a quarterly cash dividend of $0.08 per share. The Company has now declared a cash dividend for 32 consecutive years.

Strategy

Agnico Eagle's strategy is to build a high quality, manageable business that generates superior long-term returns per share by:

1. Increasing gold production in lower risk jurisdictions
    - The Company expects gold production growth of approximately 16% to over 1.25 million ounces by 2016 from current operating regions.
2. Growing operating and free cash flows
    - The Company's strategy is to increase net free cash flow through higher production, controlled operating costs and disciplined capital spending.
3. Providing meaningful dividends
    - History of paying cash dividends for 32 consecutive years, with a goal to increase dividends over time.

4. Minimizing share dilution

- Historically, acquisitions have been completed with minimal share dilution and the Company expects that its planned capital spending program will be internally funded.

5. Operating in a socially responsible manner

- The Company strives to create economic value by operating in a safe and socially responsible manner while contributing to the prosperity of its employees and the communities in which it operates.

Portfolio Overview

Northern Business

Canada

The LaRonde mine extension achieved commercial production in December 2011 and is expected to extend the life of the mine through 2025. The infrastructure and knowledge base gained from building and operating the LaRonde mine, the Company's first mine, has been leveraged by the Company in building and operating the Lapa and Goldex mines, both of which are within 60 kilometres of the LaRonde mine. Commercial production was achieved at the Lapa mine in May 2009 and at the Goldex mine's M and E Zones in October 2013. The Company's Quebec mines, with a total of 4.5 million ounces of proven and probable mineral reserves as at December 31, 2013, have benefited from common infrastructure and mining teams.

On October 19, 2011, the Company suspended mining operations and gold production at the Goldex mine due to geotechnical concerns with the rock above the mining horizon. As of September 30, 2011, Agnico Eagle wrote down its investment in the Goldex mine (net of expected residual value) and its underground ore stockpile, for a pre-tax loss on the Goldex mine of $302.9 million. All of the remaining 1.6 million ounces of proven and probable mineral reserves at the Goldex mine, other than ore stockpiled on the surface, were reclassified as mineral resources. An environmental remediation liability was recorded as of September 30, 2011 reflecting anticipated costs of remediation. The Goldex mill completed processing feed from the remaining Goldex Extension Zone ("GEZ") surface stockpile in October of 2011. Operations in the GEZ remain suspended indefinitely.

Exploration drilling continued on several mineralized zones on the Goldex mine property near the GEZ after mining operations were suspended in October of 2011. A team of independent consultants and Agnico Eagle staff performed a thorough review, including a preliminary economic assessment, to determine whether future mining operations on the property, including the M and E Zones, would be viable. After a review of the assessment, Agnico Eagle's Board of Directors (the "Board") approved the M and E Zones for development using existing Goldex mine infrastructure such as the shaft and mill. Commercial production was achieved at the Goldex mine's M and E Zones in October 2013.

In 2007, the Company acquired Cumberland Resources Ltd., which held the Meadowbank gold project in Nunavut, Canada. Commercial production was achieved in March 2011. As a result of consistently high operating costs, a revised life-of-mine plan was developed for the Meadowbank mine as at December 31, 2011, resulting in a shorter mine life and a pre-tax impairment in the carrying value of the mine of $907.7 million. The new mine plan, combined with the extraction of ore in 2011, resulted in a reduction of mineral reserves by 1.3 million ounces of gold at December 31, 2011. The Meadowbank mine's proven and probable mineral reserves were approximately 1.8 million ounces at December 31, 2013, a decrease of approximately 0.5 million ounces compared with December 31, 2012 due primarily to record 2013 payable gold production of 430,613 ounces and to a higher cut-off grade applied in 2013.

On July 6, 2010, Agnico Eagle acquired the Meliadine project in Nunavut, Canada through its acquisition of Comaplex Minerals Corp. ("Comaplex") by way of a plan of arrangement. The Meliadine project had proven and probable mineral reserves of 2.8 million ounces at December 31, 2013. Activities at the Meliadine project during 2013 included infill and step-out diamond drilling, road construction, ramp development, permitting, camp operation and work on an updated technical study. Budgeted 2014 Meliadine project capital expenditures of $42.0 million are focused on further ramp development, allowing for cost-effective exploration and conversion drilling and the potential for a late 2018 start up if the Company determines to build a mine at the Meliadine project.

Finland

The Kittila mine in northern Finland, which is geologically similar to the Abitibi region of Quebec, was added to the Company's portfolio through the acquisition of Riddarhyttan Resources AB in 2005. Applying the Company's technical experience gained from its operations in Quebec, the team designed a drilling program at Kittila that led to the conversion

of mineral resources to mineral reserves at the beginning of 2006. A positive feasibility study was completed in mid-2006 and the Company decided to build the Kittila mine. Construction at the Kittila mine was completed in 2008 and commercial production was achieved in May 2009. Proven and probable mineral reserves at the Kittila mine amounted to 4.7 million ounces at December 31, 2013.

In 2012, a 750 tonne per day expansion was approved that is expected to increase the throughput capacity at the Kittila mine by 25% to 3,750 tonnes per day commencing in mid-2015. The Kittila mine throughput expansion project is expected to improve unit costs and to offset a gradual reduction in realized grade towards the mineral reserve grade over the next several years.

A study is underway that considers the construction of a production shaft at the Kittila mine. It is expected that a production shaft would provide operating cost savings and sustain long-term production at higher throughput levels from multiple zones, particularly at depths below 700 meters. In addition, a study is underway to evaluate the feasibility of developing the Rimpi Zone as a potential source of ore.

Southern Business

Mexico

In 2006, the Company completed the acquisition of the Pinos Altos property, then an advanced stage exploration property in northern Mexico, after the Company's extensive drilling campaign had doubled the contained gold and silver mineral resources. In August 2007, a favourable feasibility study led to the decision to build the Pinos Altos mine. Commercial production was achieved at the Pinos Altos mine in November 2009.

The Creston Mascota deposit at Pinos Altos is located approximately seven kilometers northwest of the main deposit at the Pinos Altos mine. Commercial production was achieved at the Creston Mascota deposit at Pinos Altos in March 2011.

On September 30, 2012, the Creston Mascota deposit at Pinos Altos experienced a movement of leached ore from the upper lifts of the Phase One leach pad, resulting in a temporary suspension of active leaching. On March 13, 2013, production resumed at the Creston Mascota deposit at Pinos Altos from the Phase Two leach pad. The ramp up of production in 2013 was in line with expectations.

On November 18, 2011, Agnico Eagle acquired control of Grayd Resource Corporation ("Grayd") by way of a take-over bid and on January 23, 2012, the Company completed a compulsory acquisition of the remaining outstanding shares of Grayd that it did not already own. Grayd owned the La India project, which is located approximately 70 kilometers northwest of the Pinos Altos mine. In September 2012, development and construction of the La India mine was approved by the Board. The La India project is expected to achieve commercial production in the first quarter of 2014 with forecast 2014 gold production of approximately 50,000 ounces at total cash costs per ounce of gold produced of $743.

The Company's Mexican properties, including the Pinos Altos mine, the Creston Mascota deposit at Pinos Altos and the La India project had total proven and probable mineral reserves of 3.0 million ounces at December 31, 2013.

Key Performance Drivers

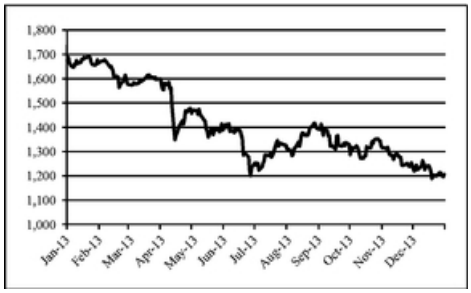
The key drivers of financial performance for Agnico Eagle include:

- The spot price of gold, silver, zinc and copper;
- Production volumes;
- Production costs; and
- Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates.

Spot Price of Gold, Silver, Zinc and Copper

The Company has never sold gold forward, which allows 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.

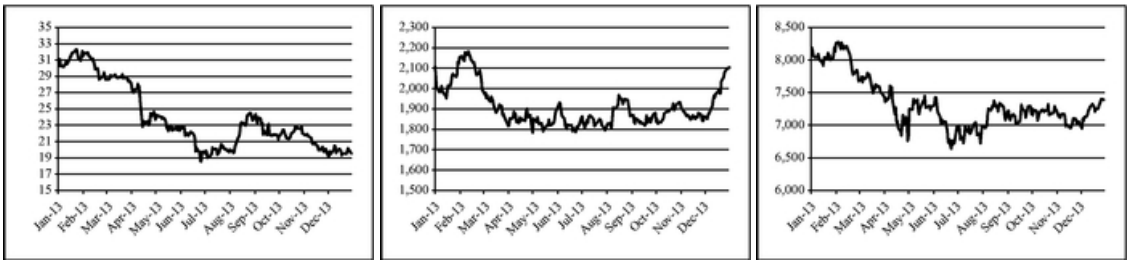
Gold P.M. Fix ($ per ounce)



	2013	2012	% Change
High price	$1,696	$1,796	(5.6%)
Low price	$1,181	$1,527	(22.7%)
Average price	$1,411	$1,668	(15.4%)
Average price realized	$1,366	$1,667	(18.1%)

In 2013, the market price for gold per ounce was on average 15.4% lower than in 2012. The Company's average realized price per ounce of gold in 2013 was 18.1% lower than in 2012.

SILVER ($ per ounce) **ZINC ($ per tonne)** **COPPER ($ per tonne)**



Net byproduct (primarily silver, zinc and copper) revenue is treated as a reduction of production costs in calculating total cash costs per ounce of gold produced. Agnico Eagle's realized sales price for silver decreased by 29.2% in 2013 compared with 2012 while realized sales prices for zinc and copper decreased by 2.5% and 11.4%, respectively, over the same period. Significant quantities of byproduct metals are produced by the LaRonde mine (silver, zinc, and copper) and the Pinos Altos mine (silver).

Production Volumes and Costs

Changes in production volumes have a direct impact on the Company's financial results. Total payable gold production was 1,099,335 ounces in 2013, up 5.3% from 1,043,811 ounces in 2012. This increase in production volumes was due primarily to increases in ore milled and gold grade at the Meadowbank mine, an increase in gold grade at the LaRonde mine in 2013 compared with 2012 and the achievement of commercial production on the M and E Zones at the Goldex mine on October 1, 2013. Partially offsetting the overall increase in production volumes, Kittila's payable gold production decreased by 16.7% between 2012 and 2013 due to an extended mill maintenance shutdown in the second quarter of 2013.

Production costs are discussed in detail in the Results of Operations section below.

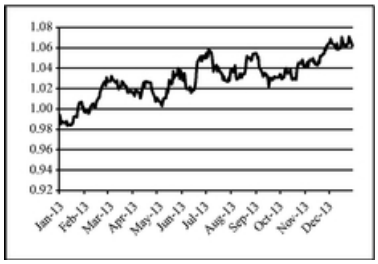
Foreign Exchange Rates (Ratio to US$)

The exchange rate of the Canadian dollar, Euro and Mexican peso 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 LaRonde, Lapa, Goldex and Meadowbank mines are incurred in Canadian dollars;
- A significant portion of operating costs at the Pinos Altos mine and the Creston Mascota deposit at Pinos Altos are incurred in Mexican pesos; and
- A significant portion of operating costs at the Kittila mine are incurred in Euros.

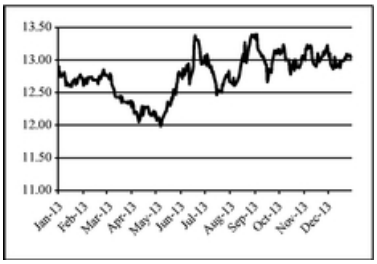
The Company mitigates a portion of the impact of fluctuating exchange rates on its financial results by using currency hedging strategies.

CANADIAN DOLLAR



EURO

MEXICAN PESO



On average, the Canadian dollar weakened relative to the US dollar in 2013 compared with 2012, decreasing costs denominated in Canadian dollars when translated into US dollars for reporting purposes. Conversely, the Euro and Mexican peso strengthened relative to the US dollar on average in 2013 compared with 2012, increasing costs denominated in local currencies when translated into US dollars for reporting purposes.

Balance Sheet Review

Total assets at December 31, 2013 of $4,959.4 million decreased by 5.6% compared with December 31, 2012 total assets of $5,256.1 million. Cash and cash equivalents were $139.1 million at December 31, 2013, down from $298.1 million at December 31, 2012 due primarily to lower average realized gold prices, which resulted in lower revenue, and increased capital expenditures during the period. Available-for-sale securities increased from $44.7 million at December 31, 2012 to $74.6 million at December 31, 2013 due primarily to $52.6 million in new investments, partially offset by $34.3 million in impairments recorded during the period. Long-term ore in stockpile increased by 41.2% to $46.2 million at December 31, 2013 compared with December 31, 2012 due primarily to an updated mine plan that required the reclassification of ore stockpiles at the Kittila mine from short-term to long-term. Goodwill decreased by $190.3 million between December 31, 2012 and December 31, 2013 due primarily to a $200.1 million goodwill impairment loss relating to the Meliadine project recorded as at December 31, 2013, partially offset by goodwill recorded on the acquisition of Urastar Gold Corp. on May 16, 2013. Property, plant and mine development decreased by $18.3 million to $4,049.1 million at December 31, 2013 compared with December 31, 2012 due primarily to impairment losses of $269.3 million and $67.9 million relating to the Meadowbank and Lapa mines, respectively, recorded as at December 31, 2013. Impairment losses recorded to mining properties in 2013 were offset partially by increases in construction in progress at the La India and Meliadine projects during the year and capital expenditures at the Goldex mine's M and E Zones, which achieved commercial production in October 2013.

Total liabilities increased to $1,982.2 million at December 31, 2013 from $1,845.9 million at December 31, 2012 due primarily to an increase in the outstanding balance under the Credit Facility from $30.0 million at December 31, 2012 to $200.0 million at December 31, 2013 and a $49.1 million reclamation provision increase, partially offset by the payment of $37.9 million recorded as dividends payable at December 31, 2012.

Fair Value of Derivative Financial Instruments

The Company occasionally enters into contracts to limit the risk associated with decreased byproduct 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 annual consolidated financial statements.

Results of Operations

Revenues from Mining Operations

Revenues from mining operations decreased by 14.6% to $1,638.4 million in 2013 from $1,917.7 million in 2012, attributable primarily to lower sales prices realized on gold and silver and lower sales volumes realized on zinc in 2013 compared with 2012. Revenues from mining operations were $1,821.8 million in 2011.

In 2013, sales of precious metals (gold and silver) accounted for 97.7% of revenues from mining operations, up from 96.6% in 2012 and 95.3% in 2011. The increase in the percentage of revenues from precious metals compared with 2012 is due primarily to lower sales volumes realized on zinc and higher sales volumes realized on gold and silver, offset partially by decreases in sales prices realized on gold and silver. Revenues from mining operations are accounted for net of related smelting, refining, transportation and other charges.

The table below sets out revenues from mining operations, production volumes and sales volumes by metal:

	2013	2012	2011
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$1,500,354	$1,712,665	$1,563,760
Silver	100,895	140,221	171,725
Zinc	16,685	45,797	70,522
Copper	20,653	19,019	14,451
Lead[(i)]	(181)	12	1,341
	$1,638,406	$1,917,714	$1,821,799
Payable production[(ii)]:			
Gold (ounces)	1,099,335	1,043,811	985,460
Silver (thousands of ounces)	4,623	4,646	5,080
Zinc (tonnes)	19,814	38,637	54,894
Copper (tonnes)	4,835	4,126	3,216
Payable metal sold:			
Gold (ounces)	1,098,382	1,028,062	996,090
Silver (thousands of ounces)	4,694	4,556	5,089
Zinc (tonnes)	20,432	42,604	54,499
Copper (tonnes)	4,838	4,115	3,194

Note:

(i) Other revenues in 2013 related to lead concentrate include gold revenue of $7.9 million (2012 – $25.1 million) and silver revenue of $2.8 million (2012 – $7.4 million). The gold and silver revenues from lead concentrate are included in their respective categories in the above table with the total lead concentrate direct fees of $1.1 million (2012 – $2.7 million) netted against lead revenues of $0.9 million (2012 – $2.7 million).

(ii) Payable production 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 inventory at the end of the period.

Revenues from gold sales decreased by 12.4% to $212.3 million in 2013 compared with 2012. Gold production increased by 5.3% to 1,099,335 ounces in 2013 from 1,043,811 ounces in 2012. A 17.6% increase in gold production at the Meadowbank mine due to higher tonnes of ore milled and higher gold grades, increased gold grades at the LaRonde mine and the achievement of commercial production on the M and E Zones at the Goldex mine were the primary contributors to the Company's overall gold production increase in 2013 compared with 2012. Partially offsetting the overall increase in gold production, the Kittila mine only operated for 14 days during the second quarter of 2013 due to an extended maintenance shutdown and the Creston Mascota deposit at Pinos Altos temporarily suspended active leaching between October 1, 2012 and March 13, 2013. Average realized gold price decreased 18.1% to $1,366 per ounce in 2013 from $1,667 per ounce in 2012.

Revenues from silver sales decreased by $39.3 million, or 28.0% in 2013 compared with 2012 due primarily to a lower realized silver price and lower silver grade at the LaRonde mine. Revenues from zinc sales decreased by $29.1 million, or 63.6% to $16.7 million in 2013 compared with 2012 due primarily to lower zinc grades and mill recoveries at the LaRonde mine. Revenues from copper sales increased by $1.6 million or 8.6% in 2013 compared with 2012 due primarily to higher copper grades at the LaRonde mine which were partially offset by lower realized copper sales prices between periods.

Production Costs

In 2013, total production costs were $924.9 million compared with $897.7 million in 2012, due primarily to an 8.4% increase in throughput at the Meadowbank mine between periods and the achievement of commercial production on the M and E Zones at the Goldex mine in October 2013. The overall increase in production costs was partially offset by the temporary suspension of active leaching the Creston Mascota deposit at Pinos Altos between October 1, 2012 and March 13, 2013.

The table below sets out production costs by mine:

Production Costs	**2013**	**2012**	**2011**
	(thousands of United States dollars)		
LaRonde mine	$229,911	$225,647	$209,947
Lapa mine	69,532	73,376	68,599
Goldex mine[(i)]	13,172	–	56,939
Meadowbank mine	363,894	347,710	284,502
Kittila mine	98,446	98,037	110,477
Pinos Altos mine (including the Creston Mascota deposit at Pinos Altos)	149,972	152,942	145,614
Production costs per consolidated statements of income (loss) and comprehensive income (loss)	$924,927	$897,712	$876,078

Note:

(i) 2013 production costs relate to the Goldex mine's M and E Zones which achieved commercial production in October 2013. 2011 production costs relate to the Company's mining operations at the GEZ, which were indefinitely suspended on October 19, 2011.

The discussion of production costs below refers to "total cash costs per ounce of gold produced" and "minesite costs per tonne", neither of which are recognized measures under US GAAP. For a reconciliation of these measures to production costs and a discussion of the Company's use of these measures, see *Non-US GAAP Financial Performance Measures* in this MD&A.

Production costs at the LaRonde mine were $229.9 million in 2013, an increase of 1.9% compared with 2012 production costs of $225.6 million. During 2013, the LaRonde mine processed an average of 6,354 tonnes of ore per day compared with 6,444 tonnes of ore per day during 2012. The decrease in throughput between periods was due primarily to 16 days of unplanned shutdown in 2013 related to issues with the mine's hoist drive. Minesite costs per tonne increased to C$99 in 2013 compared with C$95 in 2012 due primarily to general cost increases and lower throughput.

Production costs at the Lapa mine were $69.5 million in 2013, a 5.2% decrease compared with 2012 production costs of $73.4 million. During 2013, the Lapa mine processed an average of 1,755 tonnes of ore per day, comparable to the 1,749 tonnes of ore per day processed during 2012. Minesite costs per tonne decreased to C$110 in 2013 compared with C$115 in 2012 due primarily to improved cost controls related to consumables, development costs and energy between periods.

Production costs at the Goldex mine were $13.2 million in 2013 compared with nil in 2012. Production costs were nil in 2012 due to the suspension of operations in the GEZ on October 19, 2011. However, commercial production was achieved in October 2013 on the M and E Zones at the Goldex mine. Minesite costs per tonne were C$32 in 2013 compared with nil in 2012.

Production costs at the Meadowbank mine were $363.9 million in 2013, an increase of 4.7% compared with 2012 production costs of $347.7 million due primarily to increased throughput and higher plant maintenance expenditures. During 2013, the Meadowbank mine processed an average of 11,350 tonnes of ore per day, an increase of 8.7% over the 10,440 tonnes of ore per day processed during 2012 due primarily to improvements in equipment availability and equipment maintenance. Minesite costs per tonne decreased to C$83 in 2013 compared with C$88 in 2012 due primarily to higher throughput, overall productivity gains and improved cost controls.

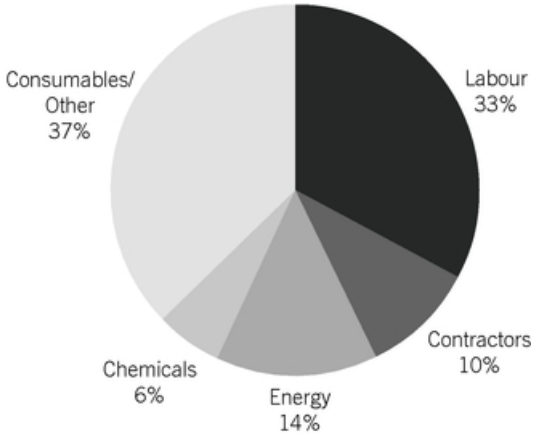
Production costs at the Kittila mine were $98.4 million in 2013, an increase of 0.4% compared with 2012 production costs of $98.0 million as higher costs associated with underground mining more than offset reduced throughput due to an

extended 2013 maintenance shutdown. During 2013, the Kittila mine processed an average of 2,559 tonnes of ore per day, a decrease of 14.1% compared with the 2,979 tonnes of ore per day processed during 2012 due primarily to an extended maintenance shutdown in the second quarter of 2013. Minesite costs per tonne increased to €73 in 2013 compared with €69 in 2012 due primarily to lower throughput and the transition to higher cost underground mining from lower cost open pit mining in 2013.

Production costs at the Pinos Altos mine were $130.1 million in 2013, an increase of 1.2% compared with 2012 production costs of $128.6 million. During 2013, the Pinos Altos mine mill processed an average of 5,262 tonnes of ore per day, an increase of 4.8% compared with the 5,020 tonnes of ore per day processed during 2012 due primarily to an improved mill liner design and increased mechanical availability. In 2013, approximately 805,200 tonnes of ore were stacked on the Pinos Altos mine leach pad, a decrease of 21.4% compared with the approximate 1,025,000 tonnes of ore stacked in 2012. Minesite costs per tonne increased to $45 in 2013 compared with $41 in 2012 due primarily to an increase in the proportion of milled ore relative to ore stacked on the leach pad in 2013.

Production costs at the Creston Mascota deposit at Pinos Altos were $19.8 million in 2013, a decrease of 18.4% compared with 2012 production costs of $24.3 million due primarily to the temporary suspension of active leaching described below. During 2013, approximately 1,276,200 tonnes of ore were stacked on the leach pad at the Creston Mascota deposit at Pinos Altos, a decrease of 16.7% compared with the approximate 1,532,400 tonnes of ore stacked in 2012. Minesite costs per tonne increased to $16 in 2013 compared with $12 in 2012 due primarily to the temporary suspension of active leaching at the Creston Mascota deposit at Pinos Altos between October 1, 2012 and March 13, 2013.

Total Production Costs by Category



Total cash costs per ounce of gold produced, representing the weighted average of all of the Company's producing mines, increased to $672 in 2013 compared with $640 in 2012 and $580 in 2011. At the LaRonde mine, total cash costs per ounce of gold produced increased from $569 in 2012 to $763 in 2013 due primarily to significantly lower net byproduct revenue as the mine transitions to ore sourced from lower levels, partially offset by a 13.0% increase in gold production. At the Lapa mine, total cash costs per ounce of gold produced decreased from $697 in 2012 to $678 in 2013 due to decreases in mining, underground service and mill expenses, partially offset by a 5.1% decrease in gold production. Total cash costs per ounce of gold produced at the Goldex mine were $782 in 2013 during the period of commercial production at the M and E Zones. Mining operations in the GEZ were suspended indefinitely on October 19, 2011. At the Meadowbank mine, total cash costs per ounce of gold produced decreased from $913 in 2012 to $774 in 2013 due primarily to a 17.6% increase in gold production, process plant and mining cost reductions and an increase in deferred stripping credits. At the Kittila mine, total cash costs per ounce of gold produced increased from $565 in 2012 to $601 in 2013 due primarily to a 16.7% decrease in gold production and higher costs associated with the transition to underground mining in 2013. Total cash costs per ounce of gold produced at the Pinos Altos mine increased from $276 in 2012 to $412 in 2013 due primarily to significantly lower net byproduct revenue and deferred stripping credits. Total cash costs per ounce of gold produced at the Creston Mascota deposit at Pinos Altos increased from $326 in 2012 to $485 in 2013 due primarily to a 33.5% decrease in gold production between periods resulting from the temporary suspension of active leaching between October 1, 2012 and March 13, 2013.

Exploration and Corporate Development Expense

A summary of the Company's significant 2013 exploration and corporate development activities is set out below:

- Canadian regional exploration expenses, excluding the Goldex mine, of $20.3 million in 2013 were comparable with expenses of $22.7 million in 2012.
- In 2013, all drilling expenditures to further delineate the ore body associated with the Goldex mine's M and E Zones were capitalized. The Goldex mine's M and E Zones were approved for development in late 2012. In 2012, exploration and drilling expenditures were $37.7 million at the Goldex mine with a focus on the M and E Zones. In 2011, investigative exploration expenditures of $19.7 million were incurred which included rock mechanic and mining studies, drilling and development exploration of the deeper D zone and care and maintenance of general infrastructure, as the previous mining operations associated with the GEZ were indefinitely suspended on October 19, 2011 as a result of geotechnical concerns with the rock above the mining horizon.
- Latin American regional exploration expenses decreased to $7.3 million in 2013 compared with $28.4 million in 2012 due primarily to the approval of the La India project for development in September 2012. Exploration expenses at the La India project decreased by $13.3 million between 2012 and 2013 as drilling expenditures to further delineate the ore body were capitalized in 2013.
- Exploration expenditures in the United States and Europe decreased by 52.7% to $3.5 million and 38.0% to $4.6 million, respectively, in 2013 compared with 2012.
- The Company's corporate development team remained active in 2013, evaluating new properties and potential acquisition opportunities.

The table below sets out exploration expense by region and total corporate development expense:

	2013	2012	2011
	(thousands of United States dollars)		
Canada	$ 20,339	$ 60,360	$ 49,541
Latin America	7,311	28,419	8,263
United States	3,501	7,397	7,520
Europe	4,624	7,458	6,332
Corporate development expense	8,461	5,866	4,065
Total exploration and corporate development expense	$ 44,236	$ 109,500	$ 75,721

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense increased to $296.1 million in 2013 compared with $271.9 million in 2012 and $261.8 million in 2011. The increase in amortization of property, plant and mine development between 2012 and 2013 was due primarily to the impact of a 2.1% increase in tonnes of ore processed between periods on unit-of-production method amortization and the achievement of commercial production at the Goldex mine's M and E Zones on October 1, 2013. Amortization expense commences once operations are in commercial production.

General and Administrative Expense

General and administrative expense decreased to $115.8 million in 2013 from $119.1 million in 2012 due primarily to a decrease in retirement costs and targeted reductions to salaries and benefits. General and administrative expense amounted to $107.9 million in 2011.

Impairment Loss on Available-for-sale Securities

Impairment loss on available-for-sale securities increased to $34.3 million in 2013 compared with $12.7 million in 2012 and $8.6 million in 2011. The Company's investments in available-for-sale securities consist primarily of investments in common shares of entities in the mining industry. At the end of each reporting period, the Company evaluates the near-term prospects of the issuers of available-for-sale securities that have fallen into an unrealized loss position in relation

to the severity and duration of the impairment. Impairment losses are recorded on available-for-sale securities that are determined to be other-than-temporarily impaired.

Provincial Capital Tax

Prior to 2011, provincial capital tax was assessed on the Company's capitalization (paid-up capital and debt) less certain allowances and tax credits for exploration expenses incurred. Ontario capital tax was eliminated on July 1, 2010, while Quebec capital tax was eliminated at the end of 2010. A provincial capital tax recovery of $1.5 million was recorded in 2013, while provincial capital tax expenses of $4.0 million and $9.2 million were recorded in 2012 and 2011, respectively, all of which were based on government audit assessments received relating to prior years. Provincial capital tax is expected to be nil going forward.

Interest Expense

Interest expense of $58.0 million in 2013 was comparable with $57.9 million in 2012 and $55.0 million in 2011. The table below sets out the components of interest expense:

	2013	2012	2011
	(thousands of United States dollars)		
Stand-by fees on credit facilities	$ 4,946	$ 3,734	$ 7,345
Amortization of credit facilities, financing and note issuance costs	3,192	3,432	4,810
Government interest, penalties and other	1,966	4,869	3,078
Interest on credit facilities	1,999	3,460	1,764
Interest on Notes	49,414	43,886	39,067
Interest capitalized to construction in progress	(3,518)	(1,494)	(1,025)
	$ 57,999	$ 57,887	$ 55,039

See Liquidity and Capital Resources – *Financing Activities* in this MD&A for a discussion of underlying credit facilities and Notes.

Impairment Loss

An impairment loss of $537.2 million was recorded in 2013 compared with nil in 2012 and $907.7 million in 2011.

As at December 31, 2013, the Company identified the continued decline in the market price of gold as an indicator of potential impairment for the Company's long-lived assets and goodwill. As a result of the identification of this indicator, the Company evaluated its long-lived assets and goodwill for impairment on an asset group and reporting unit basis, respectively, using updated assumptions and estimates.

The following impairment losses were recorded as at December 31, 2013 as a result of the impairment evaluation:

	As at December 31, 2013			
	Pre-impairment Carrying Value	Impairment Loss	Post-impairment Carrying Value	Impairment Loss (net of tax)
Property, plant and mine development:				
Meadowbank mine	$732,499	$(269,269)	$463,230	$(194,511)
Lapa mine	136,766	(67,894)	68,872	(41,687)
	$869,265	$(337,163)	$532,102	$(236,198)
Goodwill:				
Meliadine project	$200,064	$(200,064)	$–	$(200,064)
		(537,227)		(436,262)

Estimated fair values for the Meadowbank mine and Lapa mine were calculated by discounting the estimated future net cash flows using discount rates of 6.5% and 5.5% (in nominal terms), respectively, commensurate with their individual estimated levels of risk. These calculations were based on estimates of future production levels applying gold prices of $1,238 to $1,300 per ounce (in real terms), foreign exchange rates of US$0.90:C$1.00 to US$0.93:C$1.00, inflation rates of 2.0% and capital, operating and reclamation costs based on updated life-of-mine plans. Average gold recovery rates applied were 92.3% and 78.3% for the Meadowbank mine and Lapa mine, respectively.

Estimated after-tax discounted future net cash flows of reporting units with goodwill were calculated as at December 31, 2013. These calculations were based on estimates of future production levels applying long-term gold prices of $1,238 to $1,300 per ounce (in real terms), foreign exchange rates of US$0.90:C$1.00 to US$0.93:C$1.00, inflation rates of 2.0% and capital, operating and reclamation costs based on updated life-of-mine plans. The average gold recovery rate applied to the Meliadine project was 95.1%. A discount rate of 8.0% was used to calculate the estimated after-tax discounted future net cash flows of the Meliadine project reporting unit, commensurate with its individual estimated level of risk.

In 2012, the Company did not identify any potential indicators of impairment for its long-lived assets and concluded that it did not have any reporting units that were at risk of failing the goodwill impairment test.

As at December 31, 2011, the Company performed a full review of the Meadowbank mine operations and updated the related life-of-mine plan. This review considered the exploration potential of the area, the mineral reserves and resources, the projected operating costs in light of the persistently high operating costs experienced since commencement of commercial operations, metallurgical performance and gold price. These served as inputs into pit optimizations to determine which reserves and resources could be economically mined and be considered as mineable mineral reserves. As a result of these factors, an updated mine plan with a shorter mine life was developed and cash flows calculated, resulting in the following impairment losses being recorded as at December 31, 2011:

	As at December 31, 2011			
	Pre-impairment Carrying Value	Impairment Loss	Post-impairment Carrying Value	Impairment Loss (net of tax)
Property, plant and mine development:				
Meadowbank mine	$1,670,838	$(907,681)	$763,157	$(644,903)

The estimated fair value of the Meadowbank mine was calculated as at December 31, 2011 by discounting the estimated future net cash flows using a 7.0% discount rate (in nominal terms), commensurate with the estimated level of risk. This calculation was based on estimates of future gold production applying long-term gold prices of $1,250 to $1,553 per ounce (in real terms), foreign exchange rates of US$0.92:C$1.00 to US$0.97:C$1.00, an inflation rate of 2.0%, increased cost estimates based on revised operating levels and an average gold recovery of 92.9%. Future expected operating costs, capital expenditures and asset retirement obligations were based on the updated life-of-mine plan.

Management's estimate of future cash flows is 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 may have a material effect on the Company's consolidated financial statements.

Foreign Currency Translation (Gain) Loss

The Company's operating results and cash flow are significantly impacted by changes in the exchange rate between the US dollar and the Canadian dollar, Euro and Mexican peso as all of the Company's revenues are earned in US dollars while a substantial portion of its operating and capital costs are incurred in Canadian dollars, Euros and Mexican pesos. During the period from January 1, 2011 through December 31, 2013, the daily US dollar (noon) exchange rate as reported by the Bank of Canada has fluctuated between C$0.94 and C$1.07, €0.67 and €0.83 and 11.51 Mexican pesos and 14.37 Mexican pesos per US$1.00.

A foreign currency translation gain of $7.2 million was recorded in 2013 compared with a foreign currency translation loss of $16.3 million in 2012 and a foreign currency translation gain of $1.1 million in 2011. On average, the US dollar strengthened against the Canadian dollar and weakened against the Euro and the Mexican peso in 2013 compared with 2012. The US dollar strengthened against the Canadian dollar and Mexican peso and weakened against the Euro between December 31, 2012 and December 31, 2013. The net foreign currency translation gain in 2013 is due primarily to the translation impact of liabilities denominated in Canadian dollars, offset partially by the translation impact of current assets denominated in Canadian dollars and liabilities denominated in Euros and Mexican pesos.

Income and Mining Taxes Expense (Recovery)

In 2013, the Company recorded income and mining taxes expense of $35.8 million on a loss before income and mining taxes of $370.7 million due primarily to non-deductible permanent differences and a deferred tax charge relating to the enactment of the Special Mining Duty in Mexico, offset partially by the impact of impairment losses on the Meadowbank and Lapa mines. Effective tax rates were 28.5% in 2012 and 26.9% in 2011. In 2012, the effective tax rate of 28.5% was higher than the statutory tax rate of 26.3% due to permanent differences, principally stock-based compensation that is not deductible for tax purposes in Canada. In 2011, an income and mining taxes recovery was recorded due to impairment losses on the Meadowbank and Goldex mines.

Liquidity and Capital Resources

At December 31, 2013, the Company's cash and cash equivalents, short-term investments and restricted cash totaled $170.0 million, compared with $332.0 million at December 31, 2012. The Company's policy is to invest excess cash in highly liquid investments of the highest credit quality to eliminate risks associated with these investments. Such investments with remaining maturities at time of purchase greater than three months 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 $594.2 million at December 31, 2013 from $626.6 million at December 31, 2012.

Operating Activities

Cash provided by operating activities decreased by $257.7 million to $438.3 million in 2013 compared with 2012 due primarily to an 18.1% decrease in the average realized price of gold and a $27.2 million increase in production costs. The decrease in cash provided by operating activities was partially offset by a 5.3% increase in gold production and a $65.3 million decrease in exploration and corporate development expenses between 2012 and 2013. Cash provided by operating activities was $667.2 million in 2011 at an average realized price of gold of $1,573.

Investing Activities

Cash used in investing activities increased to $644.5 million in 2013 from $376.2 million in 2012 due primarily to a $132.2 million increase in capital expenditures, a $73.2 million reduction in net proceeds from the sale of available-for-sale securities and a $57.1 million increase in purchases of available-for-sale securities and warrants between periods. Cash used in investing activities was $760.5 million in 2011, including $163.0 million relating to the November 2011 acquisition of Grayd Resource Corporation.

In 2013, the Company invested cash of $577.8 million in projects and sustaining capital expenditures. Capital expenditures in 2013 included $116.8 million at the La India project, $84.3 million at the LaRonde mine, $83.8 million at the Kittila mine, $76.8 million at the Meadowbank mine, $65.1 million at the Goldex mine, $61.4 million at the Meliadine

project, $42.8 million at the Pinos Altos mine and $46.8 million at the Lapa mine, the Creston Mascota deposit at Pinos Altos and other projects. The $132.2 million increase in capital expenditures between 2012 and 2013 is mainly attributable to significant construction expenditures incurred in 2013 relating to the La India project and the Goldex mine's M and E Zones. Capitalization of expenditures for the La India project and the Goldex mine's M and E Zones commenced in September 2012 and October 2012, respectively. Capital expenditures to complete the Company's growth initiatives are expected to be funded by cash provided by operating activities and cash on hand.

On May 16, 2013, the Company completed the acquisition of all of the issued and outstanding common shares of Urastar Gold Corporation ("Urastar") pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia) for cash consideration of $10.1 million. The Urastar acquisition was accounted for as a business combination and goodwill of $9.8 million was recognized on the Company's consolidated balance sheets.

On November 18, 2011, the Company acquired 94.77% of the outstanding shares of Grayd Resource Corporation ("Grayd"), on a fully-diluted basis, by way of a take-over bid. The November 18, 2011 purchase price of $222.1 million was comprised of $166.0 million in cash and 1,250,477 newly issued Agnico Eagle shares. The acquisition was accounted for as a business combination and goodwill of $29.2 million was recognized on the Company's consolidated balance sheets. On January 23, 2012, the Company acquired the remaining outstanding shares of Grayd it did not already own, pursuant to a previously announced compulsory acquisition carried out under the provisions of the Business Corporations Act (British Columbia). The January 23, 2012 purchase price of $11.8 million was comprised of $9.3 million in cash and 68,941 newly issued Agnico Eagle shares.

In 2013, the Company purchased $59.8 million in available-for-sale securities and warrants compared with $2.7 million in 2012 and $91.1 million in 2011. In 2013, the Company received net proceeds of $0.2 million from the sale of available-for-sale securities compared with $73.4 million in 2012 and $9.4 million in 2011. The Company's investments in available-for-sale securities consist primarily of investments in common shares of entities in the mining industry.

Financing Activities

Cash provided by financing activities was $48.7 million in 2013 compared with cash used in financing activities of $202.6 million in 2012. The primary driver of the change between periods was a net $170.0 million drawdown on the Credit Facility during 2013, while a net $290.0 million repayment of the Credit Facility during 2012 was partially offset by a $200.0 million Notes issuance.

On October 23, 2013, the Company declared a cash dividend payable on December 16, 2013, marking the 31 st consecutive year that the Company has paid a cash dividend. During 2013, the Company paid dividends of $126.3 million compared with $118.1 million in 2012 and $98.4 million in 2011. 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.

On July 24, 2012, the Company closed a private placement consisting of $200.0 million of guaranteed senior unsecured notes (the "2012 Notes"). The 2012 Notes mature in 2022 and 2024 and at issuance had a weighted average maturity of 11.0 years and weighted average yield of 4.95%. Proceeds from the 2012 Notes were used to repay amounts outstanding under the Company's $1.2 billion unsecured revolving bank credit facility (the "Credit Facility").

On July 20, 2012, the Company amended and restated its Credit Facility. The total amount available under the Credit Facility remained unchanged at $1.2 billion; however, the maturity date was extended from June 22, 2016 to June 22, 2017 and pricing terms were amended. As at December 31, 2013, the Company's outstanding balance under the Credit Facility was $200.0 million. Credit Facility availability is reduced by outstanding letters of credit, amounting to $1.1 million at December 31, 2013. As at December 31, 2013, $998.9 million was available for future drawdown under the Credit Facility.

On November 5, 2013, the Company amended its credit agreement with a financial institution relating to its uncommitted letter of credit facility (the "Letter of Credit Facility"). The amount available under the Letter of Credit Facility increased from C$150.0 million to C$175.0 million. The obligations of the Company under the Letter of Credit Facility are guaranteed by certain of its subsidiaries. The Letter of Credit 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, 2013, $153.7 million had been drawn under the Letter of Credit Facility.

On April 7, 2010, the Company closed a private placement consisting of $600.0 million of guaranteed senior unsecured notes due in 2017, 2020 and 2022 (the "2010 Notes") with a weighted average maturity of 9.84 years and weighted average yield of 6.59%. Proceeds from the offering of the 2010 Notes were used to repay amounts under the Company's then outstanding credit facilities.

In June 2009, the Company entered into a C$95 million financial security guarantee issuance agreement with Export Development Canada (the "EDC Facility"). Under the agreement, which matures in June 2014, Export Development Canada agreed to provide guarantees in respect of letters of credit issued on behalf of the Company in favour of certain beneficiaries in respect of obligations relating to the Meadowbank mine. As at December 31, 2013, there were no letters of credit drawn under the EDC Facility.

The Company was in compliance with all covenants contained within the Credit Facility, Letter of Credit Facility, 2012 Notes and 2010 Notes as at December 31, 2013.

The Company issued common shares for gross proceeds of $23.7 million in 2013 attributable to the Company's incentive share purchase plan, employee stock option plan exercises and the dividend re-investment plan. In 2012 and 2011, the Company issued common shares for gross proceeds of $32.7 million and $26.5 million, respectively, attributable primarily to stock option exercises and issuances under the Company's employee share purchase plan.

Agnico Eagle's contractual obligations as at December 31, 2013 are set out below:

Contractual Obligations	**Total**	**2014**	**2015-2016**	**2017-2018**	**Thereafter**
			(millions of United States dollars)		
Letter of credit obligations	$ 2.3	$ 2.1	$ –	$ –	$ 0.2
Reclamation obligations[(i)]	302.2	3.5	3.1	13.8	281.8
Purchase commitments	43.1	13.0	14.2	8.6	7.3
Pension obligations[(ii)]	5.8	0.1	0.2	0.2	5.3
Capital and operating leases	33.0	14.5	9.8	6.2	2.5
Long-term debt repayment obligations[(iii)]	1,000.0	–	–	315.0	685.0
Total[(iv)]	$ 1,386.4	$ 33.2	$ 27.3	$ 343.8	$ 982.1

(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. The estimated undiscounted cash outflows of these reclamation obligations are presented here. These estimated costs are recorded in the Company's consolidated financial statements on a discounted basis in accordance with ASC 410-20 – *Asset Retirement Obligations* and ASC 410-30 – *Environmental Obligations*. See Note 6(a) to the consolidated financial statements for details.

(ii) The Company provides a non-registered supplementary executive retirement defined benefit plan for certain senior officers (the "Executives Plan"). The Executives Plan provides pension benefits to certain senior officers equal to 2% of their final three-year average pensionable earnings for each year of service with the Company, less the annual pension payable under the Company's basic defined contribution pension plan. Payments under the Executives Plan are secured by letter of credit from a Canadian chartered bank. The figures presented in this table have been actuarially determined.

(iii) For the purposes of the Company's obligations to repay amounts outstanding under its Credit Facility, the Company has assumed that the indebtedness will be repaid at its current expiry date.

(iv) The Company's estimated future cash flows are expected to be sufficient to satisfy the obligations detailed above.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements as at December 31, 2013 include operating leases of $7.8 million (see Note 13(b) to the consolidated financial statements) and outstanding letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes of $174.3 million of (see Note 12 to the consolidated financial statements). If the Company were to terminate these off-balance sheet arrangements, the penalties or obligations would be insignificant based on the Company's liquidity position, as outlined in the table below.

2014 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2014 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 2014:

		Amount (millions of United States dollars)
2014 Mandatory Commitments:		
Contractual obligations (from table above)	$	33.2
Accounts payable and accrued liabilities (as at December 31, 2013)		173.4
Interest payable (as at December 31, 2013)		13.8
Income taxes payable (as at December 31, 2013)		7.5
Total 2014 mandatory expenditure commitments	$	227.9
2014 Discretionary Commitments:		
Budgeted 2014 capital expenditures	$	416.2
Total 2014 discretionary expenditure commitments	$	416.2
Total 2014 mandatory and discretionary expenditure commitments	**$**	**644.1**
2014 Capital Resources:		
Cash, cash equivalents and short term investments (as at December 31, 2013)	$	141.3
Budgeted 2014 cash provided by operating activities		330.8
Working capital, excluding cash, cash equivalents and short-term investments (as at December 31, 2013)		452.9
Available under the Credit Facility		998.9
Total 2014 Capital Resources	**$**	**1,923.9**

While the Company believes its capital resources will be sufficient to satisfy all 2014 commitments (mandatory and discretionary), the Company may choose to decrease certain of its discretionary expenditure commitments, which includes certain capital expenditures, should unexpected financial circumstances arise in the future. The Company believes that it will continue to generate sufficient capital resources to satisfy its planned development and growth activities.

Quarterly Results Review

For the Company's detailed 2013 and 2012 quarterly financial and operating results see *Summarized Quarterly Data* in this MD&A.

Revenues from mining operations decreased by 2.7% to $437.2 million in the fourth quarter of 2013 compared with $449.4 million in the fourth quarter of 2012 due primarily to lower sales prices realized on gold and silver, partially offset by a 36.3% increase in payable gold production between periods. Despite the increase in payable gold production between periods, production costs decreased by 2.1% to $237.4 million in the fourth quarter of 2013 compared with $242.4 million in the fourth quarter of 2012 due primarily to operational efficiencies realized at the Meadowbank, LaRonde and Lapa mines. An impairment loss of $537.2 million was recorded in the fourth quarter of 2013 compared with nil in the fourth quarter of 2012. Based on an impairment evaluation of the Company's long-lived assets and goodwill at December 31, 2013, pre-tax impairment losses of $269.2 million, $200.1 million and $67.9 million were recorded relating to the Meadowbank mine, Meliadine project and Lapa mines, respectively. As a result, a net loss of $453.3 million was recorded in the fourth quarter of 2013 compared with net income of $82.8 million in the fourth quarter of 2012.

Cash provided by operating activities of $135.9 million in the fourth quarter of 2013 compared with $106.0 million in the fourth quarter of 2012 due primarily to a 36.3% increase in gold production, a $7.3 million decrease in exploration and corporate development expenses and a $5.0 million decrease in production costs, partially offset by decreases in the average realized price of gold and silver between periods.

Outlook

The following section contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. Please see "Note to Investors Concerning Forward-Looking Information" for a discussion of assumptions and risks relating to such statements and information.

Gold Production Growth

LaRonde Mine

In 2014, payable gold production at the LaRonde mine is expected to be approximately 215,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the LaRonde mine is expected to be approximately 248,000 ounces. The commissioning of a cooling plant at the LaRonde mine in the fourth quarter of 2013 is expected to reduce heat and congestion in the lower section of the mine and provides additional flexibility in the mining plan. As a result, production from the deeper areas of the mine is expected to ramp up substantially through 2016. Total cash costs per ounce of gold produced at the LaRonde mine are expected to be approximately $671 in 2014 compared with $763 in 2013, reflecting expectations of higher grades and increased production.

Lapa Mine

In 2014, payable gold production at the Lapa mine is expected to be approximately 80,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Lapa mine is expected to be approximately 67,000 ounces. 2014 and 2015 are the final two years of full production based on the Lapa mine's current life of mine plan with production expected to decline due to lower grades. The Company expects that the Lapa mine will only operate for a portion of 2016. Additional exploration results from the Zulapa Z8 Zone could potentially extend the mine life through 2016. Total cash costs per ounce of gold produced at the Lapa mine are expected to be approximately $850 in 2014 compared with $678 in 2013, reflecting expectations of lower grades and decreased production.

Goldex Mine

In 2014, payable gold production at the Goldex mine is expected to be approximately 80,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Goldex mine is expected to be approximately 90,000 ounces. The Goldex mine achieved commercial production from the M and E Zones in October 2013. Production expectations reflect an expected increase in throughput from 5,500 tonnes per day in the fourth quarter of 2014 to 6,000 tonnes per day in 2015. A portion of the additional throughput is expected to be derived from the proposed development of the satellite MX and E2 Zones. Exploration continues on several other satellite zones, including the deeper D Zone, which has the potential to extend the Goldex mine's life. Total cash costs per ounce of gold produced at the Goldex mine are expected to be approximately $799 in 2014 compared with $782 in 2013.

Meadowbank Mine

In 2014, payable gold production at the Meadowbank mine is expected to be approximately 430,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Meadowbank mine is expected to be approximately 397,000 ounces. In the second half of 2013, higher than expected grades were mined in the Portage and Goose pits, resulting in higher than expected production. A re-interpretation of the Meadowbank mine's block models has resulted in a 16% improvement in expected reserve gold grade to 3.27 grams per tonne. The Company expects to continue to encounter higher grade mineralization in the first half of 2014, which it believes will be a key driver of production for the year. After 2014, production is expected to be driven by higher reserve grades and the ability to maintain throughput levels in excess of 11,000 tonnes per day. Total cash costs per ounce of gold produced at the Meadowbank mine are expected to be approximately $629 in 2014 compared with $774 in 2013.

Kittila Mine

In 2014, payable gold production at the Kittila mine is expected to be approximately 150,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Kittila mine is expected to be approximately 160,000 ounces. Steady production growth is expected at the Kittila mine over the next three years. In 2014, a gradual return to reserve grade is expected once the remaining higher grade portions of the Suuri pit pillar are extracted. The 750 tonnes per day

mill expansion is expected to increase throughput capacity at the mine to 3,750 tonnes per day and is expected to be completed in mid-2015. Increased mill throughput is expected to offset declines in reserve grade over the next three years. Total cash costs per ounce of gold produced at the Kittila mine are expected to be approximately $759 in 2014 compared with $601 in 2013.

Pinos Altos Mine

In 2014, payable gold production at the Pinos Altos mine is expected to be approximately 145,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Pinos Altos mine is expected to be approximately 160,000 ounces. The Company expects that strong operating performance in 2013 will continue over the next three years, supporting higher mill throughput. The $106.0 million Pinos Altos shaft sinking project remains on schedule for completion in 2015. Total cash costs per ounce of gold produced at the Pinos Altos mine are expected to be approximately $532 in 2014 compared with $412 in 2013, reflecting expectations of decreased production and lower metal prices for the mine's byproducts.

Creston Mascota deposit at Pinos Altos

In 2014, payable gold production at the Creston Mascota deposit at Pinos Altos is expected to be approximately 40,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the Creston Mascota deposit at Pinos Altos is expected to be approximately 40,000 ounces. Active leaching at the Creston Mascota deposit at Pinos Altos resumed in March 2013 after a temporary suspension, with production subsequently meeting Company expectations. Lower production is expected over the next three years due to lower anticipated ore grades. Construction on the Phase 3 leach pad is expected to be completed in March 2014. Production is expected to increase in the second half of 2014 as the planned installation of a new agglomerator is expected to increase crushed ore processing capabilities. Total cash costs per ounce of gold produced at the Creston Mascota deposit at Pinos Altos are expected to be approximately $754 in 2014 compared with $485 in 2013, reflecting expectations of lower metal prices for the mine's byproducts.

La India Project

The La India project in Sonora, Mexico, located approximately 79 kilometres from the Company's Pinos Altos mine, was acquired in November 2011 through the purchase of Grayd Resource Corporation, which included a 56,000 hectare land position in the Mulatos Gold belt. Commissioning of the mine commenced ahead of schedule in the third quarter of 2013.

Commercial production is expected to be achieved at the La India project in the first quarter of 2014. Pre-commercial production at the La India project in 2013 was 3,180 ounces of gold. In 2014, payable gold production at the La India mine is expected to be approximately 50,000 ounces. Over the 2014 to 2016 period, annual average payable gold production at the La India mine is expected to be approximately 77,000 ounces. Total cash costs per ounce of gold produced at the La India mine are expected to be approximately $743 in 2014.

Growth Summary

With the achievement of commercial production at the Kittila, Lapa and Pinos Altos mines in 2009, the Meadowbank mine in 2010, the Creston Mascota deposit at Pinos Altos and LaRonde mine extension in 2011, and the Goldex mine M and E Zones in October 2013, Agnico Eagle has transformed from a one mine operation to a six mine company over the last six years, culminating in record annual payable gold production of 1,099,335 ounces in 2013. As the Company continues its next growth phase from this expanded production platform, it expects to continue to deliver on its vision and strategy. Annual payable gold production is expected to increase to approximately 1,275,000 ounces in 2016, representing a 16.0% increase compared with 2013. The Company expects that the main contributors to targeted increases in payable gold production, mineral reserves and mineral resources will include:

- Continued conversion of Agnico Eagle's current mineral resources to mineral reserves
- Increased production from the higher grade orebody in the LaRonde mine extension
- The anticipated achievement of commercial production at the La India project in the first quarter of 2014
- The ramp up of operations at the Goldex mine's M and E Zones, which achieved commercial production on October 1, 2013

Financial Outlook

Revenue from Mining Operations and Production Costs

In 2014, the Company expects to continue to generate solid cash flow with payable gold production between 1,175,000 and 1,205,000 ounces, up from 1,099,335 ounces in 2013 due primarily to a full year of operations for the Goldex mine's M and E Zones which achieved commercial production on October 1, 2013, the anticipated achievement of commercial production at the La India project in the first quarter of 2014 and increased production from deeper areas of the LaRonde mine facilitated by the commissioning of a cooling plant in the fourth quarter of 2013.

The table below sets out actual payable production in 2013 and estimated payable production in 2014:

	2014 Estimate	2013 Actual
Gold (ounces)	1,175,000 - 1,205,000	1,099,335
Silver (thousands of ounces)	3,200	4,623
Zinc (tonnes)	7,830	19,814
Copper (tonnes)	5,126	4,835

In 2014, the Company is expecting total cash costs per ounce of gold produced at the LaRonde mine to be $671 compared with $763 in 2013. In calculating estimates of total cash costs per ounce of gold produced for the LaRonde mine, net silver, zinc and copper byproduct revenue is treated as a reduction to production costs. Therefore, production and price assumptions for byproduct metals play an important role in the LaRonde mine's total cash costs per ounce of gold produced estimate due to its significant byproduct production. In addition, the Pinos Altos mine generates significant silver byproduct production. An increase in byproduct metal prices above forecast levels would result in improved total cash costs per ounce of gold produced at these mines.

As production costs at the LaRonde, Lapa, Goldex, and Meadowbank mines are denominated primarily in Canadian dollars, production costs at the Kittila mine are denominated primarily in Euros and a portion of production costs at the Pinos Altos mine, the Creston Mascota deposit at Pinos Altos and the La India mine are denominated in Mexican pesos, the Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates also impact the total cash costs per ounce of gold produced estimates.

The table below sets out the metal price and exchange rate assumptions used in deriving the estimated 2014 total cash costs per ounce of gold produced (production estimates for each metal are shown in the table above) as well as the market average closing prices for each variable for the period of January 1, 2014 through March 12, 2014:

	2014 Assumptions	Actual Market Average (January 1, 2014 — March 12, 2014)
Silver (per ounce)	$20.00	$20.48
Zinc (per tonne)	$2,000	$2,043
Copper (per tonne)	$7,100	$7,162
C$/US$ exchange rate (C$)	$1.11	$1.10
Euro/US$ exchange rate (Euros)	€0.74	€0.73
Mexican peso/US$ exchange rate (Mexican pesos)	13.25	13.25

See "Risk Profile — Metal Prices and Foreign Currencies" below in this MD&A for the estimated impact on 2014 total cash costs per ounce of gold produced of a 10% change in assumed metal prices and exchange rates.

Exploration and Corporate Development Expense

In 2014, Agnico Eagle expects to incur expenditures of $53.0 million on minesite, advanced project and greenfield exploration. Exploration expenditures are expected to be focused on Nunavut, Canada (the Meliadine project and IVR

property, located approximately 50 kilometers northwest of the Meadowbank mine), Quebec, Canada (the Akasaba West Property acquired on January 13, 2014), Mexico (the Tarachi property and La India project) and Finland. These exploration programs are designed to further evaluate deposits that could ultimately supplement the Company's existing production profile. Exploration is success driven and thus these estimates could change materially based on the success of the various exploration programs. When it is determined that a mining property can be economically developed as a result of established mineral reserves, the costs of drilling and development to further delineate the ore body on such a property are capitalized. In 2014, the Company expects to capitalize $23.0 million on drilling and development related to further delineating ore bodies and converting mineral resources into mineral reserves.

Other Expenses

General and administrative expenses are expected to decrease to about $92.5 million in 2014 compared with $115.8 million in 2013 due primarily to a lower non-cash Black-Scholes pricing of stock options granted by the Company in 2014. Provincial capital tax expense is expected to be nil in 2014 due to the elimination of the Ontario and Quebec provincial capital taxes in 2010. Amortization of property, plant and mine development is expected to increase to approximately $365.0 million in 2014 compared with $296.1 million in 2013. Interest expense is expected to increase to approximately $59.5 million in 2014 compared with $58.0 million in 2013 due primarily to increased amounts drawn under the Credit Facility. The Company's effective tax rate is expected to be approximately 42.5% in 2014.

Capital Expenditures

Agnico Eagle's gold growth program remains well funded. Capital expenditures, including construction and development costs, sustaining capital and capitalized exploration costs, are expected to total approximately $416.0 million in 2014. The Company expects to fund its 2014 capital expenditures through operating cash flow from the sale of its gold production and the associated byproduct metals. Significant components of the expected 2014 capital expenditures program include the following:

- $166.0 million in capitalized development expenditures relating to the Kittila mine ($65.0 million), Meliadine project ($42.0 million), Pinos Altos mine ($29.0 million), LaRonde mine ($13.0 million), Goldex mine ($13.0 million) and the La India mine ($4.0 million);
- $227.0 million in sustaining capital expenditures relating to the LaRonde mine ($68.0 million), Kittila mine ($56.0 million), Meadowbank mine ($34.0 million), Pinos Altos mine ($29.0 million), Lapa mine ($16.0 million), Goldex mine ($16.0 million), the Creston Mascota deposit at Pinos Altos ($6.0 million) and the La India mine ($2.0 million); and
- $23.0 million in capitalized drilling expenditures.

The Company continues to examine other possible corporate development opportunities which may result in the acquisition of companies or assets with 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 requirements.

All-in Sustaining Costs per Ounce of Gold Produced

In 2013, all-in sustaining costs per ounce of gold produced was calculated as the aggregate of total cash costs per ounce of gold produced and sustaining capital expenditures, exploration and corporate development expenses (excluding greenfield exploration) and general and administrative expenses (net of stock options) per ounce of gold produced.

Based on the recommendations of the World Gold Council in 2013, the Company has modified its calculation of all-in sustaining costs per ounce of gold produced for 2014 as the aggregate of total cash costs per ounce of gold produced and sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and reclamation expenses per ounce of gold produced. All-in sustaining costs per ounce of gold produced are expected to be approximately $990 in 2014.

Risk Profile

The Company mitigates the likelihood and potential severity of the various risks it encounters in its day-to-day operations through the application of high standards in the planning, construction and operation of its mining facilities. Emphasis is placed on hiring and retaining competent personnel and developing their skills through training, including safety and loss control training. The Company's operating and technical personnel have a solid track record of developing and operating precious metal mines and several of the Company's mines have received safety and development awards. Nevertheless, the Company and its employees continue efforts to improve workplace safety with an emphasis on safety procedure training for both mining and supervisory employees.

The Company also mitigates some of its normal business risk through the purchase of insurance coverage. An Insurable Risk Management Policy, approved by the Board, governs the purchase of insurance coverage and restricts coverage to insurance companies of the highest credit quality. For a more complete list of the risk factors affecting the Company, please see "Risk Factors" in the AIF.

Metal Prices and Foreign Currencies

Agnico Eagle's net income is most sensitive to metal prices and the Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates. For the purpose of the sensitivities detailed in the table below, Agnico Eagle used the following metal price and exchange rate assumptions:

- Gold — $1,200 per ounce;
- Silver — $20 per ounce;
- Zinc — $2,000 per tonne;
- Copper — $7,100 per tonne;
- Canadian dollar/US dollar — C$1.11 per $1.00;
- Euro/US dollar — €0.74 per $1.00; and
- Mexican peso/US dollar — 13.25 Mexican pesos per $1.00.

Changes in the market price of gold can 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 can be attributed to factors such as demand and global mine production levels. Changes in exchange rates can be attributed to factors such as supply and demand for currencies and economic conditions in each country or currency area. In 2013, the ranges of metal prices and exchange rates were as follows:

- Gold: $1,181 — $1,696 per ounce, averaging $1,411 per ounce;
- Silver: $18 — $32 per ounce, averaging $24 per ounce;
- Zinc: $1,784 — $2,187 per tonne, averaging $1,909 per tonne;
- Copper: $6,637 — $8,267 per tonne, averaging $7,325 per tonne;
- Canadian dollar/US dollar: C$0.98 — C$1.07 per $1.00, averaging C$1.03 per $1.00;
- Euro/US dollar: €0.72 — €0.78 per $1.00, averaging €0.75 per $1.00; and
- Mexican peso/US dollar: 11.94 — 13.47 Mexican pesos per $1.00, averaging 12.77 Mexican pesos per $1.00.

The following table sets out the estimated impact on 2014 total cash costs per ounce of gold produced of a 10% change in assumed metal prices and exchange rates. A 10% change in each variable was considered in isolation while holding all other assumptions constant. Based on historical market data and the 2013 price ranges shown above, a 10% change in assumed metal prices and exchange rates is reasonably likely in 2014.

Changes in variable	Impact on Total Cash Costs per Ounce of Gold Produced
10% Silver	$ 6
10% Zinc	$ 1
10% Copper	$ 3
10% Canadian dollar/US dollar	$56
10% Euro/US dollar	$14
10% Mexican peso/US dollar	$ 5

In order to mitigate the impact of fluctuating byproduct metal prices, the Company occasionally enters into derivative transactions under its Metal Price Risk Management Policy, approved by the Board. The Company's policy and practice is

not to sell forward its gold production. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and byproduct metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum byproduct 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 the realized byproduct 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 the Company's Foreign Exchange Risk Management Policy, approved by the Board, 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 strategy includes the use of purchased puts, sold calls, collars and forwards. The Company's policy does not allow speculative trading.

Cost Inputs

The Company also considers and may enter into risk management strategies to mitigate price risk on certain consumables including, but not limited to, diesel fuel. These strategies have largely been confined to longer term purchasing contracts but may include financial and derivative instruments.

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, 2013, the Company had drawn down $200.0 million on the 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, 2013, short-term investments amounted to $2.2 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 unfavorable 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.

Financial Instruments

The Company occasionally enters into contracts to limit the risk associated with decreased byproduct 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 Company uses simple contracts, such as puts and calls, collars and forwards.

Using financial instruments creates various financial risks. 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. Market liquidity risk is the risk that a financial position cannot be liquidated quickly. The Company primarily mitigates market liquidity risk by spreading out the maturity of financial contracts over time, usually based on projected production levels for the specific metal being hedged, such that the relevant markets will be able to absorb the contracts. Mark-to-market risk is the risk that an adverse change in market prices for metals will affect financial condition. Because derivative contracts are primarily used as economic hedges, changes in mark-to-market value may impact income. For a description of the accounting treatment of derivative contracts, please see "Critical Accounting Estimates – Financial Instruments" in this MD&A.

Operational Risk

The business of gold mining is generally subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls, ground conditions, pit wall failures, flooding and gold bullion losses. The occurrence of such events and circumstances may result in 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. The Company carries

insurance to protect itself against certain risks of mining and processing in amounts that it considers to be adequate but which may not provide adequate coverage in certain unforeseen circumstances. The Company may also become subject to liability for 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 be required to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

The Company's gold production and operating margin has diversified over the last six years, reflecting the transition from one mine to six mines at the end of 2013. However, the Meadowbank mine accounted for approximately 39.2% of the Company's payable gold production in 2013, and is expected to continue to account for a significant portion of payable gold production in future years.

The following table sets out estimated 2014 payable gold production by mine:

	Estimated Payable Gold Production (Ounces)	Estimated Payable Gold Production (%)
LaRonde mine	215,000	18
Lapa mine	80,000	7
Goldex mine	80,000	7
Meadowbank mine	430,000	36
Kittila mine	150,000	13
Pinos Altos mine	145,000	12
Creston Mascota deposit at Pinos Altos	40,000	3
La India mine	50,000	4
Total	1,190,000	100

Mining is a complex and unpredictable business and, therefore, actual payable gold production may differ from estimates. 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.

The Company's payable gold production may fall below estimated levels as a result of occurrences 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, an autoclave, a filter press or a grinding mill. Payable gold production may also be reduced if, during the course of mining or processing, unfavorable weather conditions, ground conditions 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 or dilution increases, electrical power is interrupted or heap leach processing results in containment discharge. The Company has failed to meet payable gold production forecasts in the past due to adverse conditions such as rock falls, production drilling challenges, lower than planned mill recoveries and grades, higher than expected dilution, mine structural issues and delays in the commencement of production and ramp up at new mines. In 2011, payable gold production was 985,460 ounces, significantly below estimates due primarily to the unexpected suspension of mining operations and payable gold production at the Goldex mine on October 19, 2011, a temporary production disruption at the Meadowbank mine due to a fire in its kitchen facilities, and lower than expected grades and throughput at the LaRonde mine. Although actual payable gold production of 1,043,811 ounces exceeded estimates in 2012, a movement of leached ore from the upper lifts of the Creston Mascota deposit at Pinos Altos phase one leach pad suggested that the integrity of the phase one leach pad liner had been compromised and caused the suspension of active leaching in the fourth quarter of 2012. Although actual payable gold production of 1,099,335 ounces exceeded the estimate of 1,060,000 ounces in 2013, the temporary suspension of active leaching at the Creston Mascota deposit at Pinos Altos continued through March 13, 2013 before operations resumed. 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.

The LaRonde mine extension is one of the deepest operations in the Western Hemisphere, with an expected maximum depth of over 3 kilometers. The operations of the LaRonde mine extension rely on new infrastructure for hauling ore and materials to the surface, including a winze (or internal shaft) and a series of ramps linking mining deposits to the Penna Shaft that services current operations at the LaRonde mine. In 2012, challenges associated with heat and congestion in the LaRonde mine extension caused a delay in the expected ramp up in gold production. Although a new cooling plant began operating in December 2013, the depth of the operations could continue to pose significant challenges to the Company, such as geomechanical risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives.

The continued sustaining development of the LaRonde mine extension is subject to a number of risks and challenges, including unforeseen geological formations, the implementation of new mining processes, and engineering and mine design adjustments. These occurrences may result in operational delays and in additional costs being incurred by the Company beyond those budgeted.

The figures for 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. 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, among other things, assumed metal prices, foreign exchange rates and operating costs. Prolonged declines in the market price of gold (or applicable byproduct 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 record a material impairment loss on its investment in mining properties or delay or discontinue production or the development of new projects, resulting in net losses and reduced cash flow. Market price fluctuations of gold (or applicable byproduct 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 reporting period.

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 actual production experience is gained.

The Company's operations include a mine in Finland and a mine in northern Mexico. A second project in northern Mexico, known as the La India project, is expected to achieve commercial production in the first quarter of 2014. These operations are exposed 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, licenses, permits and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; hostage taking; and changing political conditions and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, the United States, Europe and Mexico, including export requirements, taxes, tariffs, import duties and other trade barriers, as well as health, safety and environmental requirements.

The Company's Meadowbank mine is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometers north of Baker Lake. Though the Company built a 110 kilometre all-weather road from Baker Lake, which provides summer shipping access via Hudson Bay to the Meadowbank mine, the Company's operations are constrained by the remoteness of the mine, particularly as the port of Baker Lake is only accessible approximately 2.5 months per year. Most of the materials that the Company requires for the operation of the Meadowbank mine 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 not able to acquire and transport necessary supplies during this time, this may result in a slowdown or stoppage of operations at the Meadowbank mine. Furthermore, if major equipment fails, any items necessary to replace or repair such equipment may have to be shipped through Baker Lake during this window. Failure to have the necessary materials required for operations or to repair or replace malfunctioning equipment at the Meadowbank mine may require the slowdown or stoppage of operations.

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, toxic substances, environmental protection, mine safety and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws or regulations, amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation thereof could have a material adverse impact on the Company, cause a reduction in levels of production and delay or prevent the development of new mining properties.

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"). 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, 2013. Based on this evaluation, management concluded that the Company's ICFR and DC&P were effective.

Outstanding Securities

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 12, 2014 were exercised:

Common shares outstanding at March 12, 2014	174,233,738
Employee stock options	12,576,810
	186,810,548

Governance

Agnico Eagle's Sustainable Development Policy, approved by the Board of Directors in 2012, formally outlines the guiding principles and commitments to be upheld by the Company. The Sustainable Development Policy is based on four fundamental values of sustainable development at Agnico Eagle: respect for our employees; protection of the environment; safe operations; and respect for our communities.

Sustainable Development Management

In 2013, the Company continued the process of introducing 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 plans. This integration will lead to employees taking greater ownership towards the achievement of responsible mining practices.

This process will be completed through the development and implementation of a formal Health, Safety and Environmental Management System, termed the Responsible Mining Management System ("RMMS"). The aim of the RMMS is to further promote a culture of accountability and leadership in managing health, safety, environmental and social acceptability matters. RMMS documentation will be supported by the software Intelex, which is widely used in the Canadian mining industry and is consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System.

The RMMS will incorporate the Company's commitments as a signatory to the International Cyanide Management Code (the "Cyanide Code"). Agnico Eagle became a signatory to the Cyanide Code in September 2011 and is seeking to have the Kittila, Pinos Altos and Meadowbank mines audited and certified under the Cyanide Code by an independent third party within the three year deadline. Internal audits have been performed at each of these mines and action plans to resolve identified gaps in procedures are being implemented prior to the external audit.

The RMMS will also integrate 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, Agnico Eagle became a member of the Mining Association of Canada and endorsed the TSM Initiative. The TSM Initiative was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under six performance elements: crisis management;

energy and greenhouse gas emissions management; tailings management; biodiversity conservation management; health and safety; and aboriginal relations and community outreach. In 2013, the Company conducted an internal TSM Initiative analysis and program implementation at all of its divisions and will undergo a program internal audit in 2014.

Employee Health and Safety

Agnico Eagle's overall health and safety performance improved during 2013. A combined lost-time accident frequency rate of 1.7 was achieved, a 30% reduction from 2012 and substantially below the target rate of 2.8. This is the best lost-time accident frequency rate ever recorded by the Company. Extensive health and safety training was also provided to all employees during 2013.

One of the measures implemented by the Company to improve safety performance is the workplace safety card system. This system was implemented across the Company to strengthen the risk-based training program. Developed by the Quebec Mining Association, 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 2013, the Quebec Mining Association ("AMQ") acknowledged Agnico Eagle's strong performance in this area, recognizing 24 Agnico Eagle supervisors from the LaRonde, Lapa and Goldex mines for keeping their workers safe. The supervisors received AMQ security trophy awards for 50,000, 100,000 and 150,000 hours supervised without a lost-time accident.

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 Mexico, the Company's emergency response team was called by local authorities on several occasions to help in emergency situations outside the minesite. In 2013, the corporate crisis management plan was updated to align with industry best practices and the TSM Initiative requirements.

The Pinos Altos mine won the Silver Helmet award at the 2013 Annual Safety Contest of the Mexican Chamber of Mines, for maintaining the best safety statistics for underground mines in Mexico with more than 500 workers during 2012. In 2013 the Pinos Altos Mine Rescue Team won the "Underground Mine Rescue" and the "BG-4 Breathing Apparatus" events during the 2013 National Mexican Mine Rescue Competition.

In May 2013, personnel from five of Quebec mines competed in mine rescue competitions. The Goldex Mine Rescue team won for their second time the Provincial Mine Rescue competition. They also took home trophies for "Best operating team" and "Best performance during the mission".

Community

The Company's ultimate goal, at each of its operations worldwide, is to hire as much as possible of its workforce, including management teams, directly from the local region in which the operation is located. In 2013 the overall company average for local hiring was 81%. The Company believes that providing employment is one of its most significant contributions it can make to the communities in which it operates.

Agnico Eagle also works closely with neighboring communities to develop alternative employment and business opportunities to help diversify local economies. For example, at the Pinos Altos mine in Mexico, the Company helped a group of local women start up a sewing cooperative to help fill the demand for clothing manufacturing from both the local mining industry and surrounding communities. The success of the clothing cooperative in Mexico led to the development of a similar program in Arviat, Nunavut. The Meadowbank mine has teamed up with the Arviat Kiluk sewing workshop, which will provide the Meadowbank mine with a range of commercial sewing services, including sewing repairs and work-wear. The Arviat Kiluk will also design and produce new promotional products with Agnico Eagle's logo, including sealskin vests, mitts and computer bags.

In 2012, the Company began a substantial three-year investment in an educational program known as Mining Matters' Aboriginal Education and Outreach Programs in the Kivalliq region of Nunavut. The goal of the program is to show young people that there are interesting jobs and careers for them in the north, and that the mining industry can be a key source of these opportunities.

In 2013, with the support of the Kivalliq Mine Training Society, the Meadowbank team has developed a unique upward mobility training program for Inuit employees. This program provides training and career path opportunities for Inuit with

limited education and work experience in the area of heavy equipment operators, mill operators and site services. Skills acquired through the program are easily transferable to other sectors of the Nunavut economy.

For the sixth year in a row, the Pinos Altos mine was certified as a Socially Responsible Company by the Mexican Centre for Philanthropy (Centro Mexicano para la Filantropía) and the Alliance for Social Responsibility of Enterprises (Alianza por la Responsabilidad Social Empresarial en México). This certification recognizes the excellence of the social responsibility practices at the Pinos Altos mine. Agnico Eagle Mexico was also recognized by the Canadian Chamber of Commerce in Mexico with the 2013 Outstanding Business Award (COBA) for Corporate Social Responsibility.

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 local sewing cooperative and donating material for the construction of new classrooms or for the repair of existing classrooms.

Environment

In 2013, three notices of infraction were received by the Company. Two of the notices of infraction were of an administrative nature, while the third involves an ongoing investigation relating to a seepage event from a waste rock pile.

The Kittila mine received an updated environmental permit in July 2013 and is appealing some of the requirements included in the permit. In 2013, construction was completed on the road between the community of Rankin Inlet and the Meliadine project. A Draft Environmental Impact Statement for the Meliadine project was prepared and submitted to the Nunavut Impact Review Board in January 2013.

The Creston Mascota deposit at Pinos Altos was audited in 2013 to obtain certification as an Industria Limpia (Clean Industry) by La Procuraduría Federal de Protección al Ambiente (the federal environmental protection agency in Mexico). This certification recognizes excellence in environmental management and has previously also been received by the Pinos Altos mine.

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company evaluates the estimates periodically, including those relating to trade receivables, inventories, deferred tax assets and liabilities, mining properties, goodwill and asset retirement obligations. 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. Actual results may differ from these estimates.

The Company believes the following critical accounting policies relate to its more significant judgments and estimates used in the preparation of its consolidated financial statements. Management has discussed the development and selection of the following critical accounting policies with the Audit Committee which has reviewed the Company's disclosure in this MD&A.

Mining Properties, Plant and Equipment and Mine Development 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 production begins, using the units-of-production method, based on estimated proven and probable mineral reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. Interest costs incurred for the construction of significant projects are capitalized.

Mine development costs incurred after the commencement of production are capitalized or deferred to the extent that these costs benefit the mining of the entire ore body. Costs incurred to access single ore blocks are expensed as incurred; otherwise, such vertical and horizontal development is classified as mine development costs.

Agnico Eagle records amortization on mine development costs used in commercial production on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the mine. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves. Plant and equipment is amortized on a straight-line basis over its specifically identified useful life.

Repairs and maintenance expenditures are charged to income as production costs. Assets under construction are not depreciated until the end of the construction period. Upon achievement of commercial production, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Mineral exploration costs are charged to income in the year in which they are incurred. When it is determined that a mining property can be economically developed as a result of established proven and probable mineral reserves, the costs of drilling and development to further delineate the ore body on such property are capitalized. The establishment of proven and probable mineral reserves is based on results of final feasibility studies that indicate whether a property is economically feasible. Upon commencement of the commercial production of a development project, these costs are transferred to the appropriate asset category and are amortized to income using the methodology described above. Mine development costs, net of salvage values, relating to a property that is abandoned or considered uneconomic for the foreseeable future are written off.

The carrying values of mining properties, plant and equipment and mine development costs are periodically reviewed for possible impairment, when impairment factors exist, based on the future undiscounted net cash flows of the operating mine or development property. If it is determined that the estimated net recoverable amount is less than the carrying value, then a write down to the estimated fair value amount is made with a charge to income. Estimated future cash flows of operating mines and development properties include estimates of recoverable ounces of gold based on the proven and probable mineral reserves. To the extent that economic value exists beyond the proven and probable mineral reserves of an operating mine or development property, this value is included as part of the estimated future cash flows. Estimated future cash flows also involve estimates regarding metal prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, and related income and mining taxes, all based on detailed life-of-mine plans. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows may affect the recoverability of long-lived assets.

Goodwill

Business combinations are accounted for using the purchase method whereby assets acquired and liabilities assumed are recorded at their fair values as of the date of acquisition and any excess of the purchase price over such fair values is recorded as goodwill. Goodwill is not amortized.

The Company performs goodwill impairment tests on an annual basis as well as when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Company estimates the fair values of its reporting units that include goodwill and compares those fair values to each reporting unit's carrying amount. If a reporting unit's carrying amount exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to the carrying amount and any excess of the carrying amount of goodwill over the implied fair value is charged to income.

Revenue Recognition

Revenue is recognized when the following conditions are met:

(a) persuasive evidence of an arrangement to purchase exists;

(b) the price is determinable;

(c) the product has been delivered; and

(d) collection of the sales price is reasonably assured.

Revenue from gold and silver in the form of dore bars is recorded when the refined gold and silver is sold and delivered to the customer. Generally, all 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.

Under the terms of the Company's concentrate sales contracts with third-party smelters, final prices for the metals contained in the concentrate are determined based on the prevailing spot market metal prices on a specified future date, which is established as of the date that the concentrate is delivered to the smelter. The Company records revenues under these contracts based on forward prices at the time of delivery, which is when transfer of legal title to concentrate passes to the third-party smelters. The terms of the contracts result in differences between the recorded estimated price at delivery and the final settlement price. These differences are adjusted through revenue at each subsequent financial statement date.

Revenues from mining operations consist of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from byproduct metals sales are shown net of smelter charges as part of revenues from mining operations.

Reclamation Costs

On an annual basis, the Company assesses cost estimates and other assumptions used in the valuation of asset retirement obligations ("AROs") at each of its mineral properties to reflect events, changes in circumstances and new information

available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the AROs. For closed mines, any change in the fair value of AROs results in a corresponding charge or credit to income, whereas at operating mines the charge is recorded as an adjustment to the carrying amount of the corresponding asset.

AROs arise from the acquisition, development, construction and operation 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 fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ARO is incurred. 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 proven and probable mineral reserves 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. When expected cash flows increase, the revised cash flows are discounted using a current discount factor, whereas when expected cash flows decrease, the reduced cash flows are discounted using the historical discount factor used in the original estimation of the expected cash flows. In either case, any change in the fair value of the ARO is recorded. Agnico Eagle records the fair value of an ARO when it is incurred. AROs are adjusted to reflect the passage of time (accretion), which is calculated by applying the discount factor implicit in the initial fair value measurement to the beginning of period carrying amount of the AROs. For producing mines, accretion expense is recorded in the cost of goods sold each period. Upon settlement of an ARO, Agnico Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that they do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal 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. ERL fair value is measured by discounting the expected related cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. On an annual basis, 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 fair value of the ERL. Any change in the fair value of ERLs results in a corresponding charge or credit to income. Upon settlement of an ERL, Agnico Eagle records a gain or loss if the actual cost differs from the carrying amount of the ERL. Settlement gains/losses are recorded in income.

Other environmental remediation costs that are not AROs or ERLs as defined by the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 410-20 – *Asset Retirement Obligations* and 410-30 – *Environmental Obligations*, respectively, are expensed as incurred.

Income and Mining Taxes

Agnico Eagle follows the liability method of tax allocation for accounting for income taxes. Under this method of tax allocation, deferred income and mining tax assets and liabilities are measured using the enacted tax rates and laws expected to be in effect when the temporary differences are expected to reverse.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxation authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and international tax audits. The Company recognizes the effect of uncertain tax positions and records tax liabilities for anticipated tax audit issues in Canada and other tax jurisdictions where it is more likely than not based on technical merits that the position would not be sustained. The Company recognizes the amount of any tax benefits that have greater than fifty percent likelihood of being ultimately realized upon settlement.

Changes in judgment related to the expected ultimate resolution of uncertain tax positions are recognized in the year of such change. Accrued interest and penalties related to unrecognized tax benefits are recorded in income tax expense. The Company adjusts these mineral reserves in light of changing facts and circumstances. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's estimate of the tax liabilities. If the Company's estimate of tax liabilities proves to be less than the ultimate

assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

Financial Instruments

Agnico Eagle uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in byproduct metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. Agnico Eagle does not hold financial instruments or derivative financial instruments for trading purposes.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in the consolidated statements of income (loss) and comprehensive income (loss) or in shareholders' equity as a component of accumulated other comprehensive loss, depending on the nature of the derivative financial instrument and whether it qualifies for hedge accounting. Financial instruments designated as hedges are tested for effectiveness on a quarterly basis. Gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

Stock-Based Compensation

The Company's Employee Stock Option Plan provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to 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) and comprehensive 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 the 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 dilutive impact of stock option grants is factored into the Company's reported diluted net income (loss) per share.

Commercial Production

The Company assesses each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant and its location. The Company considers various relevant criteria to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. The criteria considered include: (1) the completion of a reasonable period of testing of mine plant and equipment; (2) the ability to produce minerals in saleable form (within specifications); and (3) the ability to sustain ongoing production of minerals. When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventories or expensed, except for sustaining capital costs related to mining properties, plant and equipment or mine development.

Stripping Costs

Pre-production stripping costs are capitalized until an "other than de minimis" level of mineral is produced, after which time such costs are either capitalized to inventory or expensed. The Company considers various relevant criteria to assess when an "other than de minimis" level of mineral is produced. The criteria considered include: (1) the number of ounces mined compared to total ounces in mineral reserves; (2) the quantity of ore mined compared to the total quantity of ore expected to be mined over the life of the mine; (3) the current stripping ratio compared to the expected stripping ratio over the life of the mine; and (4) the ore grade compared to the expected ore grade over the life of the mine. Please refer to notes (iii) and (vi) of the "Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced by Mine" section of this MD&A for a discussion of stripping costs with regards to "total cash costs per ounce of gold produced".

Recently Issued Accounting Pronouncements and Developments

Under Securities and Exchange Commission ("SEC") Staff Accounting Bulletin 74, the Company is required to disclose information related to new accounting standards that have not yet been adopted. Agnico Eagle has evaluated newly issued accounting standards that have not yet been adopted and does not expect them to significantly impact the Company's consolidated financial statements.

International Financial Reporting Standards

As permitted by both the SEC in the United States and the Canadian Securities Administrators ("CSA") in Canada, Agnico Eagle currently prepares and files its consolidated financial statements in accordance with US GAAP. Generally accepted accounting principles for Canadian publicly accountable enterprises became International Financial Reporting Standards ("IFRS") in 2011 and the SEC now accepts financial statements prepared in accordance with IFRS without reconciliation to US GAAP from foreign private issuers. Accordingly, Agnico Eagle has decided to convert its basis of accounting to IFRS to enhance the comparability of its financial statements to the Company's peers in the mining industry.

The Company has commenced the process of converting its basis of accounting from US GAAP to IFRS with a transition date of January 1, 2013. Agnico Eagle anticipates reporting under IFRS for interim and annual periods beginning in the third quarter of 2014, with comparative information restated under IFRS.

The adoption of IFRS may require the Company to make changes in accounting policies that may have an impact on its reported financial position and results of operations. Where accounting policy alternatives are available, Agnico Eagle's primary objective will be the selection of IFRS accounting policies that provide meaningful and transparent information to shareholders.

The Company has developed a detailed IFRS conversion plan which includes the following three phases and the key activities to be performed in each phase:

- **Assessment phase:** During this now completed phase, the Company established a steering committee and IFRS working group, developed a detailed project plan, designed and implemented internal controls over the IFRS conversion plan and evaluated the high level differences between US GAAP and IFRS that may have an impact on the Company.

- **Impact analysis and design phase:** This phase involves the detailed analysis and quantification of the differences between Agnico Eagle's accounting policies under US GAAP and IFRS, the selection of IFRS accounting policies, the assessment of the impact on financial information systems and the development of a strategy for capturing IFRS comparative financial information, the incorporation of IFRS accounting policy and process changes into the Company's internal controls, the assessment of contractual arrangements and budgeting processes for IFRS conversion impacts and the provision of technical training to key finance and other personnel. This phase is in process and is expected to be completed during the second quarter of 2014.

- **Implementation phase:** This phase involves the implementation of changes to the Company's accounting policies and business processes as identified through the impact analysis and design phase and the revision of the Company's Accounting Policies and Procedures Manual to reflect these changes. The implementation phase will culminate in the preparation of IFRS consolidated financial statements including first-time adoption reconciliations from US GAAP in the third quarter of 2014.

Significant identified differences between US GAAP and IFRS and available IFRS accounting policy choices that may have an impact on the Company's consolidated financial statements are outlined below. These differences should not be regarded as a complete list of changes that will result from the transition to IFRS, rather they encompass management's high level evaluation of significant differences between US GAAP and IFRS and available IFRS accounting policy choices as they currently exist. At this stage in the IFRS conversion plan, the Company has not quantified the anticipated impact of these differences on our consolidated financial statements nor has the Company selected the IFRS accounting policies it will adopt.

First-time adoption of IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that IFRS effective at the end of an entity's first IFRS reporting period be applied retrospectively, with specific mandatory exceptions and certain optional exemptions. In accordance with its IFRS conversion plan, Agnico Eagle's first IFRS reporting period will be the third quarter of 2014.

Impairment

Under US GAAP, a two-step approach is used for long-lived asset impairment testing whereby long-lived assets are first tested for recoverability based on their expected undiscounted cash flows. If a long-lived asset's expected undiscounted cash flow exceeds the recorded carrying amount, no impairment charge is required. If the expected undiscounted cash flow is lower than the recorded carrying amount, the long-lived assets are written down to their estimated fair value. US GAAP does not permit the reversal of impairment losses.

Under IFRS, IAS 36 Impairment of Assets ("IAS 36") prescribes a one-step approach for asset impairment testing and measurement whereby an asset's recoverable amount is compared directly against its recorded carrying amount. Under IAS 36, an asset's recoverable amount is determined as the higher of the estimated fair value less costs to sell or value in use (which is measured using discounted cash flows). If an asset's recoverable amount is less than the recorded carrying amount, an impairment charge is required. IAS 36 also requires the reversal of previously recorded impairment losses where circumstances have changed such that the impairments have been reduced.

The difference in the approach to asset impairment testing and measurement may result in more frequent impairment charges under IFRS, where asset carrying values previously supported under US GAAP on an undiscounted cash flow basis cannot be supported on a discounted cash flow basis. However, the impact of any additional asset impairments recorded under IFRS may be partially offset by the requirement to reverse previously recorded impairment losses where circumstances have changed.

Production stripping costs

Under US GAAP, the cost of removing overburden and waste materials to expose ore and access mineral deposits for extraction during the production phase of a surface mine ("production stripping costs") are accounted for as production costs and are included in the cost of the inventory produced during the period in which the stripping costs are incurred.

Under IFRS, IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") requires that production stripping costs relating to improved access to ore be capitalized as part of a non-current stripping activity asset if probable future economic benefits will be realized, the costs can be reliably measured and the component of an ore body for which access has been improved can be identified. To the extent that ore is extracted and inventory is produced in the current period, IFRIC 20 instead prescribes that production stripping costs be accounted for as part of the cost of the inventory produced.

The difference in approach to accounting for production stripping costs will result in a decrease in direct production costs and an increase in amortization expense relating to the recognition of non-current stripping activity assets under IFRS.

Exploration and evaluation

Under US GAAP, the Company accounts for exploration and evaluation ("E&E") expenditures as current period operating expenses until it is determined that a mining property can be economically developed as a result of established proven and probable reserves. Once proven and probable reserves are established based on the results of a final feasibility study, the costs of drilling and development to further delineate the ore body are capitalized.

IFRS 6 Exploration for and Evaluation of Mineral Resources ("IFRS 6") provides guidance related to expenditures incurred during the E&E phase. IFRS 6 requires entities to select and consistently apply an accounting policy that specifies which expenditures are capitalized as E&E assets. However, IFRS 6 provides no specific guidance as to when E&E expenditures are to be capitalized.

Agnico Eagle is in the process of defining the E&E phase within the context of IFRS 6 and developing an accounting policy that outlines the point at which specific types of E&E expenditures will be capitalized.

Revenue Recognition

Revenue recognition criteria under IAS 18 Revenue ("IAS 18") include the probability that economic benefits associated with the transaction will flow to the entity and that the revenue can be measured reliably. The Company does not expect that the point at which it recognizes revenue will change under IFRS.

Property, Plant and Equipment

Under IFRS, IAS 16 Property, Plant and Equipment requires the separate identification and measurement of significant individual components of property, plant and equipment, with individual components depreciated based on their individual useful lives. The Company identified significant individual components of property, plant and equipment under US GAAP in 2013 and will assess whether an adjustment relating to the retrospective application and depreciation of these components is required to its opening January 1, 2013 balance sheet under IFRS.

Mineral Reserve Data

Information with respect to the Company's mineral reserves has been approved by Daniel Doucet, P.Eng., Corporate Director, Reserve Development, a "qualified person" under the CSA's National Instrument 43-101 *Standards of Disclosure for Mineral Properties*. The Company's mineral reserve estimate was derived from internally generated data or audited reports.

The assumptions used for the mineral reserve estimates at all mines and projects reported in this MD&A as at December 31, 2013 are $1,200 per ounce gold, $18.00 per ounce silver, $0.82 per pound zinc, $3.00 per pound copper, $0.91 per pound lead and exchange rates of C$1.03 per US$1.00, €0.76 per US$1.00 and 12.75 Mexican pesos per $1.00. The assumptions used for mineral reserve estimates as at December 31, 2012 were based on three-year average prices. The Company applied assumptions below the preceding three-year average for its December 31, 2013 mineral reserve estimates to reflect a lower commodity price environment.

Proven and Probable Mineral Reserves by Property [(i)]	Tonnes	Grade (Grams per Tonne)	Contained Gold (Ounces)[(ii)]
Proven Reserves			
LaRonde mine	5,978,000	3.48	668,000
Lapa mine	1,011,000	5.99	195,000
Goldex mine	119,000	1.52	6,000
Meadowbank mine	1,128,000	2.88	104,000
Meliadine project	34,000	7.31	8,000
Kittila mine	1,104,000	4.27	151,000
Pinos Altos mine (includes the Creston Mascota deposit at Pinos Altos)	1,966,000	2.54	161,000
La India project	228,000	0.64	5,000
Total Proven Reserves	11,568,000	3.49	1,298,000
Probable Reserves			
LaRonde mine	18,149,000	5.50	3,212,000
Lapa mine	456,000	5.92	87,000
Goldex mine	7,485,000	1.52	367,000
Meadowbank mine	15,692,000	3.26	1,647,000
Meliadine project	11,943,000	7.38	2,833,000
Kittila mine	30,520,000	4.65	4,563,000
Pinos Altos mine (includes the Creston Mascota deposit at Pinos Altos)	26,738,000	2.45	2,105,000
La India project	26,868,000	0.87	753,000
Total Probable Reserves	137,850,000	3.51	15,567,000
Total Proven and Probable Mineral Reserves	149,418,000	3.51	16,865,000

Notes:

(i) Complete information on the verification procedures, the quality assurance program, quality control procedures, operating and capital cost assumptions, parameters and methods and other factors that may materially affect scientific and technical information presented in this MD&A and definition of certain terms used herein may be found in: the AIF under the caption "Information on Mineral Reserves and Mineral Resources of the Company"; 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 Lapa Gold Project filed with Canadian securities regulatory authorities on SEDAR on June 8, 2006; the Technical Report on the December 31, 2009 Mineral Reserve and Mineral Resource 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 Mine, Nunavut, Canada as at December 31, 2011 filed with Canadian securities regulatory authorities on SEDAR on March 23, 2012; 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 Technical Report on the December 31, 2010 Mineral Resource and Mineral Reserve Estimate, Meliadine Gold Project, Nunavut, Canada filed with Canadian securities regulatory authorities on SEDAR on March 8, 2011; 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 Restatement of the Mineral Resources at Goldex Mine, Quebec, Canada as at October 19, 2011 filed with Canadian securities regulatory authorities on SEDAR on December 5, 2011 and 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.

(ii) Total contained gold ounces does not include equivalent gold ounces for the byproduct metals contained in the mineral reserves.

Non-US GAAP Financial Performance Measures

This MD&A presents certain financial performance measures, including adjusted net income, total cash costs per ounce of gold produced, minesite costs per tonne and all-in sustaining costs per ounce of gold produced, that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. Non-US GAAP financial performance measures should be considered together with other data prepared in accordance with US GAAP.

Adjusted Net Income

Adjusted net income is not a recognized measure under US GAAP 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) and comprehensive 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 US GAAP.

	Years Ended December 31,		
	2013	**2012**	**2011**
Net income (loss) for the year attributed to common shareholders	$ (406,526)	$ 310,916	$ (568,895)
Impairment loss on available-for-sale securities	34,272	12,732	8,569
Foreign currency translation (gain) loss	(7,188)	16,320	(1,082)
Stock options expense	25,008	33,792	42,594
Impairment loss (net of tax)	436,262	–	648,003
Loss on Goldex mine (net of tax)	–	–	197,285
Deferred tax charges (net)	47,194	–	(2,064)
Other	24,707	(2,077)	9,711
Adjusted net income for the year attributed to common shareholders	$ 153,729	$ 371,683	$ 334,121
Net income (loss) per share – basic	$ (2.35)	$ 1.82	$ (3.36)
Net income (loss) per share – diluted	$ (2.35)	$ 1.81	$ (3.36)
Adjusted net income per share – basic	$ 0.89	$ 2.17	$ 1.97
Adjusted net income per share – diluted	$ 0.89	$ 2.17	$ 1.97

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 are useful in allowing year over year comparisons. However, both of these non-US GAAP generally accepted industry measures should be considered together with other data prepared in accordance with US GAAP. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP.

Total cash costs per ounce of gold produced is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) and comprehensive income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in

byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

Minesite costs per tonne is calculated by adjusting production costs as shown in the consolidated statements of income (loss) and comprehensive income (loss) for unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in byproduct metal prices and exchange rates, management believes that the minesite costs per tonne measure provides additional information regarding the performance of mining operations. 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 production costs prepared in accordance with US GAAP.

The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

The following tables provide a reconciliation of total cash costs per ounce of gold produced and minesite costs per tonne to production costs as presented in the consolidated statements of income (loss) and comprehensive income (loss) in accordance with US GAAP.

Total Production Costs by Mine

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars)		
Production costs per the consolidated statements of income (loss)	$ 924,927	$ 897,712	$ 876,078
LaRonde mine	229,911	225,647	209,947
Lapa mine	69,532	73,376	68,599
Goldex mine	13,172	–	56,939
Meadowbank mine	363,894	347,710	284,502
Kittila mine[(i)]	80,287	98,037	110,477
Pinos Altos mine	130,129	128,618	131,044
Creston Mascota deposit at Pinos Altos[(ii)]	16,726	17,885	14,570
Total	$ 903,651	$ 891,273	$ 876,078

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced [iii] by Mine

LaRonde Mine – Total Cash Costs per Ounce of Gold Produced[iii]	**Year Ended December 31, 2013**	**Year Ended December 31, 2012**	**Year Ended December 31, 2011**
	(thousands of United States dollars, except as noted)		
Production costs	$ 229,911	$ 225,647	$ 209,947
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(82,057)	(131,750)	(194,000)
Inventory and other adjustments [iv]	(7,123)	107	(2,309)
Non-cash reclamation provision	(2,122)	(2,422)	(4,062)
Cash operating costs	$ 138,609	$ 91,582	$ 9,576
Gold production (ounces)	181,781	160,875	124,173
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$ 763	$ 569	$ 77

Lapa Mine – Total Cash Costs per Ounce of Gold Produced[iii]	**Year Ended December 31, 2013**	**Year Ended December 31, 2012**	**Year Ended December 31, 2011**
	(thousands of United States dollars, except as noted)		
Production costs	$ 69,532	$ 73,376	$ 68,599
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	376	513	663
Inventory and other adjustments [iv]	(1,504)	(71)	631
Non-cash reclamation provision	(67)	191	(348)
Cash operating costs	$ 68,337	$ 74,009	$ 69,545
Gold production (ounces)	100,730	106,191	107,068
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$ 678	$ 697	$ 650

Goldex Mine – Total Cash Costs per Ounce of Gold Produced[iii][v]	**Year Ended December 31, 2013**	**Year Ended December 31, 2012**	**Year Ended December 31, 2011**
	(thousands of United States dollars, except as noted)		
Production costs	$ 13,172	$ –	$ 56,939
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	26	–	395
Inventory and other adjustments [iv]	1,896	–	(2,778)
Non-cash reclamation provision	–	–	(173)
Cash operating costs	$ 15,094	$ –	$ 54,383
Gold production (ounces)	19,305	–	135,478
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$ 782	$ –	$ 401

Meadowbank Mine – Total Cash Costs per Ounce of Gold Produced[iii]		**Year Ended December 31, 2013**		**Year Ended December 31, 2012**		**Year Ended December 31, 2011**
		(thousands of United States dollars, except as noted)				
Production costs	$	363,894	$	347,710	$	284,502
Adjustments:						
Byproduct metal revenues, net of smelting, refining and marketing charges		(1,471)		(1,651)		(546)
Inventory and other adjustments[iv]		(5,471)		4,582		(1,670)
Non-cash reclamation provision		(1,538)		(1,611)		(1,679)
Stripping costs[vi]		(22,305)		(14,806)		(9,746)
Cash operating costs	$	333,109	$	334,224	$	270,861
Gold production (ounces)		430,613		366,030		270,801
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$	774	$	913	$	1,000

Kittila Mine – Total Cash Costs per Ounce of Gold Produced[i][iii]		**Year Ended December 31, 2013**		**Year Ended December 31, 2012**		**Year Ended December 31, 2011**
		(thousands of United States dollars, except as noted)				
Production costs	$	80,287	$	98,037	$	110,477
Adjustments:						
Byproduct metal revenues, net of smelting, refining and marketing charges		281		391		152
Inventory and other adjustments[iv]		4,561		1,564		(1,267)
Non-cash reclamation provision		(435)		(551)		(206)
Stripping costs[vi]		–		–		(3,018)
Cash operating costs	$	84,694	$	99,441	$	106,138
Gold production (ounces)		141,032		175,878		143,560
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$	601	$	565	$	739

Pinos Altos Mine – Total Cash Costs per Ounce of Gold Produced[iii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 130,129	$ 128,618	$ 131,044
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(48,417)	(67,720)	(60,091)
Inventory and other adjustments[iv]	(884)	2,718	1,420
Non-cash reclamation provision	(297)	(205)	(907)
Stripping costs[vi]	(5,581)	(12,762)	(24,260)
Cash operating costs	$ 74,950	$ 50,649	$ 47,206
Gold production (ounces)	181,773	183,662	166,158
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$ 412	$ 276	$ 284

Creston Mascota deposit at Pinos Altos – Total Cash Costs per Ounce of Gold Produced[ii][iii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 16,726	$ 17,885	$ 14,570
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(520)	(1,758)	(562)
Inventory and other adjustments[iv]	517	(60)	451
Non-cash reclamation provision	(108)	(559)	(465)
Stripping costs[vi]	(1,052)	–	–
Cash operating costs	$ 15,563	$ 15,508	$ 13,994
Gold production (ounces)	32,120	47,615	38,222
Total cash costs per ounce of gold produced ($ per ounce) [iii]	$ 485	$ 326	$ 366

Reconciliation of Production Costs to Minesite Costs per Tonne [vii] by Mine

LaRonde Mine – Minesite Costs per Tonne[vii]		Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011
		(thousands of United States dollars, except as noted)				
Production costs	$	229,911	$	225,647	$	209,947
Adjustments:						
Inventory adjustment[viii]		(6,259)		984		(22)
Non-cash reclamation provision		(2,122)		(2,421)		(4,062)
Minesite operating costs	$	221,530	$	224,210	$	205,863
Minesite operating costs (thousands of C$)	C$	228,654	C$	225,159	C$	202,957
Tonnes of ore milled (thousands of tonnes)		2,319		2,359		2,406
Minesite costs per tonne (C$)[vii]	C$	99	C$	95	C$	84

Lapa Mine – Minesite Costs per Tonne[vii]		Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011
		(thousands of United States dollars, except as noted)				
Production costs	$	69,532	$	73,376	$	68,599
Adjustments:						
Inventory adjustment[viii]		(1,217)		54		1,071
Non-cash reclamation provision		(67)		191		(348)
Minesite operating costs	$	68,248	$	73,621	$	69,322
Minesite operating costs (thousands of C$)	C$	70,621	C$	73,813	C$	68,403
Tonnes of ore milled (thousands of tonnes)		641		641		621
Minesite costs per tonne (C$)[vii]	C$	110	C$	115	C$	110

Goldex Mine – Minesite Costs per Tonne[vii]		Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011
		(thousands of United States dollars, except as noted)				
Production costs	$	13,172	$	–	$	56,939
Adjustments:						
Inventory adjustment[viii]		1,896		–		(2,407)
Non-cash reclamation provision		–		–		(173)
Minesite operating costs	$	15,068	$	–	$	54,359
Minesite operating costs (thousands of C$)	C$	15,798	C$	–	C$	53,208
Tonnes of ore milled (thousands of tonnes)		492		–		2,477
Minesite costs per tonne (C$)[vii]	C$	32	C$	–	C$	21

Meadowbank Mine – Minesite Costs per Tonne[vii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 363,894	$ 347,710	$ 284,502
Adjustments:			
Inventory adjustment[viii]	(5,220)	4,407	253
Non-cash reclamation provision	(1,538)	(1,610)	(1,679)
Stripping costs[vi]	(22,305)	(14,806)	(9,746)
Minesite operating costs	$ 334,831	$ 335,701	$ 273,330
Minesite operating costs (thousands of C$)	C$ 343,147	C$ 336,431	C$ 272,157
Tonnes of ore milled (thousands of tonnes)	4,143	3,821	2,978
Minesite costs per tonne (C$)[vii]	C$ 83	C$ 88	C$ 91

Kittila Mine – Minesite Costs per Tonne[i][vii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 80,287	$ 98,037	$ 110,477
Adjustments:			
Inventory adjustment[viii]	4,561	1,569	(1,324)
Non-cash reclamation provision	(435)	(551)	(206)
Stripping costs[vi]	–	–	(3,018)
Minesite operating costs	$ 84,413	$ 99,055	$ 105,929
Minesite operating costs (thousands of €)	€ 64,102	€ 75,305	€ 76,817
Tonnes of ore milled (thousands of tonnes)	882	1,090	1,031
Minesite costs per tonne (€)[vii]	€ 73	€ 69	€ 75

Pinos Altos Mine – Minesite Costs per Tonne[vii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 130,129	$ 128,618	$ 131,044
Adjustments:			
Inventory adjustment[viii]	(821)	2,815	146
Non-cash reclamation provision	(297)	(205)	(907)
Stripping costs[vi]	(5,581)	(12,762)	(24,260)
Minesite operating costs	$ 123,430	$ 118,466	$ 106,023
Tonnes of ore processed (thousands of tonnes)	2,725	2,862	2,956
Minesite costs per tonne (US$)[vii]	$ 45	$ 41	$ 36

Creston Mascota deposit at Pinos Altos – Minesite Costs per Tonne[ii][vii]	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(thousands of United States dollars, except as noted)		
Production costs	$ 16,726	$ 17,885	$ 14,570
Adjustments:			
Inventory adjustment[viii]	515	(60)	(315)
Non-cash reclamation provision	(108)	(559)	(465)
Stripping costs[vi]	(1,052)	–	–
Minesite operating costs	$ 16,081	$ 17,266	$ 13,790
Tonnes of ore processed (thousands of tonnes)	1,024	1,454	1,553
Minesite costs per tonne (US$)[vii]	$ 16	$ 12	$ 9

Notes:

(i) Excludes the Kittila mine's results for the second quarter of 2013. Due to an extended maintenance shutdown, the Kittila mine only operated for 14 days during the second quarter of 2013. The Kittila mine incurred $18,159,000 in production costs during the second quarter of 2013, which were excluded from the calculation of total cash costs per ounce of gold produced and minesite costs per tonne.

(ii) Excludes results from the Creston Mascota deposit at Pinos Altos for the first quarter of 2013 and the fourth quarter of 2012 due to an unexpected movement of leached ore at the Phase One leach pad, resulting in the temporary suspension of active leaching between October 1, 2012 and March 13, 2013. The Creston Mascota deposit at Pinos Altos incurred $3,117,000 and $6,439,000 in production costs during the first quarter of 2013 and the fourth quarter of 2012, respectively, which were excluded from the calculation of total cash costs per ounce of gold produced and minesite costs per tonne.

(iii) Total cash costs per ounce of gold produced is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. The Company believes that this generally accepted industry measure is a realistic indication of operating performance and is a useful comparison point between periods. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iv) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title and risk is transferred. As total cash costs per ounce of gold produced are calculated on a production basis, this inventory adjustment reflects the sales margin on the portion of concentrate production not yet recognized as revenue.

(v) Excludes the Goldex mine's results for the third quarter of 2013. Initial non-commercial payable gold production of 1,505 ounces was achieved at the Goldex mine's M and E Zones during the third quarter of 2013. 2011 results relate to the Goldex mine's GEZ prior to the indefinite suspension of operations there on October 19, 2011 due to geotechnical concerns.

(vi) The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

(vii) Minesite costs per tonne is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) for unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by tonnes of ore milled. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in byproduct metal prices and exchange rates, management believes that the minesite costs per tonne measure provides 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 US GAAP.

(viii) This inventory adjustment reflects production costs associated with unsold concentrates.

All-in Sustaining Costs per Ounce of Gold Produced

All-in sustaining costs per ounce of gold produced, calculated beginning in 2013, is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. The Company believes that this measure provides a realistic indicator of operating performance. However, this non-US GAAP measure should be considered together with other data prepared in accordance with US GAAP as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP.

The following table provides a reconciliation of production costs to all-in sustaining costs per ounce of gold produced for 2013.

(United States dollars per ounce of gold produced, except where noted)	**Year Ended December 31, 2013**
Production costs per the consolidated statements of income (loss) (thousands of United States dollars)	$924,927
Adjusted production costs (thousands of United States dollars) [(i)(ii)]	$903,651
Adjusted gold production (ounces) [(i)(ii)(iii)]	1,087,354
Adjusted production costs [(i)(ii)(iii)]	$831
Adjustments:	
Byproduct metal revenues, net of smelting, refining and marketing charges	(121)
Inventory and other adjustments [(iv)]	(7)
Non-cash reclamation provision	(4)
Stripping costs [(v)]	(27)
Total cash costs per ounce of gold produced [(vi)]	672
Adjustments:	
Sustaining capital expenditures	184
Exploration and corporate development expenses (excluding greenfield exploration)	14
General and administrative expenses (net of stock options)	82
All-in sustaining costs per ounce of gold produced	$952

Notes:

(i) Excludes the Kittila mine's results for the second quarter of 2013. Due to an extended maintenance shutdown, the Kittila mine only operated for 14 days during the second quarter of 2013. The Kittila mine incurred $18,159,000 in production costs and produced 5,389 ounces of gold during the second quarter of 2013, which was excluded from the calculation of total cash costs per ounce of gold produced.

(ii) Excludes results from the Creston Mascota deposit at Pinos Altos for the first quarter of 2013 due to the temporary suspension of active leaching between October 1, 2012 and March 13, 2013 as a result of an unexpected movement of leached ore at the Phase One leach pad. The Creston Mascota deposit at Pinos Altos incurred $3,117,000 in production costs and produced 1,907 ounces of gold during the first quarter of 2013, which was excluded from the calculation of total cash costs per ounce of gold produced.

(iii) Excludes the Goldex mine's results for the third quarter of 2013 and the La India project's results for the fourth quarter of 2013. Initial non-commercial payable gold production of 1,505 ounces was achieved at the Goldex mine's M and E Zones during the third quarter of 2013. Initial non-commercial payable gold production of 3,180 ounces was achieved at the La India project during the fourth quarter of 2013.

(iv) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title and risk is transferred. As total cash costs per ounce of gold produced are calculated on a production basis, this inventory adjustment reflects the sales margin on the portion of concentrate production not yet recognized as revenue.

(v) The Company reports total cash costs per ounce of gold produced using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced to the Company's peers within the mining industry.

(vi) Total cash costs per ounce of gold produced is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. The Company believes that this generally accepted industry measure is a realistic indication of operating performance and is a useful comparison point between periods. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

SUMMARIZED QUARTERLY DATA

(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2013	**June 30, 2013**	**September 30, 2013**	**December 31, 2013**	**Total 2013**
Operating margin[(i)]:					
Revenues from mining operations	$ 420,422	$ 336,424	$ 444,320	$ 437,240	$ 1,638,406
Production costs	230,053	225,951	231,535	237,388	924,927
Total operating margin[(i)]	190,369	110,473	212,785	199,852	713,479
Operating margin[(i)] by mine:					
LaRonde mine	33,295	14,372	26,136	26,186	99,989
Lapa mine	21,788	16,643	15,859	17,345	71,635
Goldex mine[(ii)]	–	–	–	8,246	8,246
Meadowbank mine	36,503	32,382	82,906	75,788	227,579
Kittila mine	44,956	(112)	39,019	27,414	111,277
Pinos Altos mine	56,038	41,708	38,464	36,864	173,074
Creston Mascota deposit at Pinos Altos	(2,211)	5,480	10,401	8,009	21,679
Total operating margin[(i)]	190,369	110,473	212,785	199,852	713,479
Amortization of property, plant and mine development	70,071	70,128	76,054	79,825	296,078
Impairment loss	–	–	–	537,227	537,227
Exploration, corporate and other	71,690	63,805	57,940	57,421	250,856
Income (loss) before income and mining taxes	48,608	(23,460)	78,791	(474,621)	(370,682)
Income and mining taxes expense (recovery)	24,749	920	31,480	(21,305)	35,844
Net income (loss) for the period	$ 23,859	$ (24,380)	$ 47,311	$ (453,316)	$ (406,526)
Net income (loss) per share – basic (US$)	$ 0.14	$ (0.14)	$ 0.27	$ (2.61)	$ (2.35)
Net income (loss) per share – diluted (US$)	$ 0.14	$ (0.14)	$ 0.27	$ (2.61)	$ (2.35)
Cash flows:					
Cash provided by operating activities	$ 146,072	$ 75,298	$ 80,982	$ 135,944	$ 438,296
Cash used in investing activities	$ (141,479)	$ (218,282)	$ (145,629)	$ (139,083)	$ (644,473)
Cash (used in) provided by financing activities	$ (69,504)	$ 18,677	$ 68,745	$ 30,811	$ 48,729
Realized prices (US$):					
Gold (per ounce)	$ 1,611	$ 1,336	$ 1,333	$ 1,244	$ 1,366
Silver (per ounce)	$ 29	$ 19	$ 22	$ 20	$ 22

Zinc (per tonne)	$	2,002	$	1,753	$	1,874	$	1,958	$	1,907
Copper (per tonne)	$	7,570	$	6,551	$	7,330	$	7,275	$	7,160

Payable production[iii]:

Gold (ounces):					
LaRonde mine	39,073	46,119	45,253	51,336	181,781
Lapa mine	26,868	23,178	24,361	26,323	100,730
Goldex mine[ii]	–	–	1,505	19,305	20,810
Meadowbank mine	81,818	91,873	133,489	123,433	430,613
Kittila mine	43,145	5,389	56,177	41,710	146,421
Pinos Altos mine	44,164	47,383	43,736	46,490	181,773
Creston Mascota deposit at Pinos Altos	1,907	10,147	11,307	10,666	34,027
La India project[iv]	–	–	–	3,180	3,180
Total gold (ounces)	236,975	224,089	315,828	322,443	1,099,335
Silver (thousands of ounces):					
LaRonde mine	611	424	571	496	2,102
Meadowbank mine	22	23	26	29	100
Kittila mine	2	–	2	2	6
Pinos Altos mine	613	605	600	548	2,366
Creston Mascota deposit at Pinos Altos	3	14	14	15	46
La India project[iv]	–	–	–	3	3
Total silver (thousands of ounces)	1,251	1,066	1,213	1,093	4,623
Zinc (tonnes)	8,239	3,455	3,648	4,472	19,814
Copper (tonnes)	1,082	1,280	1,241	1,232	4,835
Payable metal sold:					
Gold (ounces):					
LaRonde mine	39,588	46,953	47,185	50,763	184,489
Lapa mine	23,939	25,644	24,306	28,784	102,673
Goldex mine[ii]	–	–	–	16,991	16,991
Meadowbank mine	80,012	87,798	132,010	130,928	430,748
Kittila mine	44,340	12,752	48,027	43,442	148,561
Pinos Altos mine	44,523	48,770	44,554	45,117	182,964
Creston Mascota deposit at Pinos Altos	587	8,112	12,761	10,496	31,956
Total gold (ounces)	232,989	230,029	308,843	326,521	1,098,382

Silver (thousands of ounces):

LaRonde mine	583	487	584	525	2,179
Meadowbank mine	22	23	26	28	99
Kittila mine	1	2	1	1	5
Pinos Altos mine	586	640	588	553	2,367
Creston Mascota deposit at Pinos Altos	–	14	16	14	44
Total silver (thousands of ounces)	1,192	1,166	1,215	1,121	4,694
Zinc (tonnes)	6,999	5,280	3,030	5,123	20,432
Copper (tonnes)	1,067	1,291	1,253	1,227	4,838

SUMMARIZED QUARTERLY DATA

(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	Total 2012
Operating margin[(i)]:					
Revenues from mining operations	$ 472,934	$ 459,561	$ 535,836	$ 449,383	$ 1,917,714
Production costs	215,035	219,906	220,408	242,363	897,712
Total operating margin[(i)]	257,899	239,655	315,428	207,020	1,020,002
Operating margin[(i)] by mine:					
LaRonde mine	63,266	29,342	45,625	35,363	173,596
Lapa mine	27,677	26,222	25,723	20,755	100,377
Meadowbank mine	48,772	72,715	104,258	36,170	261,915
Kittila mine	49,049	31,489	52,655	53,199	186,392
Pinos Altos mine	55,978	53,623	63,802	61,092	234,495
Creston Mascota deposit at Pinos Altos	13,157	26,264	23,365	441	63,227
Total operating margin[(i)]	257,899	239,655	315,428	207,020	1,020,002
Amortization of property, plant and mine development	64,553	66,310	68,318	72,680	271,861
Exploration, corporate and other	85,836	96,169	94,763	36,232	313,000
Income before income and mining taxes	107,510	77,176	152,347	98,108	435,141
Income and mining taxes expense	28,962	33,904	46,021	15,338	124,225
Net income for the period	$ 78,548	$ 43,272	$ 106,326	$ 82,770	$ 310,916
Net income per share – basic (US$)	$ 0.46	$ 0.25	$ 0.62	$ 0.48	$ 1.82
Net income per share – diluted (US$)	$ 0.46	$ 0.25	$ 0.62	$ 0.48	$ 1.81
Cash flows:					
Cash provided by operating activities	$ 196,497	$ 194,082	$ 199,464	$ 105,964	$ 696,007
Cash used in investing activities	$ (88,908)	$ (68,619)	$ (121,837)	$ (96,792)	$ (376,156)
Cash (used in) provided by financing activities	$ (132,078)	$ (29,258)	$ (55,406)	$ 14,136	$ (202,606)
Realized prices (US$):					
Gold (per ounce)	$ 1,684	$ 1,602	$ 1,695	$ 1,684	$ 1,667
Silver (per ounce)	$ 34	$ 26	$ 34	$ 31	$ 32
Zinc (per tonne)	$ 2,125	$ 1,901	$ 1,836	$ 1,906	$ 1,955
Copper (per tonne)	$ 9,006	$ 6,455	$ 9,046	$ 7,668	$ 8,083

Payable production[(iii)]**:**

Gold (ounces):					
LaRonde mine	43,281	40,206	40,477	36,911	160,875
Lapa mine	28,499	28,157	24,914	24,621	106,191
Meadowbank mine	79,401	98,403	110,988	77,238	366,030
Kittila mine	46,758	35,228	48,619	45,273	175,878
Pinos Altos mine	43,292	45,307	46,131	48,932	183,662
Creston Mascota deposit at Pinos Altos	13,724	18,049	15,842	3,560	51,175
Total gold (ounces)	254,955	265,350	286,971	236,535	1,043,811
Silver (thousands of ounces):					
LaRonde mine	690	532	475	547	2,244
Meadowbank mine	18	26	26	21	91
Pinos Altos mine	494	513	608	622	2,237
Creston Mascota deposit at Pinos Altos	13	24	31	6	74
Total silver (thousand of ounces)	1,215	1,095	1,140	1,196	4,646
Zinc (tonnes)	12,978	9,558	7,379	8,722	38,637
Copper (tonnes)	1,326	1,004	982	814	4,126
Payable metal sold:					
Gold (ounces):					
LaRonde mine	43,745	39,886	37,466	37,726	158,823
Lapa mine	27,897	27,793	24,772	24,309	104,771
Meadowbank mine	74,614	93,299	116,341	79,752	364,006
Kittila mine	44,227	34,476	45,155	46,620	170,478
Pinos Altos mine	41,857	45,446	44,882	46,149	178,334
Creston Mascota deposit at Pinos Altos	10,288	20,927	16,383	4,052	51,650
Total gold (ounces)	242,628	261,827	284,999	238,608	1,028,062
Silver (thousands of ounces):					
LaRonde mine	718	482	467	566	2,233
Meadowbank mine	18	24	26	19	87
Pinos Altos mine	482	502	603	575	2,162
Creston Mascota deposit at Pinos Altos	11	23	32	8	74
Total silver (thousand of ounces)	1,229	1,031	1,128	1,168	4,556
Zinc (tonnes)	13,032	10,379	10,120	9,073	42,604
Copper (tonnes)	1,293	1,085	937	800	4,115

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) The Goldex mine's M and E Zones achieved commercial production on October 1, 2013.

(iii) Payable production 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 inventory at the end of the period.

(iv) The La India project is expected to achieve commercial production in the first quarter of 2014.

FIVE YEAR FINANCIAL AND OPERATING SUMMARY

(thousands of United States dollars, except where noted)

	2013	2012	2011	2010	2009
Revenues from mining operations	$ 1,638,406	$ 1,917,714	$ 1,821,799	$ 1,422,521	$ 613,762
Production costs	924,927	897,712	876,078	677,472	306,318
Operating margin	713,479	1,020,002	945,721	745,049	307,444
Amortization of property, plant and mine development	296,078	271,861	261,781	192,486	72,461
Impairment loss	537,227	–	907,681	–	–
Loss on Goldex mine	–	–	302,893	–	–
Exploration, corporate and other	250,856	313,000	251,994	117,360	126,945
Income (loss) before income and mining taxes	(370,682)	435,141	(778,628)	435,203	108,038
Income and mining taxes expense (recovery)	35,844	124,225	(209,673)	103,087	21,500
Net income (loss) for the year	$ (406,526)	$ 310,916	$ (568,955)	$ 332,116	$ 86,538
Attributed to non-controlling interest	$ –	$ –	$ (60)	$ –	$ –
Attributed to common shareholders	$ (406,526)	$ 310,916	$ (568,895)	$ 332,116	$ 86,538
Net income (loss) per share – basic (US$)	$ (2.35)	$ 1.82	$ (3.36)	$ 2.05	$ 0.55
Net income (loss) per share – diluted (US$)	$ (2.35)	$ 1.81	$ (3.36)	$ 2.00	$ 0.55
Cash provided by operating activities	438,296	$ 696,007	$ 667,185	$ 487,507	$ 118,139
Cash used in investing activities	(644,473)	$ (376,156)	$ (760,484)	$ (523,306)	$ (587,611)
Cash provided by (used in) financing activities	48,729	$ (202,606)	$ 178,822	$ (25,982)	$ 556,785
Dividends declared per common share	$ 0.66	$ 1.02	$ –	$ 0.64	$ 0.18
Capital expenditures	$ 577,789	$ 445,550	$ 482,831	$ 511,641	$ 657,175
Average gold price realized ($ per ounce)	$ 1,366	$ 1,667	$ 1,573	$ 1,250	$ 1,024
Average exchange rate (C$ per $)	C$ 1.0301	C$ 0.9994	C$ 0.9893	C$ 1.0301	C$ 1.1415
Weighted average number of common shares outstanding – basic (thousands)	172,893	171,250	169,353	162,343	155,942
Working capital and credit facility drawdown availability	$ 1,593,071	$ 1,795,495	$ 1,472,300	$ 1,491,471	$ 598,581
Total assets	$ 4,959,359	$ 5,256,119	$ 5,034,262	$ 5,500,351	$ 4,427,357
Long-term debt	$ 1,000,000	$ 830,000	$ 920,095	$ 650,000	$ 715,000
Shareholders' equity	$ 2,977,149	$ 3,410,212	$ 3,215,163	$ 3,665,450	$ 2,751,761

Operating Summary

LaRonde mine					
Revenues from mining operations	$ 329,900	$ 399,243	$ 398,609	$ 392,386	$ 352,221
Production costs	229,911	225,647	209,947	189,146	164,221
Operating margin	$ 99,989	$ 173,596	$ 188,662	$ 203,240	$ 188,000
Amortization of property, plant and mine development	60,595	47,912	31,089	30,404	28,392
Gross profit	$ 39,394	$ 125,684	$ 157,573	$ 172,836	$ 159,608
Tonnes of ore milled	2,319,132	2,358,499	2,406,342	2,592,252	2,545,831
Gold – grams per tonne	2.63	2.36	1.79	2.17	2.75
Gold production – ounces	181,781	160,875	124,173	162,806	203,494
Silver production – thousands of ounces	2,102	2,244	3,169	3,581	3,919
Zinc production – tonnes	19,814	38,637	54,894	62,544	56,186
Copper production – tonnes	4,835	4,126	3,216	4,224	6,671
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 1,265	$ 1,403	$ 1,691	$ 1,162	$ 807
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	(451)	(819)	(1,562)	(1,180)	(699)
Inventory and other adjustments [(i)]	(39)	1	(19)	19	1
Non-cash reclamation provision	(12)	(16)	(33)	(8)	(6)
Total cash cost per ounce of gold produced [(ii)]	$ 763	$ 569	$ 77	$ (7)	$ 103
Minesite costs per tonne[(iii)]	C$ 99	C$ 95	C$ 84	C$ 75	C$ 72
Lapa mine					
Revenues from mining operations	$ 141,167	$ 173,753	$ 167,536	$ 150,917	$ 43,409
Production costs	69,532	73,376	68,599	66,199	33,472
Operating margin	$ 71,635	$ 100,377	$ 98,937	$ 84,718	$ 9,937
Amortization of property, plant and mine development	44,031	42,216	37,954	31,986	9,906
Gross profit	$ 27,604	$ 58,161	$ 60,983	$ 52,732	$ 31
Tonnes of ore milled	640,422	640,306	620,712	551,739	299,430
Gold – grams per tonne	6.06	6.48	6.62	8.26	7.29
Gold production – ounces	100,730	106,191	107,068	117,456	52,602
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 690	$ 691	$ 641	$ 564	$ 636

Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	4	5	6	5	–
Inventory and other adjustments [(i)]	(15)	(1)	6	(40)	115
Non-cash reclamation provision	(1)	2	(3)	–	–
Total cash costs per ounce of gold produced [(ii)]	$ 678	$ 697	$ 650	$ 529	$ 751
Minesite costs per tonne[(iii)]	C$ 110	C$ 115	C$ 110	C$ 114	C$ 140
Goldex mine					
Revenues from mining operations	$ 21,418	–	$ 217,662	$ 225,090	$ 142,493
Production costs	13,172	–	56,939	61,561	54,342
Operating margin	$ 8,246	–	$ 160,723	$ 163,529	$ 88,151
Amortization of property, plant and mine development	1,208	–	16,910	21,428	21,716
Gross profit	$ 7,038	–	$ 143,813	$ 142,101	$ 66,435
Tonnes of ore milled	527,654	–	2,476,515	2,781,564	2,614,645
Gold – grams per tonne	1.35	–	1.79	2.21	1.98
Gold production – ounces	20,810	–	135,478	184,386	148,849
Total cash cost per ounce of gold produced ($ per ounce basis)[(iv)]:					
Production costs	$ 682	–	$ 420	$ 333	$ 365
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	2	–	3	4	–
Inventory and other adjustments [(i)]	98	–	(21)	(1)	3
Non-cash reclamation provision	–	–	(1)	(1)	(1)
Total cash costs per ounce of gold produced [(ii)]	$ 782	–	$ 401	$ 335	$ 367
Minesite costs per tonne[(iii)(iv)]	C$ 32	C$ –	C$ 21	C$ 22	C$ 23
Meadowbank mine					
Revenues from mining operations	$ 591,473	$ 609,625	$ 434,051	$ 318,351	$ –
Production costs	363,894	347,710	284,502	182,533	–
Operating margin	$ 227,579	$ 261,915	$ 149,549	$ 135,818	$ –
Amortization of property, plant and mine development	120,348	114,114	112,624	55,604	–
Gross profit	$ 107,231	$ 147,801	$ 36,925	$ 80,214	$ –

Tonnes of ore milled		4,142,840		3,820,911		2,977,722		2,000,792		–
Gold – grams per tonne		3.43		3.17		3.02		4.34		–
Gold production – ounces		430,613		366,030		270,801		265,659		–
Silver production – thousands of ounces		100		91		60		46		–
Total cash costs per ounce of gold produced ($ per ounce basis):										
Production costs	$	845	$	950	$	1,051	$	690	$	–
Adjustments:										
Byproduct metal revenues, net of smelting, refining and marketing charges		(2)		(5)		(2)		(2)		–
Inventory and other adjustments[(i)]		(13)		13		(6)		26		–
Non-cash reclamation provision		(4)		(4)		(7)		(5)		–
Stripping costs[(v)]		(52)		(41)		(36)		(16)		–
Total cash costs per ounce of gold produced [(ii)]	$	774	$	913	$	1,000	$	693	$	–
Minesite costs per tonne[(iii)(v)]	C$	83	C$	88	C$	91	C$	95	C$	–
Kittila mine										
Revenues from mining operations	$	209,723	$	284,429	$	225,612	$	160,140	$	61,457
Production costs		98,446		98,037		110,477		87,740		42,464
Operating margin	$	111,277	$	186,392	$	115,135	$	72,400	$	18,993
Amortization of property, plant and mine development		27,410		30,091		26,574		31,488		10,909
Gross profit	$	83,867	$	156,301	$	88,561	$	40,912	$	8,084
Tonnes of ore milled		934,224		1,090,365		1,030,764		960,365		563,238
Gold – grams per tonne		5.40		5.68		5.11		5.41		5.02
Gold production – ounces		146,421		175,878		143,560		126,205		71,838
Silver production – thousands of ounces		6		–		–		–		–
Total cash costs per ounce of gold produced ($ per ounce basis)[(vi)]:										
Production costs	$	569	$	557	$	770	$	695	$	648

Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	3	2	1	2	–
Inventory and other adjustments [(i)]	32	9	(10)	(38)	24
Non-cash reclamation provision	(3)	(3)	(1)	(2)	(4)
Stripping costs [(v)]	–	–	(21)	–	–
Total cash costs per ounce of gold produced [(ii)]	$ 601	$ 565	$ 739	$ 657	$ 668
Minesite costs per tonne [(iii)(v)(vi)]	€ 73	€ 69	€ 75	€ 66	€ 54
Pinos Altos mine					
Revenues from mining operations	$ 303,203	$ 363,113	$ 321,074	$ 175,637	$ 14,182
Production costs	130,129	128,618	131,044	90,293	11,819
Operating margin	$ 173,074	$ 234,495	$ 190,030	$ 85,344	$ 2,363
Amortization of property, plant and mine development	35,268	31,051	31,387	21,577	1,524
Gross profit	$ 137,806	$ 203,444	$ 158,643	$ 63,767	$ 839
Tonnes of ore processed	2,725,703	2,862,309	2,955,844	2,318,266	227,394
Gold – grams per tonne	2.20	2.17	1.95	1.95	1.08
Gold production – ounces	181,773	183,662	166,158	130,431	16,189
Silver production – thousands of ounces	2,366	2,237	1,824	1,185	116
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 716	$ 700	$ 789	$ 692	$ 1,227
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	(266)	(369)	(362)	(192)	(65)
Inventory and other adjustments [(i)]	(5)	15	8	22	(556)
Non-cash reclamation provision	(2)	(1)	(5)	(6)	(10)
Stripping costs [(v)]	(31)	(69)	(146)	(91)	–
Total cash costs per ounce of gold produced [(ii)]	$ 412	$ 276	$ 284	$ 425	$ 596
Minesite costs per tonne [(iii)(v)]	$ 45	$ 41	$ 36	$ 35	$ 28
Creston Mascota deposit at Pinos Altos					
Revenues from mining operations	$ 41,522	$ 87,551	$ 57,255	$ –	$ –
Production costs	19,843	24,324	14,570	–	–
Operating margin	$ 21,679	$ 63,227	$ 42,685	$ –	$ –
Amortization of property, plant and mine development	7,218	6,477	5,602	–	–
Gross profit	$ 14,461	$ 56,750	$ 37,083	$ –	$ –

Tonnes of ore processed	1,276,159	1,532,364	1,553,563	–	–
Gold – grams per tonne	1.43	1.74	1.51	–	–
Gold production – ounces	34,027	51,175	38,222	–	–
Silver production – thousands of ounces	46	74	27	–	–
Total cash costs per ounce of gold produced ($ per ounce basis)[vii]:					
Production costs	$ 521	$ 376	$ 381	$ –	$ –
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	(16)	(37)	(15)	–	–
Inventory and other adjustments[i]	16	(1)	12	–	–
Non-cash reclamation provision	(3)	(12)	(12)	–	–
Stripping costs[v]	(33)	–	–	–	–
Total cash costs per ounce of gold produced[ii]	$ 485	$ 326	$ 366	$ –	$ –
Minesite costs per tonne[iii][v][vii]	$ 16	$ 12	$ 9	$ –	$ –

Notes:

(i) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title and risk is transferred. As total cash costs per ounce of gold produced are calculated on a production basis, this inventory adjustment reflects the sales margin on the portion of concentrate production not yet recognized as revenue.

(ii) Total cash costs per ounce of gold produced is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. The Company believes that this generally accepted industry measure is a realistic indication of operating performance and is a useful comparison point between periods. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iii) Minesite costs per tonne is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) for unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by tonnes of ore milled. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in byproduct metal prices and exchange rates, management believes that the minesite costs per tonne measure provides 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 US GAAP.

(iv) Excludes the Goldex mine's results for the third quarter of 2013. Initial non-commercial payable gold production of 1,505 ounces was achieved at the Goldex mine's M and E Zones during the third quarter of 2013. Results for 2009 through 2011 relate to the Goldex mine's GEZ prior to the indefinite suspension of operations there on October 19, 2011 due to geotechnical concerns.

(v) The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

(vi) Excludes the Kittila mine's results for the second quarter of 2013. Due to an extended maintenance shutdown, the Kittila mine only operated for 14 days during the second quarter of 2013. The Kittila mine incurred $18,159,000 in production costs during the second quarter of 2013, which were excluded from the calculation of total cash costs per ounce of gold produced and minesite costs per tonne.

(vii) Excludes results from the Creston Mascota deposit at Pinos Altos for the first quarter of 2013 and the fourth quarter of 2012 due to an unexpected movement of leached ore at the Phase One leach pad, resulting in the temporary suspension of active leaching between October 1, 2012 and March 13, 2013. The Creston Mascota deposit at Pinos Altos incurred $3,117,000 and $6,439,000 in production costs during the first quarter of 2013 and the fourth quarter of 2012, respectively, which were excluded from the calculation of total cash costs per ounce of gold produced and minesite costs per tonne.

QuickLinks

Exhibit 99.3

AGNICO EAGLE MINES LIMITED MANAGEMENT'S DISCUSSION AND ANALYSIS
NOTE TO INVESTORS CONCERNING FORWARD-LOOKING INFORMATION
NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESOURCES

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Mineral Resources
Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

NOTE TO INVESTORS CONCERNING NON-US GAAP FINANCIAL PERFORMANCE MEASURES
Gold P.M. Fix ($ per ounce)
Total Production Costs by Category
SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
FIVE YEAR FINANCIAL AND OPERATING SUMMARY (thousands of United States dollars, except where noted)

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 26, 2014

/s/ Sean Boyd
Sean Boyd
Vice-Chairman, President and Chief Executive Officer

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 26, 2014

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

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, 2013 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; 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 26, 2014

/s/ Sean Boyd
Sean Boyd
Vice-Chairman, President and Chief Executive Officer

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, 2013 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:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
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 26, 2014

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

Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our Firm under the caption “Interests of Experts” and to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (the “Annual Report”), and the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) and Form S-8 (registration nos. 333-130339 and 333-152004) of our reports dated March 21, 2014, with respect to the consolidated financial statements of Agnico Eagle Mines Limited as of December 31, 2013 and December 31, 2012 and for each of the years in the three-year period ended December 31, 2013 and with respect to the effectiveness of internal control over financial reporting of Agnico Eagle Mines Limited, which reports are included in the Annual Report.

Toronto, Canada
March 26, 2014

/s/ Ernst & Young LLP
ERNST & YOUNG LLP
Chartered Accountants Licensed Public Accountants

Exhibit 99.9

CONSENT OF DANIEL DOUCET

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (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 21, 2014 (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. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) 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 26, 2014

/s/ Daniel Doucet
Daniel Doucet
Corporate Director, Reserve Development

Exhibit 99.10

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, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (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 21, 2014 (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. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) 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 26, 2014

/s/ Louise Grondin
Louise Grondin
Senior Vice-President, Environment and Sustainable Development

Exhibit 99.11

CONSENT OF TIM HALDANE

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (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 21, 2014 (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. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) 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 26, 2014

/s/ Tim Haldane
Tim Haldane
Senior Vice-President, Latin America

Exhibit 99.12

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, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (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 21, 2014 (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. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) 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 26, 2014

/s/ Paul Cousin
Paul Cousin
Vice-President, Metallurgy

Exhibit 99.13

CONSENT OF CHRISTIAN PROVENCHER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 26, 2014 (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 21, 2014 (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. 333-174751), Form F-3D (registration nos. 333-183723 and 333-190888) 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 26, 2014

/s/ Christian Provencher
Christian Provencher
Vice-President, Canada